

BILL SUMMARY
2nd Session of the 57th Legislature

Bill No.: SB 1890
Version: Engrossed
Request Number:
Author: Reps. McEntire and Sen. Montgomery
Date: 5/12/2020
Impact: FY-21: No impact, FY-22 or FY-23 additional appropriations needed

Research Analysis

Engrossed SB1890 creates the Oklahoma Prosperity Act, which establishes a framework to allow the employees of a covered employer participate in state-sponsored individual retirement accounts (IRA) through the Oklahoma Prosperity Act Program. The measure vests program development and implementation with the State Treasurer and requires the program to be operational within 36 months of the effective date of the act. Program participation is optional, however, a covered employee will be automatically enrolled in the program and be subject to the default contribution rate (3%) unless the employee elects to not participate in the program.

Prepared By: Quyen Do

Fiscal Analysis

SB 1890 in its current form creates the Oklahoma Prosperity Act Program and assigns administrative responsibility for the Program to the State Treasurer. The measure also creates the Oklahoma Prosperity Act Administrative Fund and the Oklahoma Prosperity Act Trust. The measure authorizes the State Treasurer to hire employees to administer the Program. The measure requires that the provisions of the act be implemented within 36 months of the measure's effective date.

The measure includes language that states the implementation of the act shall be delayed until sufficient appropriations are made to the State Treasurer. No funding for this Program was included in the FY-21 State Budget, as it currently exists in SB 1922; therefor SB 1890 will have no impact to the State Budget in FY-21. However, additional appropriations will need to be provided to implement the program in FY-22 or FY-23.

According to officials from the State Treasurer's office, the annual cost of the program is estimated to be between \$750K and \$1.0M.

Prepared By: Clayton Mayfield

Other Considerations

None.

