

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 HOUSE BILL 2567

By: McBride and O'Donnell

4  
5  
6 AS INTRODUCED

7 An Act relating to public finance; imposing  
8 requirements with respect to certain shares;  
9 prohibiting governmental entities from relying on  
10 information provided by certain entities; prohibiting  
11 grant of proxy voting rights; providing exceptions;  
12 prohibiting public retirement systems from certain  
13 action; prohibiting actions with respect to advice  
14 provided by proxy advisers; requiring tabulation of  
15 certain proxy votes; requiring report to the State  
16 Treasurer; providing for codification; providing an  
17 effective date; and declaring an emergency.

18  
19  
20  
21  
22  
23  
24 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 8001 of Title 62, unless there  
is created a duplication in numbering, reads as follows:

A. All shares held directly or indirectly by or on behalf of a  
governmental entity and/or the participants and their beneficiaries  
shall be voted solely in the pecuniary interest of plan participants  
and their beneficiaries.

B. A governmental entity may not rely on any voting decision  
guidance from any company listed on the restricted financial

1 institutions and companies list maintained under subsection D of  
2 this section.

3 C. Unless no economically practicable alternative is available,  
4 a governmental entity may not grant proxy voting authority to any  
5 person who is not a part of the governmental entity, unless that  
6 person has a practice of, and in writing commits to, following  
7 guidelines that match the governmental entity's obligation to act  
8 solely upon pecuniary factors.

9 D. Unless no economically practicable alternative is available,  
10 public retirement system assets shall not be entrusted to a  
11 fiduciary, unless that fiduciary has a practice of, and in writing  
12 commits to, follow guidelines, when engaging with portfolio  
13 companies and voting shares or proxies, that match the governmental  
14 entity's obligation to act solely upon pecuniary factors.

15 E. Unless no economically practicable alternative is available,  
16 an investment manager, fiduciary or governmental entity may not  
17 adopt a practice of following the recommendations of a proxy adviser  
18 or other service provider, unless such adviser or service provider  
19 has a practice of, and in writing commits to, follow proxy voting  
20 guidelines that match the governmental entity's obligation to act  
21 solely upon pecuniary factors.

22 F. All proxy votes shall be tabulated and reported annually to  
23 the State Treasurer. For each vote, the report shall contain a vote  
24 caption, the plan's vote, the recommendation of company management,

1 and, if applicable, the proxy adviser's recommendation. These  
2 reports shall be posted on a publicly available webpage on the State  
3 Treasurer's website.

4 SECTION 2. This act shall become effective July 1, 2023.

5 SECTION 3. It being immediately necessary for the preservation  
6 of the public peace, health or safety, an emergency is hereby  
7 declared to exist, by reason whereof this act shall take effect and  
8 be in full force from and after its passage and approval.

9

10 59-1-5578 MAH 01/19/23

11

12

13

14

15

16

17

18

19

20

21

22

23

24