

ENGROSSED HOUSE
BILL NO. 2500

BY: PILGRIM of the HOUSE

and

SMITH of the SENATE

AN ACT RELATING TO DUPLICATE SECTIONS; AMENDING 15 O.S. 1991, SECTION 753 (SECTION 2, CHAPTER 312, O.S.L. 1991), WHICH RELATES TO UNLAWFUL PRACTICES UNDER THE OKLAHOMA CONSUMER PROTECTION ACT; CLARIFYING LANGUAGE; AMENDING 47 O.S. 1991, SECTION 6-101, AS AMENDED BY SECTION 1 OF ENROLLED HOUSE BILL NO. 2147 OF THE 2ND SESSION OF THE 43RD OKLAHOMA LEGISLATURE, WHICH RELATES TO CLASS REQUIREMENTS FOR DRIVERS LICENSE; PROVIDING EXCEPTION FOR CERTAIN PERSON TO DRIVE VEHICLES PLACARDED FOR HAZARDOUS MATERIALS; AMENDING 63 O.S. 1991, SECTION 2-503 (SECTION 6, CHAPTER 306, O.S.L. 1991), WHICH RELATES TO PROPERTY SUBJECT TO FORFEITURE; MODIFYING DISTRIBUTION OF PROCEEDS OF FORFEITURE OF ITEMS SEIZED BY THE OKLAHOMA STATE BUREAU OF NARCOTICS AND DANGEROUS DRUGS CONTROL; AUTHORIZING CERTAIN AGREEMENTS; LIMITING CERTAIN EXPENDITURES; REQUIRING THE FORWARDING OF CERTAIN DOCUMENTATION; REQUIRING CERTAIN PREAPPROVAL FOR CERTAIN EXPENDITURES; AMENDING 68 O.S. 1991, SECTION 1355 (SECTION 1, CHAPTER 337, O.S.L. 1991), WHICH RELATES TO EXEMPTIONS FROM CERTAIN TAX LEVIES; ADDING TO SUCH EXEMPTIONS; AMENDING 68 O.S. 1991, SECTION 1357 (SECTION 15, CHAPTER 342, O.S.L.

1991), WHICH RELATES TO EXEMPTIONS FROM CERTAIN TAX LEVIES; MODIFYING CONDITIONS VOIDING CERTAIN PROVISIONS RELATING TO AIRCRAFT MAINTENANCE FACILITIES; AMENDING 68 O.S. 1991, SECTION 2358 (SECTION 20, CHAPTER 342, O.S.L. 1991), WHICH RELATES TO ADJUSTMENTS TO ARRIVE AT TAXABLE INCOME AND ADJUSTED GROSS INCOME; AUTHORIZING CERTAIN ONE-TIME ADDITIONAL EXEMPTIONS; AMENDING 70 O.S. 1991, SECTION 13-124 (SECTION 3, CHAPTER 317, O.S.L. 1991), WHICH RELATES TO STATE FUNDS FOR EDUCATION; AUTHORIZING CERTAIN BOARDS OF EDUCATION TO EXECUTE AGREEMENTS RELATING TO THE SHARING OF CERTAIN FACILITIES; AMENDING 74 O.S. 1991, SECTION 18 1 (SECTION 29, CHAPTER 335, O.S.L. 1991), WHICH RELATES TO COLLECTION OF FEES BY THE ATTORNEY GENERAL FOR LEGAL SERVICES PROVIDED TO CERTAIN AGENCIES; ADDING CERTAIN AGENCIES TO LIST FOR SUCH FEES; AMENDING 74 O.S. 1991, SECTION 85.7 (SECTION 10, CHAPTER 332, O.S.L. 1991), WHICH RELATES TO COMPETITIVE BIDDING PROCEDURES; INCREASING AMOUNT OF CONTRACT MONIES FOR PURPOSE OF EXEMPTION FROM ACT; MODIFYING EXEMPTIONS; AMENDING 74 O.S. 1991, SECTION 1847.1 (SECTION 4, CHAPTER 308, O.S.L. 1991), WHICH RELATES TO ADDITIONAL POWERS OF THE OKLAHOMA TOURISM AND RECREATION COMMISSION; MODIFYING CONDEMNATION POWERS AND DUTIES; AMENDING 51 O.S. 1991, SECTION 6, AS AMENDED BY SECTION 1 OF ENROLLED HOUSE BILL NO. 2371 OF THE 2ND SESSION OF THE 43RD OKLAHOMA LEGISLATURE, WHICH RELATES TO DUAL OFFICE HOLDING; EXPANDING EXCEPTIONS TO THE DUAL OFFICE HOLDING PROHIBITION; AMENDING 74 O.S. 1991, SECTION 840.8 (SECTION 3, CHAPTER 308, O.S.L.

1991), WHICH RELATES TO EXEMPT UNCLASSIFIED EMPLOYEES; MODIFYING CERTAIN EXEMPTION; AMENDING 74 O.S. 1991, SECTION 85.12, AS AMENDED BY SECTION 3 OF ENROLLED SENATE BILL NO. 646 OF THE 2ND SESSION OF THE 43RD OKLAHOMA LEGISLATURE, WHICH RELATES TO EXEMPTIONS FROM THE OKLAHOMA CENTRAL PURCHASING ACT; REQUIRING THE DIRECTOR OF CENTRAL SERVICES TO PROMULGATE CERTAIN RULES; REPEALING 11 O.S. 1991, SECTION 37-119 (SECTION 2, CHAPTER 293, O.S.L. 1991), 15 O.S. 1991, SECTION 753 (SECTION 4, CHAPTER 242, O.S.L. 1991), 20 O.S. 1991, SECTION 1308 (SECTION 29, CHAPTER 238, O.S.L. 1991), 47 O.S. 1991, SECTION 6-101 (SECTION 13, CHAPTER 335, O.S.L. 1991), 63 O.S. 1991, SECTION 2-503 (SECTION 32, CHAPTER 216, O.S.L. 1991), 68 O.S. 1991, SECTIONS 1355 (SECTION 19, CHAPTER 235, O.S.L. 1991), 1357 (SECTION 2, CHAPTER 337, O.S.L. 1991) AND 2358 (SECTION 1, CHAPTER 232, O.S.L. 1991), 70 O.S. 1991, SECTIONS 6-101.4 (SECTION 6, CHAPTER 3, O.S.L. 1991) AND 13-124 (SECTION 68, CHAPTER 280, O.S.L. 1991), AND 74 O.S. 1991, SECTIONS 18 1 (SECTION 8, CHAPTER 282, O.S.L. 1991), 85.7 (SECTION 2, CHAPTER 197, O.S.L. 1991), 840.8 (SECTION 18, CHAPTER 291, O.S.L. 1991), 1304 (SECTION 10, CHAPTER 288, O.S.L. 1991) AND 1847.1 (SECTION 2, CHAPTER 262, O.S.L. 1991), WHICH ARE DUPLICATE SECTIONS; REPEALING 51 O.S. 1991, SECTION 6, AS AMENDED BY SECTION 2 OF ENROLLED HOUSE BILL NO. 1804 OF THE 2ND SESSION OF THE 43RD OKLAHOMA LEGISLATURE, AND 74 O.S. 1991, SECTION 85.12, AS AMENDED BY SECTION 1 OF ENROLLED HOUSE BILL NO. 2145 OF THE 2ND SESSION OF THE 43RD OKLAHOMA

LEGISLATURE, WHICH ARE DUPLICATE SECTIONS;
PROVIDING AN EFFECTIVE DATE; AND DECLARING AN
EMERGENCY.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 15 O.S. 1991, Section 753 (Section 2, Chapter 312, O.S.L. 1991), is amended to read as follows:

Section 753. A person engages in a practice which is declared to be unlawful under the Oklahoma Consumer Protection Act, Section 751 et seq. of this title, when, in the course of his business, he:

1. Represents, knowingly or with reason to know, that the subject of a consumer transaction is of a particular make or brand, when it is of another;

2. Makes a false or misleading representation, knowingly or with reason to know, as to the source, sponsorship, approval, or certification of the subject of a consumer transaction;

3. Makes a false or misleading representation, knowingly or with reason to know, as to affiliation, connection, association with, or certification by another;

4. Makes a false or misleading representation or designation, knowingly or with reason to know, of the geographic origin of the subject of a consumer transaction;

5. Makes a false representation, knowingly or with reason to know, as to the characteristics, ingredients, uses, benefits, alterations, or quantities of the subject of a consumer transaction or a false representation as to the sponsorship, approval, status, affiliation or connection of a person therewith;

6. Represents, knowingly or with reason to know, that the subject of a consumer transaction is original or new if he knows that it is reconditioned, reclaimed, used, or secondhand;

7. Represents, knowingly or with reason to know, that the subject of a consumer transaction is of a particular standard, style or model, if it is of another;

8. Advertises, knowingly or with reason to know, the subject of a consumer transaction with intent not to sell it as advertised;

9. Advertises, knowingly or with reason to know, the subject of a consumer transaction with intent not to supply reasonably expected public demand, unless the advertisement discloses a limitation of quantity;

10. Advertises under the guise of obtaining sales personnel when in fact the purpose is to sell the subject of a consumer transaction to the sales personnel applicants;

11. Makes false or misleading statements of fact, knowingly or with reason to know, concerning the price of the subject of a consumer transaction or the reason for, existence of, or amounts of price reduction;

12. Employs "bait and switch" advertising, which consists of an offer to sell the subject of a consumer transaction which the seller does not intend to sell, which advertising is accompanied by one or more of the following practices:

- a. refusal to show the subject of a consumer transaction advertised;
- b. disparagement of the advertised subject of a consumer transaction or the terms of sale;
- c. requiring undisclosed tie-in sales or other undisclosed conditions to be met prior to selling the advertised subject of a consumer transaction;

- d. refusal to take orders for the subject of a consumer transaction advertised for delivery within a reasonable time;
- e. showing or demonstrating defective subject of a consumer transaction which the seller knows is unusable or impracticable for the purpose set forth in the advertisement;
- f. accepting a deposit for the subject of a consumer transaction and subsequently charging the buyer for a higher priced item; or
- g. willful failure to make deliveries of the subject of a consumer transaction within a reasonable time or to make a refund therefor upon the request of the purchaser;

13. Conducts a closing out sale without having first obtained a license as required in this act, Section 751 et seq. of this title;

14. Resumes the business for which the closing out sale was conducted within one (1) year from the expiration date of the closing out sale license;

15. Falsely states, knowingly or with reason to know, that services, replacements or repairs are needed;

16. Violates any provision of the Oklahoma Health Spa Act, Section 2000 et seq. of Title 59 of the Oklahoma Statutes;

17. Violates any provision of the Home Repair Fraud Act, Section 765.1 et seq. of this title; or

18. Violates any provision of ~~Section 3 of this act~~ the Consumer Disclosure of Prizes and Gifts Act, Section 996.1 et seq. of Title 21 of the Oklahoma Statutes.

SECTION 2. AMENDATORY 47 O.S. 1991, Section 6-101, as amended by Section 1 of Enrolled House Bill No. 2147 of the 2nd Session of the 43rd Oklahoma Legislature, is amended to read as follows:

Section 6-101. A. No person, except those hereinafter expressly exempted in Section 6-102 of this title, shall operate any motor vehicle upon a highway in this state unless such person has a valid Oklahoma license for the class of vehicle being operated under the provisions of this title. No person shall be permitted to possess more than one valid license at any time.

B. 1. No person shall operate a Class A commercial motor vehicle unless such person is eighteen (18) years of age or older and holds a valid Class A commercial license. Any person holding a valid Class A commercial license shall be permitted to operate motor vehicles in Classes A, B, C and D, except as provided for in paragraph 4 of this subsection;

2. No person shall operate a Class B commercial motor vehicle unless such person is eighteen (18) years of age or older and holds a valid Class B commercial license. Any person holding a valid Class B commercial license shall be permitted to operate motor vehicles in Classes B, C and D, except as provided for in paragraph 4 of this subsection;

3. No person shall operate a Class C commercial motor vehicle unless such person is eighteen (18) years of age or older and holds a valid Class C commercial license. Any person holding a valid Class C commercial license shall be permitted to operate motor vehicles in Classes C and D, except as provided for in paragraph 4 of this subsection;

4. No person under twenty-one (21) years of age shall be licensed to operate any motor vehicle which is required to be placarded for hazardous materials pursuant to 49 C.F.R., Part 172, subpart F; provided, the Department of Public Safety shall provide by rule promulgated pursuant to the Administrative Procedures Act, Section 250 et seq. of Title 75 of the Oklahoma Statutes, that a person under twenty-one (21) years of age may be licensed to operate:

a. a farm vehicle, or

b. if such person is the operator of or employed by the operator of a farm retail outlet, any vehicle,

which is required to be placarded for hazardous materials pursuant to 49 C.F.R., Part 172, subpart F, if such licensure will not result in the loss of federal funds to the State of Oklahoma pursuant to federal law or regulation; and

5. No person shall operate a Class D motor vehicle unless such person is sixteen (16) years of age or older and holds a valid Class D license, except as provided for in Section 6-105 of this title. Any person holding a valid Class D license shall be permitted to operate motor vehicles in Class D only.

C. No person shall operate a motorcycle, motor-driven cycle or a motorized bicycle without first having obtained a Class A, B, C or D license with a motorcycle endorsement.

D. Any person issued a classified driver's license pursuant to this section may exercise the privilege thereby granted upon all streets and highways in this state.

E. Except as otherwise may be provided for by law, any new applicant for an original classified license shall be required to successfully complete a written examination, vision examination and driving examination for a motorcycle as prescribed by the Department of Public Safety to be eligible for a motorcycle endorsement thereon.

F. Except as otherwise may be provided for by law, any holder of an Oklahoma commercial chauffeur, chauffeur or operator driver's license which is eligible for renewal who applies for a Class A, B, C or D license shall be required to successfully complete a written examination, vision examination and driving examination for a motorcycle as prescribed by the Department to be eligible for a motorcycle endorsement thereon; provided, however, the Department may waive all such examinations upon being furnished satisfactory

proof that the applicant has regularly operated a motorcycle, motor-driven cycle or motorized bicycle for a minimum of two (2) years immediately preceding the application.

G. Any person eighteen (18) years of age or older may apply for a restricted Class A, B or C license. The Department, after the applicant has passed all parts of the examination for and has been issued a Class D license and has successfully passed all parts of the examination for a Class A, B or C license other than the driving test, may issue to the applicant a restricted driver's license which shall entitle the applicant having such license in his immediate possession to operate a Class A, B or C commercial motor vehicle upon the public highways solely for the purpose of behind-the-wheel training while accompanied by a licensed driver twenty-one (21) years of age or older holding a valid license for the class of vehicle being driven including any and all required endorsements.

This restricted driver's license shall be issued for the same period as all other licenses; provided, such restricted license may be suspended, revoked, canceled or denied at the discretion of the Department for violation of the restrictions, for failing to give the required or correct information on the application or for violation of any traffic laws of this state pertaining to the operation of a motor vehicle. Except as otherwise provided, the holder of such restricted license who has been issued such restricted license for a minimum of thirty (30) days may have the restriction requiring an accompanying driver removed by satisfactorily completing a driver's examination; provided, the removal of such restriction shall not authorize the operation of a Class A, B or C commercial motor vehicle if such operation is otherwise prohibited by law. The Department shall cause such examination to be conducted not more than three times during the first six (6) months after date of issuance of said restricted

license and not more than one time every three (3) months thereafter upon request of the holder thereof.

H. The fee charged for a successful examination shall be assessed in accordance with the following schedule:

Class A Commercial License	\$25.00
Class B Commercial License	\$15.00
Class C Commercial License	\$15.00
Class D License	\$ 4.00
Motorcycle Examination	\$ 4.00

Notwithstanding the provisions of Section 1104 of this title, all monies collected from the examination fees charged for Class A, B and C Commercial Licenses pursuant to the provisions of this subsection shall be deposited in the General Revenue Fund of this state.

I. In addition to any fee charged for a successful examination pursuant to the provisions of subsection H of this section, the fee charged for the issuance or renewal of an Oklahoma license shall be in accordance with the following schedule:

Class A Commercial License	\$35.00
Class B Commercial License	\$35.00
Class C Commercial License	\$25.00
Class D License	\$15.00

J. All original and renewal classified licenses shall expire four (4) years from the last day of the month in which the license was issued.

K. Any person sixty-two (62) years of age or older during the calendar year of issuance or renewal of a Class D license or motorcycle endorsement shall be charged the following prorated fee:

Age 62	\$11.25
Age 63	\$ 7.50
Age 64	\$ 3.75
Age 65	-0-

L. The Oklahoma Department of Public Safety and the Oklahoma Tax Commission are authorized to promulgate rules and regulations for the issuance and for the renewal of driver's licenses authorized to be issued pursuant to the provisions of Sections 6-101 through 6-309 of this title. Applications for such licenses shall be handled by the motor license agents, provided that the Department of Public Safety is authorized to assume these duties in any county of this state. Each motor license agent accepting applications for such drivers' licenses shall receive Two Dollars (\$2.00) to be deducted from the total collected for each license or renewal application accepted. The two-dollar fee received by the motor license agent shall be used for operating expenses.

M. Notwithstanding the provisions of Section 1104 of this title and subsection L of this section and except as provided in subsection H of this section, the first Sixty Thousand Dollars (\$60,000.00) of all monies collected pursuant to this section shall be paid by the Oklahoma Tax Commission to the State Treasurer to be deposited each fiscal year under the provisions of this section to the credit of the Department of Public Safety Revolving Fund for the purpose of the Department of Public Safety Share the Road Program as that program pertains to the operation of commercial vehicles in this state with a gross vehicle weight rating of twenty-six thousand one (26,001) or more pounds. Expenditures from the Department of Public Safety Revolving Fund for the purpose of the Department of Public Safety Share the Road Program as that program pertains to the operation of commercial vehicles in this state with a gross vehicle weight rating of twenty-six thousand one (26,001) or more pounds shall be in compliance with competitive bidding required of state agencies, shall be in compliance with prohibitions against sole source contracts, and shall be audited annually by the State Auditor and Inspector. The next Five Hundred Thousand Dollars (\$500,000.00) of monies collected pursuant to this section shall be paid by the

Oklahoma Tax Commission to the State Treasurer to be deposited each fiscal year under the provisions of this section to the credit of the Department of Public Safety Revolving Fund for the purpose of the Statewide Law Enforcement Communications System. All other monies collected in excess of Five Hundred Sixty Thousand Dollars (\$560,000.00) each fiscal year shall be apportioned as provided in Section 1104 of this title, except as provided in subsection L of this section.

N. The Commissioner of the Department of Public Safety is authorized to employ such additional personnel as shall be necessary to administer the provisions of Sections 6-101 through 6-309 of this title.

SECTION 3. AMENDATORY 63 O.S. 1991, Section 2-503 (Section 6, Chapter 306, O.S.L. 1991), is amended to read as follows:

Section 2-503. A. The following shall be subject to forfeiture:

1. All controlled dangerous substances which have been manufactured, distributed, dispensed, acquired, concealed or possessed in violation of the Uniform Controlled Dangerous Substances Act, Section 2-101 et seq. of this title.

2. All raw materials, products and equipment of any kind and all drug paraphernalia as defined by the Uniform Controlled Dangerous Substances Act, which are used, or intended for use, in manufacturing, compounding, processing, delivering, importing or exporting, injecting, ingesting, inhaling, or otherwise introducing into the human body any controlled dangerous substance in violation of the provisions of the Uniform Controlled Dangerous Substances Act.

3. All property which is used, or intended for use, as a container for property described in paragraphs 1 and 2 of this subsection.

4. All conveyances, including aircraft, vehicles, vessels, or farm implements which are used to transport, conceal, or cultivate for the purpose of distribution as defined in Section 2-101 of this title, or in any manner to facilitate the transportation or cultivation for the purpose of sale or receipt of property described in paragraphs 1 or 2 of this subsection or when such property is unlawfully possessed by an occupant thereof, except that:

- a. no conveyance used by a person as a common carrier in the transaction of business as a common carrier shall be forfeited under the provisions of the Uniform Controlled Dangerous Substances Act unless it shall appear that the owner or other person in charge of such conveyance was a consenting party or privy to a violation of the Uniform Controlled Dangerous Substances Act; and
- b. no conveyance shall be forfeited under the provisions of this section by reason of any act or omission established by the owner thereof to have been committed or omitted without the knowledge or consent of such owner, and if the act is committed by any person other than such owner the owner shall establish further that the conveyance was unlawfully in the possession of a person other than the owner in violation of the criminal laws of the United States, or of any state.

5. All books, records and research, including formulas, microfilm, tapes and data which are used in violation of the Uniform Controlled Dangerous Substances Act.

6. All things of value furnished, or intended to be furnished, in exchange for a controlled dangerous substance in violation of the Uniform Controlled Dangerous Substances Act, all proceeds traceable to such an exchange, and all monies, negotiable instruments, and

securities used, or intended to be used, to facilitate any violation of the Uniform Controlled Dangerous Substances Act.

7. All moneys, coin and currency found in close proximity to forfeitable substances, to forfeitable drug manufacturing or distribution paraphernalia or to forfeitable records of the importation, manufacture or distribution of substances, which are rebuttably presumed to be forfeitable under this act. The burden of proof is upon claimants of the property to rebut this presumption.

8. All real property, including any right, title, and interest in the whole of any lot or tract of land and any appurtenance or improvement thereto, which is used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, a violation of the Uniform Controlled Dangerous Substances Act which is punishable by imprisonment for more than one (1) year, except that no property right, title or interest shall be forfeited pursuant to this paragraph, by reason of any act or omission established by the owner thereof to have been committed or omitted without the knowledge or consent of that owner.

9. All weapons possessed, used or available for use in any manner to facilitate a violation of the Uniform Controlled Dangerous Substances Act, Section 2-101 et seq. of this title.

B. Any property or thing of value of a person is subject to forfeiture if it is established by a preponderance of the evidence that such property or thing of value was acquired by such person during the period of the violation of the Uniform Controlled Dangerous Substances Act or within a reasonable time after such period and there was no likely source for such property or thing of value other than the violation of the Uniform Controlled Dangerous Substances Act.

C. Any property or thing of value of a person is subject to forfeiture if it is established by a preponderance of the evidence

that the person has not paid all or part of a fine imposed pursuant to the provisions of Section 2-415 of this title.

D. All items forfeited in this section shall be forfeited under the procedures established in Section 2-506 of this title. Whenever any item is forfeited pursuant to this section except for items confiscated by the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma Department of Public Safety, the Oklahoma State Bureau of Investigation or the Alcoholic Beverage Laws Enforcement Commission, the district court of the district shall order that such item, money, or monies derived from the sale of such item be deposited by the state, county or city law enforcement agency which seized the item in the revolving fund provided for in Section 2-506 of this title; provided, such item, money or monies derived from the sale of such item forfeited due to nonpayment of a fine imposed pursuant to the provisions of Section 2-415 of this title shall be apportioned as provided in Section 2-416 of this title. Items, money or monies seized pursuant to subsections A and B of this section shall not be applied or considered toward satisfaction of the fine imposed by Section 2-415 of this title. All raw materials used or intended to be used by persons to unlawfully manufacture or attempt to manufacture any controlled dangerous substance in violation of the Uniform Controlled Dangerous Substances Act shall be summarily forfeited pursuant to the provisions of Section 2-505 of this title.

E. All property taken or detained under this section by the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma Department of Public Safety, the Oklahoma State Bureau of Investigation or the Alcoholic Beverage Laws Enforcement Commission shall not be repleviable, but shall remain in the custody of the Bureaus, Department, or Commission, respectively, subject only to the orders and decrees of a court of competent jurisdiction. The Director of the Oklahoma State Bureau of Narcotics and Dangerous

Drugs Control, the Commissioner of Public Safety, the Director of the Oklahoma State Bureau of Investigation or the Director of the Alcoholic Beverage Laws Enforcement Commission shall follow the procedures outlined in Section 2-506 of this title dealing with notification of seizure, intent of forfeiture, final disposition procedures, and release to innocent claimants with regard to all property included in this section detained by the ~~Oklahoma State Bureau of Narcotics and Dangerous Drugs Control~~, the Oklahoma Department of Public Safety, the Oklahoma State Bureau of Investigation or the Alcoholic Beverage Laws Enforcement Commission. Property taken or detained by the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma Department of Public Safety, the Oklahoma State Bureau of Investigation or the Alcoholic Beverage Laws Enforcement Commission shall be disposed of or sold pursuant to the provisions of Section 2-508 of this title.

F. The proceeds of any forfeiture of items seized by the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control shall be distributed as follows:

1. To the bona fide or innocent purchaser, conditional sales vendor or mortgagee of the property, if any, up to the amount of his interest in the property, when the court declaring a forfeiture orders a distribution to such person; and

2. The balance to the Oklahoma State Bureau of Narcotics' revolving fund or the Bureau's agency special account established pursuant to Section 7.2 of Title 62 of the Oklahoma Statutes, provided the Bureau may enter into agreements with municipal, county, state or federal law enforcement agencies, assisting in the forfeiture or underlying criminal investigation, to return to such an agency a percentage of said proceeds.

The Bureau may expend up to Five Hundred Thousand Dollars (\$500,000.00) of the forfeited funds within a fiscal year without prior approval of the Legislature. Documentation of such

expenditures shall be forwarded to the Governor, Speaker of the House of Representatives and the President Pro Tempore of the Senate on a quarterly basis. Any additional expenditures of forfeited funds shall be pre-approved by the annual appropriations process or the Contingency Review Board.

SECTION 4. AMENDATORY 68 O.S. 1991, Section 1355

(Section 1, Chapter 337, O.S.L. 1991), is amended to read as follows:

Section 1355. Exemptions - Subject to other tax.

There are hereby specifically exempted from the tax levied pursuant to the provisions of this article:

(A) Sale of gasoline ~~or~~, motor fuel, compressed natural gas, liquefied natural gas or liquefied petroleum gas on which the Motor Fuel Tax, Gasoline Excise Tax, ~~or~~ Special Fuels Tax or the fee in lieu of Special Fuels Tax levied in Article 5, 6, or 7 of this title has been, or will be paid;

(B) Sale of motor vehicles or any optional equipment or accessories attached to motor vehicles on which the Oklahoma Motor Vehicle Excise Tax levied in Article 21 of this title has been, or will be paid;

(C) Sale of crude petroleum or natural or casinghead gas and other products subject to gross production tax pursuant to the provisions of Articles 10 and 11 of this title. This exemption shall not apply when such products are sold to a consumer or user for consumption or use, except when used for injection into the earth for the purpose of promoting or facilitating the production of oil or gas. This subsection shall not operate to increase or repeal the gross production tax levied by the laws of this state;

(D) Sale of aircraft on which the tax levied pursuant to the provisions of Sections 6001 through 6004 of this title has been, or will be paid;

(E) Sales from coin-operated devices on which the fee imposed by Sections 1501 through 1513 of this title has been paid; and

(F) Leases of twenty-four (24) months or more of motor vehicles in which the owners of the vehicles have paid the vehicle excise tax levied by Section 2103 of this title. Provided any such lease exempt from the tax levied pursuant to the provisions of this article which is terminated prior to the expiration of the original term shall be subject to the tax levied by this article in an amount equal to the amount of tax which would have been due without the exemption plus a penalty of twenty percent (20%) of the principal amount of tax which would have been due; provided, however, the penalty provided by this subsection shall not apply if the original lessee acquires title to the leased vehicle within the original term of the lease.

SECTION 5. AMENDATORY 68 O.S. 1991, Section 1357 (Section 15, Chapter 342, O.S.L. 1991), is amended to read as follows:

Section 1357. Exemptions - General.

There are hereby specifically exempted from the tax levied by this article:

(A) Transportation of school pupils to and from elementary schools or high schools in motor or other vehicles;

(B) Transportation of persons where the fare of each person does not exceed One Dollar (\$1.00), or local transportation of persons within the corporate limits of a municipality except by taxicabs;

(C) Sales for resale to persons engaged in the business of reselling the articles purchased, whether within or without the state, provided that such sales to residents of this state are made to persons to whom sales tax permits have been issued as provided in this article. This exemption shall not apply to the sales of articles made to persons holding permits when such persons purchase

items for their use and which they are not regularly engaged in the business of reselling; neither shall this exemption apply to sales of tangible personal property to peddlers, solicitors and other salesmen who do not have an established place of business and a sales tax permit. The exemption provided by this subsection shall apply to sales of motor fuel or diesel fuel to a Group Five vendor, but the use of such motor fuel or diesel fuel by the Group Five vendor shall not be exempt from the tax levied by this article. The purchase of motor fuel or diesel fuel is exempt from sales tax when the motor fuel is for shipment outside this state and consumed by a common carrier by rail in the conduct of its business. The sales tax shall apply to the purchase of motor fuel or diesel fuel in Oklahoma by a common carrier by rail when such motor fuel is purchased for fueling, within this state, of any locomotive or other motorized flanged wheel equipment;

(D) Sales of advertising space in newspapers and periodicals and billboard advertising service, and any advertising through the electronic media, including radio, television and cable television;

(E) Eggs, feed, supplies, machinery and equipment purchased by persons regularly engaged in the business of raising worms, fish, any insect or any other form of terrestrial or aquatic animal life and used for the purpose of raising same for marketing. This exemption shall only be granted and extended to the purchaser when the items are to be used and in fact are used in the raising of animal life as set out above. Each purchaser shall certify, in writing, on the invoice or sales ticket retained by the vendor that he is regularly engaged in the business of raising such animal life and that the items purchased will be used only in such business. The vendor shall certify to the Oklahoma Tax Commission that the price of the items has been reduced to grant the full benefit of the exemption. Violation hereof by the purchaser or vendor shall be a misdemeanor;

(F) Sale of natural or artificial gas and electricity when sold exclusively for residential use after December 31, 1980. Provided, nothing herein shall be construed as limiting or prohibiting cities and towns, and counties levying a tax pursuant to the provisions of ~~Section 5 of Enrolled House Bill No. 1001 of the 1st Extraordinary Session of the 43rd Oklahoma Legislature~~ 1370.2 of this title, from levying and collecting taxes on the sale of natural or artificial gas and electricity. Provided further, any sales tax levied by a city or town, or a county levying a tax pursuant to the provisions of ~~Section 5 of Enrolled House Bill No. 1001 of the 1st Extraordinary Session of the 43rd Oklahoma Legislature~~ 1370.2 of this title, on natural or artificial gas and electricity shall be in effect regardless of ordinance or contractual provisions referring to previously imposed state sales tax on such items;

(G) In addition to the exemptions authorized by Section ~~46~~ 1357.6 of this ~~act~~ title, sales of medicines or drugs prescribed for the treatment of human beings by a person licensed to prescribe the medicines or drugs. Provided, this exemption shall not apply to proprietary or patent medicines as defined by Section 353.1 of Title 59 of the Oklahoma Statutes;

(H) Transfers of title or possession of empty, partially filled, or filled returnable oil and chemical drums to any person who is not regularly engaged in the business of selling, reselling or otherwise transferring empty, partially filled, or filled returnable oil drums;

(I) Sales of one-way utensils, paper napkins, paper cups, disposable hot containers and other one-way carry out materials to a vendor of meals or beverages;

(J) Sales of food or food products for home consumption which are purchased in whole or in part with coupons issued pursuant to the federal food stamp program as authorized by Sections 2011 through 2029 of Title 7 of the United States Code, as to that

portion purchased with such coupons. The exemption provided for such sales shall be inapplicable to such sales upon the effective date of any federal law that removes the requirement of the exemption as a condition for participation by the State of Oklahoma in the federal food stamp program;

(K) Sales of computers, data processing equipment, related peripherals and telephone, telegraph or telecommunications service and equipment to a new or expanding business. In order to qualify for the exemption provided for by this subsection, the sale of said items shall equal or exceed the sum of Two Million Dollars (\$2,000,000.00). For purposes of this subsection, qualified purchaser means any new or expanding business which adds at least one hundred (100) new full-time-equivalent employees, as certified by the Employment Security Commission. Only sales of computers, data processing equipment, related peripherals and telephone, telegraph or telecommunications service and equipment made within thirty-six (36) months of the effective date of this act shall be eligible for the exemption provided by this subsection;

(L) Sales of computers, data processing equipment, related peripherals and telephone, telegraph or telecommunications service and equipment for use in a qualified aircraft maintenance or manufacturing facility. For purposes of this subsection, "qualified aircraft maintenance or manufacturing facility" means a new or expanding facility primarily engaged in aircraft repair, building or rebuilding whether or not on a factory basis, whose total cost of construction exceeds the sum of Five Million Dollars (\$5,000,000.00) and which employs at least two hundred fifty (250) new full-time-equivalent employees, as certified by the Oklahoma Employment Security Commission, upon completion of the facility. In order to qualify for the exemption provided for by this subsection, the cost of said items purchased by the qualified aircraft maintenance or

manufacturing facility shall equal or exceed the sum of Two Million Dollars (\$2,000,000.00);

(M) Sales of tangible personal property consumed or incorporated in the construction or expansion of a qualified aircraft maintenance or manufacturing facility as defined in subsection (L) of this section. For purposes of this subsection, sales made to a contractor or subcontractor that has previously entered into a contractual relationship with a qualified aircraft maintenance or manufacturing facility for construction or expansion of such a facility shall be considered sales made to a qualified aircraft maintenance or manufacturing facility; and

(N) Effective July 1, 1993, and thereafter, sales of repair machinery, repair equipment and repair parts, and fuel, oil, lubricants and other substances used for the operation and maintenance of such repair machinery, repair equipment and repair parts, all of which are to be used directly within a nongovernmental aircraft maintenance facility which is primarily engaged in aircraft repair, building or rebuilding whether or not on a factory basis and:

1. Which has been certified by the Oklahoma Employment Security Commission as employing at least two thousand (2,000) full-time-equivalent employees; or

2. Whose total cost of construction exceeds the sum of Five Million Dollars (\$5,000,000.00) and which employs at least two hundred fifty (250) new full-time-equivalent employees and which is owned or leased by an aircraft manufacturing facility which employs at least two thousand (2,000) full-time-equivalent employees in this state as certified by the Oklahoma Employment Security Commission.

Provided, the provisions of this subsection shall be null and void unless and until there are two (2) or more such aircraft maintenance facilities located in this state.

(Section 20, Chapter 342, O.S.L. 1991), is amended to read as follows:

Section 2358. For all tax years beginning after December 31, 1981, taxable income and adjusted gross income shall be adjusted to arrive at Oklahoma taxable income and Oklahoma adjusted gross income as required by this section.

A. The taxable income of any taxpayer shall be adjusted to arrive at Oklahoma taxable income for corporations and Oklahoma adjusted gross income for individuals, as follows:

1. There shall be added interest income on obligations of any state or political subdivision thereto which is not otherwise exempted pursuant to other laws of this state, to the extent that said interest is not included in taxable income and adjusted gross income.

2. There shall be deducted amounts included in such income that the state is prohibited from taxing because of the provisions of the Federal Constitution, the State Constitution, federal laws or laws of Oklahoma.

3. The amount of any federal net operating loss deduction shall be adjusted as follows:

a. For carryovers and carrybacks to taxable years beginning before January 1, 1981, the amount of any net operating loss deduction allowed to a taxpayer for federal income tax purposes shall be reduced to an amount which is the same portion thereof as the loss from sources within this state, as determined pursuant to this section and Section 2362 of this title, for the taxable year in which such loss is sustained is of the total loss for such year;

b. For carryovers and carrybacks to taxable years beginning after December 31, 1980, the amount of any

net operating loss deduction allowed for the taxable year shall be an amount equal to the aggregate of the Oklahoma net operating loss carryovers and carrybacks to such year. Oklahoma net operating losses shall be separately determined by reference to Section 172 of the Internal Revenue Code as modified by the Oklahoma Income Tax Act and shall be allowed without regard to the existence of a federal net operating loss. The years to which such losses may be carried shall be determined by reference to Section 172 of the Internal Revenue Code, except that losses which are not actually utilized shall not reduce the carryover.

4. Items of the following nature shall be allocated as indicated. Allowable deductions attributable to items separately allocable in subparagraphs a, b and c of this paragraph, whether or not such items of income were actually received, shall be allocated on the same basis as those items:

- a. Income from real and tangible personal property, such as rents, oil and mining production or royalties, and gains or losses from sales of such property, shall be allocated in accordance with the situs of such property;
- b. Income from intangible personal property, such as interest, dividends, patent or copyright royalties, and gains or losses from sales of such property, shall be allocated in accordance with the domiciliary situs of the taxpayer, except that:
 - (1) where such property has acquired a nonunitary business or commercial situs apart from the domicile of the taxpayer such income shall be allocated in accordance with such business or commercial situs; a resident trust or resident

estate shall be treated as having a separate commercial or business situs insofar as undistributed income is concerned, but shall not be treated as having a separate commercial or business situs insofar as distributed income is concerned,

(2) income from such property which is required to be allocated pursuant to the provisions of paragraph 5 of this subsection shall be allocated as herein provided;

c. Net income or loss from a business activity which is not a part of business carried on within or without the state of a unitary character shall be separately allocated to the state in which such activity is conducted;

d. In the case of a manufacturing or processing enterprise the business of which in Oklahoma consists solely of marketing its products by:

(1) sales having a situs without this state, shipped directly to a point from without the state to a purchaser within the state, commonly known as interstate sales,

(2) sales of the product stored in public warehouses within the state pursuant to "in transit" tariffs, as prescribed and allowed by the Interstate Commerce Commission, to a purchaser within the state,

(3) sales of the product stored in public warehouses within the state where the shipment to such warehouses is not covered by "in transit" tariffs, as prescribed and allowed by the

Interstate Commerce Commission, to a purchaser within or without the state~~+~~,

~~The~~ the Oklahoma net income shall, at the option of the taxpayer, be that portion of the total net income of the taxpayer for federal income tax purposes derived from the manufacture and/or processing and sales everywhere as determined by the ratio of the sales defined in this section made to the purchaser within the state to the total sales everywhere. The term public warehouse as used in this subparagraph means a licensed public warehouse, the principal business of which is warehousing merchandise for the public;

e. In the case of insurance companies, Oklahoma taxable income shall be taxable income of the taxpayer for federal tax purposes, as adjusted for the adjustments provided pursuant to the provisions of paragraphs 1 and 2 of this subsection, apportioned as follows:

(1) except as otherwise provided by division (2) of this subparagraph, taxable income of an insurance company for a taxable year shall be apportioned to this state by multiplying such income by a fraction, the numerator of which is the direct premiums written for insurance on property or risks in this state, and the denominator of which is the direct premiums written for insurance on property or risks everywhere. For purposes of this subsection, the term direct premiums written means the total amount of direct premiums written, assessments and annuity considerations as reported for the taxable year on the annual statement filed by the company with the Oklahoma Insurance Commissioner in the form approved by

the National Association of Insurance
Commissioners, or such other form as may be
prescribed in lieu thereof,

- (2) if the principal source of premiums written by an insurance company consists of premiums for reinsurance accepted by it, the taxable income of such company shall be apportioned to this state by multiplying such income by a fraction, the numerator of which is the sum of (a) direct premiums written for insurance on property or risks in this state, plus (b) premiums written for reinsurance accepted in respect of property or risks in this state, and the denominator of which is the sum of (c) direct premiums written for insurance on property or risks everywhere, plus (d) premiums written for reinsurance accepted in respect of property or risks everywhere. For purposes of this paragraph, premiums written for reinsurance accepted in respect of property or risks in this state, whether or not otherwise determinable, may at the election of the company be determined on the basis of the proportion which premiums written for insurance accepted from companies commercially domiciled in Oklahoma bears to premiums written for reinsurance accepted from all sources, or alternatively in the proportion which the sum of the direct premiums written for insurance on property or risks in this state by each ceding company from which reinsurance is accepted bears to the sum of the total direct

premiums written by each such ceding company for the taxable year.

- f. In the case of a commercial airline that operates an aircraft maintenance facility in this state, as described in subsection (N) of Section 1357 of this title, as amended by Section 4 of this act, for tax years beginning after December 31, 1993, the Oklahoma taxable income of the enterprise shall be, at the option of the taxpayer, determined by multiplying the federal taxable income of the taxpayer, as adjusted by the provisions of this section, by a fraction; provided, the provisions of this subparagraph shall be null and void unless and until there are two (2) or more such facilities located in this state. The numerator of the fraction shall be the air miles traveled in the State of Oklahoma and the denominator shall be the total air miles traveled. "Air miles traveled in the State of Oklahoma" shall mean the number of miles completed from the point where an aircraft leaves a landing area, terminal, airport or heliport in the State of Oklahoma to the point where it crosses the border of this state and the number of miles computed from the point where an aircraft crosses the border of this state to the point where it comes to rest at a landing area, terminal, airport or heliport in the State of Oklahoma.

5. The net income or loss remaining after the separate allocation in paragraph 4 of this subsection, being that which is derived from a unitary business enterprise, shall be apportioned to this state on the basis of the arithmetical average of three factors consisting of property, payroll and sales or gross revenue enumerated as subparagraphs a, b and c of this paragraph. Net

income or loss as used in this paragraph includes that derived from patent or copyright royalties, purchase discounts, and interest on accounts receivable relating to or arising from a business activity, the income from which is apportioned pursuant to this subsection, including the sale or other disposition of such property and any other property used in the unitary enterprise. Deductions used in computing such net income or loss shall not include taxes based on or measured by income.

a. The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the tax period and the denominator of which is the average value of all the taxpayer's real and tangible personal property everywhere owned or rented and used during the tax period.

(1) Property, the income from which is separately allocated in paragraph 4 of this subsection, shall not be included in determining this fraction. The numerator of the fraction shall include a portion of the investment in transportation and other equipment having no fixed situs, such as rolling stock, buses, trucks and trailers, including machinery and equipment carried thereon, airplanes, salesmen's automobiles and other similar equipment, in the proportion that miles traveled in Oklahoma by such equipment bears to total miles traveled,

(2) Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental

rate paid by the taxpayer, less any annual rental rate received by the taxpayer from subrentals,

(3) The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the Tax Commission may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property;

b. The payroll factor is a fraction, the numerator of which is the total compensation for services rendered in the state during the tax period, and the denominator of which is the total compensation for services rendered everywhere during the tax period. Compensation as used in this subsection means those paid-for services to the extent related to the unitary business but does not include officers' salaries, wages and other compensation.

(1) In the case of a transportation enterprise, the numerator of the fraction shall include a portion of such expenditure in connection with employees operating equipment over a fixed route, such as trainmen, airline pilots, or bus drivers, in this state only a part of the time, in the proportion that mileage traveled in Oklahoma bears to total mileage traveled by such employees,

(2) In any case the numerator of the fraction shall include a portion of such expenditures in connection with itinerant employees, such as traveling salesmen, in this state only a part of the time, in the proportion that time spent in

Oklahoma bears to total time spent in furtherance of the enterprise by such employees;

c. The sales factor is a fraction, the numerator of which is the total sales or gross revenue of the taxpayer in this state during the tax period, and the denominator of which is the total sales or gross revenue of the taxpayer everywhere during the tax period. Sales as used in this subsection does not include sales or gross revenue which are separately allocated in paragraph 4 of this subsection.

(1) Sales of tangible personal property have a situs in this state if the property is delivered or shipped to a purchaser other than the United States Government, within this state regardless of the FOB point or other conditions of the sale; or the property is shipped from an office, store, warehouse, factory or other place of storage in this state and (a) the purchaser is the United States Government or (b) the taxpayer is not doing business in the state of the destination of the shipment.

(2) In the case of a railroad or interurban railway enterprise, the numerator of the fraction shall not be less than the allocation of revenues to this state as shown in its annual report to the Oklahoma Corporation Commission.

(3) In the case of an airline, truck or bus enterprise or freight car, tank car, refrigerator car or other railroad equipment enterprise, the numerator of the fraction shall include a portion of revenue from interstate transportation in the proportion that interstate mileage traveled in

Oklahoma bears to total interstate mileage traveled.

- (4) In the case of an oil, gasoline or gas pipeline enterprise, the numerator of the fraction shall be either the total of traffic units of the enterprise within Oklahoma or the revenue allocated to Oklahoma based upon miles moved, at the option of the taxpayer, and the denominator of which shall be the total of traffic units of the enterprise or the revenue of the enterprise everywhere as appropriate to the numerator. A "traffic unit" is hereby defined as the transportation for a distance of one (1) mile of one (1) barrel of oil, one (1) gallon of gasoline or one thousand (1,000) cubic feet of natural or casinghead gas, as the case may be.
- (5) In the case of a telephone or telegraph or other communication enterprise, the numerator of the fraction shall include that portion of the interstate revenue as is allocated pursuant to the accounting procedures prescribed by the Federal Communications Commission; provided that in respect to each corporation or business entity required by the Federal Communications Commission to keep its books and records in accordance with a uniform system of accounts prescribed by such Commission, the intrastate net income shall be determined separately in the manner provided by such uniform system of accounts and only the interstate income shall be subject to allocation pursuant to the provisions of this subsection. Provided, further, that the gross revenue factors

shall be those as are determined pursuant to the accounting procedures prescribed by the Federal Communications Commission.

In any case where the use of the arithmetical average of three factors prescribed in this paragraph attributes to Oklahoma a portion of net income of the enterprise out of all appropriate proportion to the property owned and/or business transacted within this state, because of the fact that one or more of the factors so prescribed are not employed to any appreciable extent in furtherance of the enterprise; or because one or more factors not so prescribed are employed to a considerable extent in furtherance of the enterprise; or because of other reasons, the Tax Commission is empowered to permit, after a showing by taxpayer that an excessive portion of net income has been attributed to Oklahoma, or require, when in its judgment an insufficient portion of net income has been attributed to Oklahoma, the elimination, substitution, or use of additional factors, or reduction or increase in the weight of such prescribed factors.

Provided, however, that any such variance from such prescribed factors which has the effect of increasing the portion of net income attributable to Oklahoma must not be inherently arbitrary, and application of the recomputed final arithmetical average ratio to the net income of the enterprise must attribute to Oklahoma only a reasonable portion thereof.

B. The taxable income of any corporation shall be further adjusted to arrive at Oklahoma taxable income, except those corporations electing treatment as provided in subchapter S of the Internal Revenue Code and Section 2365 of this title, deductions pursuant to the provisions of the Accelerated Cost Recovery System as defined and allowed in the Economic Recovery Tax Act of 1981, Public Law 97-34, for depreciation of assets placed into service after December 31, 1981, shall not be allowed in calculating

Oklahoma taxable income. Such corporations shall be allowed a deduction for depreciation of assets placed into service after December 31, 1981, in accordance with provisions of the Internal Revenue Code in effect immediately prior to the enactment of the Accelerated Cost Recovery System. The Oklahoma tax basis for all such assets placed into service after December 31, 1981, calculated in this section shall be retained and utilized for all Oklahoma income tax purposes through the final disposition of said assets.

Notwithstanding any other provisions of the Oklahoma Income Tax Act, Sections 2351 et seq. of this title or of the Internal Revenue Code to the contrary, this subsection shall control calculation of depreciation of assets placed into service after December 31, 1981, and before January 1, 1983.

For assets placed in service and held by a corporation in which accelerated cost recovery system was previously disallowed, an adjustment to taxable income is required in the first taxable year beginning after December 31, 1982, to reconcile the basis of said assets to the basis allowed in the Internal Revenue Code. The purpose of this adjustment is to equalize the basis and allowance for depreciation accounts between that reported to the Internal Revenue Service and that reported to Oklahoma.

C. 1. For taxable years beginning after December 31, 1987, the taxable income of any corporation shall be further adjusted to arrive at Oklahoma taxable income for transfers of technology to qualified small businesses located in Oklahoma. Such ~~transfer~~ transferor corporation shall be allowed an exemption from taxable income of an amount equal to the amount of royalty payment received as a result of such transfer; provided, however, said amount shall not exceed ten percent (10%) of the amount of gross proceeds received by such transferor corporation as a result of the technology transfer. Such exemption shall be allowed for a period not to exceed ten (10) years from the date of receipt of the first

royalty payment accruing from such transfer. No exemption may be claimed for transfers of technology to qualified small businesses made prior to January 1, 1988.

2. For purposes of this subsection:

a. "Qualified small business" means an entity, whether organized as a corporation, partnership, or proprietorship, organized for profit with its principal place of business located within this state and which meets the following criteria:

(1) Capitalization of not more than Two Hundred Fifty Thousand Dollars (\$250,000.00),

(2) Having at least fifty percent (50%) of its employees or assets located in Oklahoma at the time of the transfer, and

(3) Not a subsidiary or affiliate of the transferor corporation;

b. "Technology" means a proprietary process, formula, pattern, device or compilation of scientific or technical information which is not in the public domain;

c. "Transferor corporation" means a corporation which is the exclusive and undisputed owner of the technology at the time the transfer is made; and

d. "Gross proceeds" means the total amount of consideration for the transfer of technology, whether the consideration is in money or otherwise.

D. The Oklahoma adjusted gross income of any individual taxpayers shall be further adjusted as follows to arrive at Oklahoma taxable income:

1. a. In the case of individuals, there shall be added or deducted, as the case may be, the difference necessary to allow personal exemptions of One Thousand Dollars

(\$1,000.00) in lieu of the personal exemptions allowed by the Internal Revenue Code.

b. There shall be allowed an additional exemption of One Thousand Dollars (\$1,000.00) for each taxpayer or spouse who is blind at the close of the tax year. For purposes of this subparagraph, an individual is blind only if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his visual acuity is greater than 20/200, but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than twenty (20) degrees.

c. For taxable years beginning after December 31, 1987, there shall be allowed an additional exemption of One Thousand Dollars (\$1,000.00) for each taxpayer or spouse who is sixty-five (65) years of age or older at the close of the tax year based upon the filing status and federal adjusted gross income of the taxpayer. Taxpayers with the following filing status may claim this exemption if the federal adjusted gross income does not exceed:

- (1) Twenty-five Thousand Dollars (\$25,000.00) if married and filing jointly;
- (2) Twelve Thousand Five Hundred Dollars (\$12,500.00) if married and filing separately;
- (3) Fifteen Thousand Dollars (\$15,000.00) if single; and
- (4) Nineteen Thousand Dollars (\$19,000.00) if a qualifying head of household.

d. For taxable years beginning after December 31, 1990 and beginning before January 1, 1992, there shall be allowed a one-time additional exemption of Four

Hundred Dollars (\$400.00) for each taxpayer or spouse who is a member of the National Guard or any reserve unit of the Armed Forces of the United States and who was at any time during such taxable year deployed in active service during a time of war or conflict with an enemy of the United States.

2. In the case of individuals who use the standard deduction in determining taxable income, there shall be added or deducted, as the case may be, the difference necessary to allow a standard deduction in lieu of the standard deduction allowed by the Internal Revenue Code, in an amount equal to the larger of fifteen percent (15%) of the Oklahoma adjusted gross income or One Thousand Dollars (\$1,000.00), but not to exceed Two Thousand Dollars (\$2,000.00), except that in the case of a married individual filing a separate return such deduction shall be the larger of fifteen percent (15%) of such Oklahoma adjusted gross income or Five Hundred Dollars (\$500.00), but not to exceed the maximum amount of One Thousand Dollars (\$1,000.00).

3. In the case of resident individuals having adjusted gross income from sources both within and without the state, the itemized or standard deductions and personal exemptions shall be reduced to an amount which is the same portion of the total thereof as Oklahoma adjusted gross income is of adjusted gross income. To the extent itemized deductions include allowable moving expense, proration of moving expense shall not be required or permitted but allowable moving expense shall be fully deductible for those taxpayers moving within or into Oklahoma and no part of moving expense shall be deductible for those taxpayers moving without or out of Oklahoma. All other itemized or standard deductions and personal exemptions shall be subject to proration as provided by law.

4. A resident individual with a physical disability constituting a substantial handicap to employment may deduct from

Oklahoma adjusted gross income such expenditures to modify a motor vehicle, home or workplace as are necessary to compensate for his handicap. A veteran certified by the Veterans Administration of the federal government as having a service-connected disability shall be conclusively presumed to be an individual with a physical disability constituting a substantial handicap to employment. The Oklahoma Tax Commission shall promulgate rules containing a list of combinations of common disabilities and modifications which may be presumed to qualify for this deduction. The Commission shall prescribe necessary requirements for verification.

5. In any taxable year the first One Thousand Five Hundred Dollars (\$1,500.00) received by any person from the United States as salary or compensation in any form, other than retirement benefits, as a member of any component of the Armed Forces of the United States shall be deducted from taxable income. Whenever the filing of a timely income tax return by a member of the Armed Forces of the United States is made impracticable or impossible of accomplishment by reason of:

- a. absence from the United States, which term includes only the states and the District of Columbia;
- b. absence from the State of Oklahoma while on active duty; or
- c. confinement in a hospital within the United States for treatment of wounds, injuries or disease~~+~~;

the time for filing a return and paying an income tax shall be and is hereby extended without incurring liability for interest or penalties, to the fifteenth day of the third month following the month in which:

- (1) Such individual shall return to the United States if the extension is granted pursuant to subparagraph (a) of this paragraph, return to the State of Oklahoma if the extension is granted

pursuant to subparagraph (b) of this paragraph or be discharged from such hospital if the extension is granted pursuant to subparagraph (c) of this paragraph; or

- (2) An executor, administrator, or conservator of the estate of the taxpayer is appointed, whichever event occurs the earliest.

Provided, that the Tax Commission may, in its discretion, grant any member of the Armed Forces of the United States an extension of time for filing of income tax returns and payment of income tax without incurring liabilities for interest or penalties. Such extension may be granted only when in the judgment of the Tax Commission a good cause exists therefor and may be for a period in excess of six (6) months. A record of every such extension granted, and the reason therefor, shall be kept.

6. The salary or any other form of compensation, received from the United States by a member of any component of the Armed Forces of the United States, shall be deducted from taxable income during the time in which the person is detained by the enemy in a conflict, is a prisoner of war or is missing in action and not deceased.

7. Notwithstanding anything in the Internal Revenue Code or in the Oklahoma Income Tax Act to the contrary, it is expressly provided that, in the case of resident individuals, amounts received as dividends or distributions of earnings from savings and loan associations or credit unions located in Oklahoma, and interest received on savings accounts and time deposits from such sources or from state and national banks or trust companies located in Oklahoma, shall qualify as dividends for the purpose of the dividend exclusion, and taxable income shall be adjusted accordingly to arrive at Oklahoma taxable income; provided, however, that the dividend, distribution of earnings and/or interest exclusion provided for hereinabove shall not be cumulative to the maximum

dividend exclusion allowed by the Internal Revenue Code. Any dividend exclusion already allowed by said Code and reflected in the taxpayer's Oklahoma taxable income together with exclusion allowed herein shall not exceed the total of One Hundred Dollars (\$100.00) per individual or Two Hundred Dollars (\$200.00) per couple filing a joint return.

8. a. An individual taxpayer, whether resident or nonresident, may deduct an amount equal to the federal income taxes paid by said taxpayer during the taxable year.
- b. Federal taxes as described in subparagraph a of this paragraph shall be deductible by any individual taxpayer, whether resident or nonresident, only to the extent they relate to income subject to taxation pursuant to the provisions of the Oklahoma Income Tax Act. The maximum amount allowable in the preceding paragraph shall be prorated on the ratio of the Oklahoma adjusted gross income to federal adjusted gross income.
- c. For the purpose of this paragraph, federal income taxes paid shall mean federal income taxes, surtaxes imposed on incomes or excess profits taxes, as though the taxpayer was on the accrual basis.
- d. The provisions of this paragraph shall apply to all taxable years ending after December 31, 1978.

9. Retirement benefits not to exceed Five Thousand Five Hundred Dollars (\$5,500.00), which are received by an individual from the civil service of the United States, any component of the Armed Forces of the United States, the Oklahoma Public Employees Retirement System, the Teachers' Retirement System of Oklahoma, the Oklahoma Law Enforcement Retirement System, the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police

Pension and Retirement System, the employee retirement systems created by counties pursuant to Sections 951 et seq. of Title 19 of the Oklahoma Statutes, the Uniform Retirement System for Justices and Judges, the Oklahoma Wildlife Conservation Department Retirement Fund, the Oklahoma Employment Security Commission Retirement Plan, or the employee retirement systems created by municipalities pursuant to Sections 48-101 et seq. of Title 11 of the Oklahoma Statutes shall be exempt from taxable income.

10. In taxable years beginning after December 31, 1984, Social Security benefits received by an individual shall be exempt from taxable income, to the extent such benefits are included in the federal adjusted gross income pursuant to the provisions of Section 86 of the Internal Revenue Code.

SECTION 7. AMENDATORY 70 O.S. 1991, Section 13-124 (Section 3, Chapter 317, O.S.L. 1991), is amended to read as follows:

Section 13-124. A. The State Department of Education is hereby designated as the lead agency for general administration, supervision and monitoring of programs and activities receiving federal funds under Part H of P.L. 99-457 and state funds appropriated for early intervention services. To ensure compliance with Part H of P.L. 99-457 and its implementing regulations, the State Department of Education is authorized to monitor and enforce any obligations imposed on agencies participating under Part H of P.L. 99-457.

B. In accordance with Part H of P.L. 99-457, the Oklahoma Commission on Children and Youth shall administer the Interagency Coordinating Council for Early Childhood Intervention which shall advise and assist the lead agency in fulfillment of its responsibilities.

C. The State Department of Education, the Oklahoma State Department of Health, the Department of Human Services, the

Department of Mental Health and Substance Abuse Services and other publicly funded services shall continue to provide all services within their respective statutory and constitutional responsibilities to the eligible population except as otherwise provided in Section 13-101 of Title 70 of the Oklahoma Statutes. State and local interagency agreements will delineate responsibility for local and regional procedural safeguards, provision of service and related issues. Funds provided for implementation of the Oklahoma Early Intervention Act shall not be used to satisfy a financial commitment for services which would have been paid for or provided by another public or private source, but shall be utilized solely for the enactment of P.L. 99-457 and the Oklahoma Early Intervention Act. Such funds may be used whenever considered necessary to prevent delay in the receipt of appropriate early intervention services by the infant or toddler or family in a timely fashion. Funds provided for implementation of the Oklahoma Early Intervention Act may be used to pay the provider of services pending reimbursement from the agency which has the ultimate responsibility.

D. Pursuant to the requirements of Part H of P.L. 99-457, all financial resources from federal, state, local and private sources shall be coordinated to fund early intervention services. In order to determine the most effective utilization and achieve coordination, a joint funding plan shall be submitted to the Governor, the Speaker of the House of Representatives, and the Senate President Pro Tempore by the State Department of Education, the Oklahoma State Department of Health, the Department of Human Services and the Department of Mental Health and Substance Abuse Services on or before October 1, 1989 and on or before September 1 each year thereafter. The individual components of such plan as they relate to individual agencies shall be incorporated annually into each affected agency's budget request in accordance with the

provisions of Section 41.29 of Title 62 of the Oklahoma Statutes. Such plan shall include, but not be limited to:

1. utilization of State Aid funds appropriated to the State Board of Education for the purpose of providing early intervention services or provided pursuant to the State Aid Formula for special education services to handicapped children;

2. publicly funded personnel and programs in the State Department of Education, the Oklahoma State Department of Health, the Department of Human Services and the Department of Mental Health and Substance Abuse Services who are currently serving the eligible population;

3. feasibility of utilization of federal Title V funds;

4. utilization of new state funds as may be appropriated by the Legislature for fiscal year 1990 for the purpose of early intervention, and of additional new funds needed to fully implement early intervention services in accordance with the State of Oklahoma's implementation of P.L. 99-457;

5. amendments to expansion of the Medicaid State Plan to include early intervention services for eligible children utilizing state funds designated for early intervention for the purpose of matching federal funds;

6. feasibility of application for federal funds appropriated pursuant to P.L. 89-313; and

7. utilization of funds received under Part H of P.L. 99-457.

E. The State Department of Education, the Oklahoma State Department of Health, the Department of Human Services and the Department of Mental Health and Substance Abuse Services shall be authorized to transfer funds enumerated in subsection D of this section to the Oklahoma Early Intervention Revolving Fund created in Section ~~74~~ 13-124.1 of this ~~act~~ title to the extent that transfers of such funds are authorized by and directed to the fund by the

joint funding plan of the Oklahoma Early Intervention Act or by state or federal law.

F. Monies appropriated to an affected agency and monies identified in the joint funding plan for the purpose of providing early intervention services shall be used by the agency exclusively for the purpose of providing early intervention services.

G. For purposes of implementing the provisions of the Oklahoma Early Intervention Act, the board of education of any school district in this state may execute an agreement with a city/county health department or county health department to share appropriate facilities.

SECTION 8. AMENDATORY 74 O.S. 1991, Section 18 1 (Section 29, Chapter 335, O.S.L. 1991), is amended to read as follows:

Section 18 1. The Office of the Attorney General may levy and collect a reasonable fee from the Department of Consumer Credit, the Office of Personnel Management, the Teachers' Retirement System of Oklahoma, the Oklahoma Public Employees Retirement System, the Oklahoma Development Finance Authority, the Oklahoma Industrial Finance Authority, the Oklahoma Student Loan Authority, the Department of Mental Health and Substance Abuse Services, the Board of Regents of Oklahoma Colleges, the Oklahoma State Regents for Higher Education, the State Department of Vocational and Technical Education, the Oklahoma Department of Veterans Affairs, the State Fire Marshal Commission, the Commission on Children and Youth, the State Department of Agriculture, the Oklahoma Human Rights Commission, the Oklahoma Law Enforcement Retirement System, the Oklahoma Police Pension and Retirement System, and the Oklahoma Tourism and Recreation Department for the purpose of providing legal services requested by such entities. All fees collected in accordance with the provisions of this section shall be deposited in

the Attorney General's Revolving Fund created pursuant to Section 20 of this title.

SECTION 9. AMENDATORY 74 O.S. 1991, Section 85.7 (Section 10, Chapter 332, O.S.L. 1991), is amended to read as follows:

Section 85.7 A. No acquisition or contract shall be made without the submission of competitive bids by the State Purchasing Director, except as provided in this section.

1. Any acquisition or contract for an amount of ~~Seven Hundred Fifty Dollars (\$750.00)~~ Two Thousand Five Hundred Dollars (\$2,500.00) or less shall be exempted from competitive bidding procedures. Separate contracts or acquisitions for the individual components of a total project or service or split purchasing for the purpose of evading the requirement of competitive bidding shall be deemed a felony. The State Purchasing Director may waive or increase the ~~seven-hundred-fifty-dollar~~ two-thousand-five-hundred-dollar limit up to, but not to exceed, a contract or purchase price of ~~One Thousand Dollars (\$1,000.00)~~ ten percent (10%) above the open market limit to perfect an otherwise valid acquisition or contract inadvertently exceeding the ~~seven-hundred-fifty-dollar~~ two-thousand-five-hundred-dollar limit due to administrative error or unforeseeable circumstances. Requests for such waiver or increase shall be promptly submitted upon the discovery of such error or circumstance to the State Purchasing Director in a form prescribed by said Director setting forth the facts. All requests for such waiver or increase in amount, whether granted or denied, shall be reported monthly to the offices of the Governor, President Pro Tempore of the Senate and Speaker of the House of Representatives.

2. Contracts for master custodian banks or trust companies, investment managers and investment consultants for state retirement systems, the State Insurance Fund, and the State and Education Employees Group Insurance Board, the pension fund management

consultants of the Oklahoma State Pension Commission and actuarial, architectural, engineering, legal or other professional services as such term is defined in Section 803 of Title 18 of the Oklahoma Statutes shall be exempt from competitive bidding procedures. The ~~Office of Public Affairs~~ Department of Central Services shall send a copy of such contracts or a list of such contracts to any member of the House or Senate Appropriations Committee, if requested by such member.

3. Competitive bids shall not be required for any emergency acquisitions or contracts involving ~~Two Thousand Dollars (\$2,000.00)~~ Five Thousand Dollars (\$5,000.00) or less, when upon written request of the State Purchasing Director specifying the facts and circumstances given rise thereto, the Governor may certify in writing the existence of an emergency authorizing the acquisition or contract.

4. Competitive bids for services to alleviate a serious environmental emergency shall not be required if, upon the request of the Chairman of the Corporation Commission, the Governor having examined the facts and circumstances of the case, certifies in writing the existence of a serious environmental emergency. A serious environmental emergency for the purpose of this section means a situation within the jurisdiction of the Commission:

- a. in which serious damage to the environment will quickly occur if immediate action is not taken, and the damage will be so significant that the urgent need for action outweighs the public policy strongly favoring competitive bids, or
- b. a situation in which human life or safety is in imminent danger or significant property interests are threatened with imminent destruction.

5. Purchases or acquisitions for repairs of equipment and machinery in emergencies, or of livestock through a market agency,

dealer, commission house or livestock auction market bonded or licensed under federal or state law shall not be subject to the competitive bid requirements of this section or any other provisions of the Oklahoma Central Purchasing Act.

6. Purchases or acquisitions of human organs and internal prostheses for the Oklahoma Medical Center, shall not be subject to the competitive bid requirements of this section or any other provisions of the Oklahoma Central Purchasing Act.

7. Any contract for the restoration of historical sites and museums shall not be subject to the competitive bid requirements of this section or any other provision of the Oklahoma Central Purchasing Act. The procedures will be followed except contractor and bid selection will be the prerogative of the Oklahoma Historical Society Board and selection will be based on contractors' documented qualifications and experience.

8. Purchases of postage by state agencies shall be made in accordance with the provisions of Sections 90.1 through 90.4 of this title.

9. Any sole source contract shall not be subject to competitive bidding procedures. Any agency requesting products or services pursuant to a sole source contract shall comply with Section 89 of this title.

10. Contracts for the design, development, communication or implementation of the state employees flexible benefits plan shall not be subject to the requirements of this section, provided that the Flexible Benefits Advisory Council shall use procedures consistent with the competitive bid requirements of the Oklahoma Central Purchasing Act, ~~Section 85.1 et seq. of Title 74 of the Oklahoma Statutes.~~

11. a. Any contract for a service for which the ~~Office of Public Affairs~~ Department of Central Services has

approved as qualifying for a fixed and uniform rate shall not be subject to competitive bid procedures.

- b. ~~The Office of Public Affairs~~ Department of Central Services shall establish criteria and guidelines for those services which may be qualified for a fixed and uniform rate.
- c. The exception to competitive bid procedures authorized by this paragraph shall be limited to contracts for those services furnished to persons directly benefiting from such services and shall not be used by any agency to employ consultants or to purchase products.
- d. Any agency desiring to have a service qualified for a fixed and uniform rate shall make a request for such qualification to the ~~Office of Public Affairs~~ Department of Central Services and shall submit any documentation necessary to support such request. The ~~Office of Public Affairs~~ Department of Central Services shall either approve or deny the request. If the ~~Office of Public Affairs~~ Department of Central Services qualifies such services for a fixed and uniform rate, the agency requesting such qualification shall establish a fixed and uniform rate for such service, provided no contracts shall be entered into by the agency until such rate has been approved by the agency in a public hearing. Prior to approval, the proposed rate shall be clearly and separately identified in the agenda of the agency for the hearing and shall be openly and separately discussed during such hearing. In addition, the agency shall notify the Director of the ~~Office of Public Affairs~~ Department of Central Services of its pending

consideration of the proposed rate at least thirty (30) days before the agency is to meet on the proposed rate. Along with such notice, the agency shall deliver to the ~~Office of Public Affairs~~ Department of Central Services a copy of the agenda items concerning the proposed rate with all supporting documentation and materials. The Director of the ~~Office of Public Affairs~~ Department of Central Services shall communicate any observation, reservation, criticism or recommendation to the agency, either in person at the time of the hearing or in writing delivered to the agency before or at the time of the hearing. The Director of the ~~Office of Public Affairs~~ Department of Central Services shall specifically note in such written communications if the Director of the ~~Office of Public Affairs~~ Department of Central Services has determined the rate to be excessive. Any such written communication presented in the absence of the Director of the ~~Office of Public Affairs~~ Department of Central Services shall be presented orally during the public hearing. Whether made in person or in writing any comment made by the Director of the ~~Office of Public Affairs~~ Department of Central Services shall be made a part of the minutes of the hearing in full.

- e. Within two (2) weeks after the convening of the Legislature, the administrative officer of each state agency shall furnish to the Speaker of the House of Representatives, the President Pro Tempore of the Senate and to any member of the House or Senate, if requested by such member, a complete list of all of the types of services paid for by uniform fixed rates, the amount of the rate last approved by the agency for

the service, and the number of contracts then in existence for each type of service. Any rate which has been determined to be excessive by the Director of the ~~Office of Public Affairs~~ Department of Central Services shall be specifically identified in such list.

f. At any time, the Director of the ~~Office of Public Affairs~~ Department of Central Services is authorized to review, suspend, or terminate a contract entered into pursuant to the provisions of this paragraph if the Director of the ~~Office of Public Affairs~~ Department of Central Services determines the contract is not necessary, is excessive, or is not justified.

B. Acquisitions or contracts shall be awarded to the lowest and best bidder therefor at a specified time and place, which shall be open to the public, with such preference between bidders offering substantially the same products or services at substantially the same prices, as may be set under the authority of Section 85.5 of this title.

C. Bids for professional service contracts shall be evaluated by the State Purchasing Director and the agency contracting for such service. Both cost and technical expertise shall be considered in determining the lowest and best bid. Further, such agency shall present its evaluation and recommendation to the State Purchasing Director. A documented evaluation report containing the evaluations of the State Purchasing Director and the agency contracting for such service shall be completed prior to the awarding of a professional service contract and such report shall be a matter of public record.

D. When requested by the governing body of a state retirement system, the State Insurance Fund or the State and Education Employees Group Insurance Board which are authorized to hire investment managers, the ~~Office of Public Affairs~~ Department of

Central Services shall assist the governing body of a state retirement system, the Fund or the Board in the process of selecting investment managers. When requested by the Flexible Benefits Advisory Council, the ~~Office of Public Affairs~~ Department of Central Services shall assist the Council in the process of selecting contracts for the design, development, communication or implementation of the state employees flexible benefits plan.

SECTION 10. AMENDATORY 74 O.S. 1991, Section 1847.1 (Section 4, Chapter 308, O.S.L. 1991), is amended to read as follows:

Section 1847.1 A. The Commission is granted the additional powers herein given it for the purpose of operating, maintaining, extending and improving state parks in the State of Oklahoma, including specifically all parks and park and recreational properties now owned or leased by the state or by the Commission together with all additions which may be made thereto and all additional park and recreational properties which may be acquired hereafter by the Commission and by the state.

The Commission shall have and is hereby authorized to exercise the following powers, rights and privileges:

1. To have the exclusive possession and control of, and to control, operate and maintain for the benefit of the people of the State of Oklahoma all state parks and all lands and other properties now or hereafter owned or leased by the state or Commission for park or recreational purposes.

2. To acquire by purchase, lease, gift, ~~condemnation~~ or in any other manner and to maintain, use and operate any and all property, real, personal or mixed, necessary or convenient to the exercise of the powers, rights, privileges and functions conferred upon it by this act. Title to all such property shall be vested in the State of Oklahoma, although such property is sometimes herein referred to as property "of the Commission". The power of condemnation herein

granted shall be exercised in the manner provided by the general laws of the state for the condemnation of property by the state.

3. To acquire real property by condemnation only when the Attorney General or other counsel deems it an appropriate means of clearing title from willing or unavailable sellers.

4. Subject to the provisions of this act, from time to time to lease, without restriction as to term, any property which said Commission shall determine advisable to more fully carry into effect the duties and powers of said Commission.

~~4.~~ 5. To acquire, construct, extend, improve, maintain and operate any and all facilities of all kinds which in the judgment of the Commission will provide recreational or other facilities for the benefit of the public, or which are necessary or convenient to the exercise of the powers of the Commission.

~~5.~~ 6. To sue and be sued.

~~6.~~ 7. To adopt, use and alter an official seal.

~~7.~~ 8. To make bylaws for the management and regulation of its affairs.

~~8.~~ 9. To appoint officers, agents and employees and prescribe their duties and to fix their compensation.

~~9.~~ 10. To make such contracts and execute such instruments as in the judgment of the Commission are necessary or convenient to the exercise of the powers conferred upon it by this act.

~~10.~~ 11. To prescribe and enforce rules and regulations for the use of all recreational and other facilities and properties of the Commission, including the restriction or prohibition of the use of firearms, the inspection of boats, the issuance of permits for the operation of watercraft of all kinds, the charging and collection of fees for the inspection and for the operation of such craft, prescribing the type, style, location and equipment of all wharves, docks and anchorages, pavilions, restaurants and other structures or buildings which may be constructed along shores or upon the waters

of any body of water or upon other property controlled by the Commission and providing for the licensing, inspection and supervision of same, and granting and imposing charges for permits and for all commercial uses or purposes to which any of the properties of the Commission or any structures or buildings located on property of the Commission may be used.

~~11. The Commission shall~~ 12. To prescribe and collect reasonable rates, fees, tolls or charges for the services, facilities and commodities rendered by all property of the Commission. The Commission may erect cabins and support facilities on any land under its control. The Commission may operate or lease cabins, lodges, restaurants and other facilities and improvements for the public making use of the recreational facilities surrounding such improvements.

B. All fees, licenses and other charges shall be posted in a convenient place in each park. Each and everyone using any of the facilities of said park shall be charged the same fees, licenses and every other charge except:

1. individuals sixty-two (62) years of age and over and his or her spouse, provided that their home state provides similar discounts to Oklahoma residents;

2. individuals who have been certified as totally disabled under state or federal law and his or her spouse will be entitled to a fifty percent (50%) reduction which shall apply to recreation use facilities;

3. children's groups that provide beneficial services at the facility for which the fee is reduced. Identification may be established by presentation of state driver's license or birth certificate. The failure to collect such fees, licenses and other charges shall subject the employees of the Commission to a fine of Twenty-five Dollars (\$25.00) for each and every violation; and

4. special discount rates as authorized in paragraphs 1 and 2 of this subsection may be waived for subject individuals who are members of a group being provided a special group rate in accordance with Section 1834 of this title.

SECTION 11. AMENDATORY 51 O.S. 1991, Section 6, as amended by Section 1 of Enrolled House Bill No. 2371 of the 2nd Session of the 43rd Oklahoma Legislature, is amended to read as follows:

Section 6. A. Except as may be otherwise provided, no person holding an office under the laws of the state and no deputy of any officer so holding any office, shall, during his term of office, hold any other office or be the deputy of any officer holding any office, under the laws of the state. The provisions of this section shall not apply to:

1. notaries public;
2. members of the State Textbook Committee;
3. county free fair board members;

4. municipal and county law enforcement officers serving in positions as law enforcement officers of both such governmental entities upon such terms and conditions as are mutually approved by resolutions adopted by the board of county commissioners and governing body of the municipality employing such officers;

5. any person holding a county or municipal office or position, or membership on any public trust authority, who is a member of a board or commission that relates to federal, state, county or municipal government and is created by the United States Government, the State of Oklahoma or a political subdivision of the state, except where the duties of the offices or positions conflict;

6. any elected municipal officers and school board members who are appointed to a state board, commission, or similar entity if there is no compensation for such services other than reimbursement for necessary travel expenses pursuant to the provisions of the

State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes;

7. any trustee of a public trust, who is appointed as a trustee of a different public trust;

8. law enforcement officers employed by municipal or county law enforcement departments or agencies, other than those law enforcement officers elected or appointed as sheriff, chief of police or some similar position in which they are the head of a county or municipal law enforcement agency, who are elected to local boards of education; provided, the provisions of this paragraph shall not prohibit any law enforcement officer employed by a municipality having a population of ten thousand (10,000) or fewer people from serving as a member of a local board of education;

9. any member of the Oklahoma Highway Patrol Division of the Department of Public Safety who is elected to a local board of education;

10. any District Supervisor, Assistant District Supervisor, Team Supervisor, Parole Officer 1 or Parole Officer 2 of the Department of Corrections who is elected or appointed to a city council;

~~9.~~ 11. any trustee or director of a rural electric cooperative, or port authority who is appointed or elected to a state, county or municipal board, commission or similar entity;

~~10.~~ 12. deputy county treasurers who are elected as members of town or city councils;

~~11.~~ 13. municipal, county, state or tribal law enforcement or peace officers operating under cross-deputization agreements with an Indian tribe or branch of the federal government;

~~12.~~ 14. municipal or county law enforcement or peace officers serving in positions as campus police officers or campus public safety officers pursuant to the provisions of the Oklahoma Campus Security Act, upon such terms and conditions as are mutually

approved by resolution adopted by the governing body of the municipality or county and the governing board of the institution of higher education; and

~~13.~~ 15. state law enforcement or peace officers serving in positions as campus police officers or campus public safety officers pursuant to the provisions of the Oklahoma Campus Security Act, upon such terms and conditions as are mutually approved by written agreement between the Commissioner of Public Safety and the governing board of the institution of higher education.

The provisions of this section shall not prohibit any person holding an office under the laws of the state or any deputy of any officer so holding any office from serving upon the board of Oklahoma Futures or upon the board of directors of the Oklahoma Center for the Advancement of Science and Technology. The provisions of this section shall not prohibit a member of the board of directors of the Oklahoma Center for the Advancement of Science and Technology from serving upon the board of Oklahoma Futures.

B. Any salaries, emoluments or benefits that would otherwise be paid by the agency or political subdivision to a loaned employee or officer shall instead be paid to the regular employer of such employee who shall in turn be paid his regular salary and benefits the same as if he were continuing his regular employment with his permanent employer.

SECTION 12. AMENDATORY 74 O.S. 1991, Section 840.8 (Section 3, Chapter 308, O.S.L. 1991), is amended to read as follows:

Section 840.8 The following offices, positions, and personnel comprise the exempt unclassified service:

1. Persons chosen by popular vote or appointment to fill an elective office, and their employees, except the employees of the Corporation Commission, the State Department of Education and the Department of Labor;

2. Members of boards and commissions, and heads of agencies; also one principal assistant or deputy and one executive secretary for each state agency;

3. All judges, elected or appointed, and their employees;

4. Federally funded time-limited employees hired for the specific purpose of providing public service employment or one-time special or research project services for a limited period of time and shall not exceed the period of time for which that specific federal funding is provided;

5. All officers and employees of The Oklahoma State System of Higher Education, State Board of Education and State Department of Vocational and Technical Education;

6. Persons employed in a professional or scientific capacity to make or conduct a temporary and special inquiry, investigation, or examination on behalf of the Legislature or a committee thereof or by authority of the Governor;

7. Election officials and employees;

8. Temporary employees employed to work less than one thousand (1,000) hours in any twelve-month period. This category of employees shall include persons employed on an intermittent, provisional, seasonal, temporary or emergency basis;

9. Temporary lake patrol officers, regardless of the number of hours worked, who are employed by the Department of Public Safety during the period March 16 through October 31 in any calendar year; provided, the hours worked shall be considered in determining the temporary employee's eligibility for subsequent employment in any other unclassified temporary employment category;

10. Professional trainees only during the prescribed length of their course of training or extension study;

11. Students who are employed on a part-time basis, which shall be seventy-five percent (75%) of a normal forty-hour work week or thirty (30) hours per week, or less, or on a full-time basis if the

employment is pursuant to a cooperative education program such as that provided for under Title I IV-D of the Higher Education Act of 1965 (20 U.S.C. 1087a-1087c), as amended, and who are regularly enrolled in (a) an institution of higher learning within The Oklahoma State System of Higher Education (b) an institution of higher learning qualified to become coordinated with said State System of Higher Education (c) for purposes of this act a student shall be considered a regularly enrolled student if he is enrolled in a minimum of five (5) hours of accredited graduate courses or a minimum of ten (10) hours of accredited undergraduate courses, and regularly attending classes during that semester of employment or (d) high school students regularly enrolled in a high school in Oklahoma and regularly attending classes during such time of enrollment;

12. The spouses of personnel who are employed on a part-time basis to assist or work as a relief for their spouses in the Oklahoma Tourism and Recreation Department;

13. Service substitute attendants who are needed to replace museum and site attendants who are unavoidably absent. Service substitutes may work as part-time or full-time relief for absentees for a period of not more than four (4) weeks per year in the Oklahoma Historical Society sites and museums; such substitutes will not count towards the agency's Full-Time-Equivalent Employee Limit;

14. Employees of State Capitol cafeterias;

15. Employees of either the House of Representatives or the State Senate;

16. Grand River Dam Authority personnel occupying the following offices and positions:

- a. The general manager, assistant general managers, secretaries to the general manager, and assistant general managers,

- b. The chief engineer and the engineers, superintendents, and assistant superintendents,
- c. The general counsel and the attorneys on the general counsel's staff,
- d. The secretary,
- e. The treasurer,
- f. Rate analysts, and
- g. Unclassified employees hired prior to May 1, 1989, who hold engineering job titles but who are not registered engineers, provided said persons are reassigned nonengineering job titles. At such time as the positions occupied by said unclassified employees are vacated, the positions shall revert to the classified service;

17. Oklahoma Tax Commission personnel occupying the following offices and positions:

- a. All revenue administrators, the budget officer and the comptroller of the Tax Commission,
- b. All administrators and unit managers in the Management Information Services Division,
- c. All Computer Programming Systems Specialist positions,
- d. All Data Processing Programmer Analyst Supervisor and Data Processing Programmer Analyst III positions,
- e. All Public Affairs Officer and Assistant Public Affairs Officer positions,
- f. Public Information Officer, and
- g. All Tax Economist positions;

18. Corporation Commission personnel occupying the following offices and positions:

- a. Administrative assistant, administrative aides, and executive secretaries to the Commissioners,
- b. Directors of all the divisions, and

c. General Counsel;

19. State Department of Education personnel occupying the following offices and positions:

a. Administrative Assistants,

b. Informational Representatives III,

c. Driver Educational Electronics Technician,

d. Media Technical Assistants,

e. Executive Secretaries,

f. Accounting Supervisor,

g. Supervisor of Records,

h. Supervisor of Printing Services,

i. Migrant Records Transfer System Representative,

j. Financial Managers, and

k. In addition to the State Department of Education

offices and positions listed in this paragraph, any

and all offices and positions within the State

Department of Education for which the annual salary is

Twenty-one Thousand Nine Hundred Forty-three Dollars

(\$21,943.00) or more shall also be in the unclassified

service of this state.

Nothing in this paragraph is intended to change the status, whether classified or unclassified, of any person employed by the Department of Education prior to May 1, 1989. No position shall become unclassified while it is occupied by a classified employee because of any change in salary or grade. Hereafter, any position paid an annual salary of Twenty-one Thousand Nine Hundred Forty-three Dollars (\$21,943.00) or more shall be in the unclassified service upon being vacated;

20. At the option of the employing agency, the Supervisor, Director, or Educational Coordinator in any other state agency having a primary responsibility to coordinate educational programs operated for children in state institutions;

21. Bill Willis Community Mental Health Center personnel occupying the following offices and positions:

- a. Director of Facility,
- b. Deputy Director for Administration,
- c. Clinical Services Director, and
- d. Executive Secretary to Director;

22. The State Comptroller, Office of the Director of State Finance;

23. Employees of the Oklahoma Development Finance Authority;

24. Those positions so specified in the annual business plan of the Department of Commerce;

25. Those positions so specified in the annual business plan of the Oklahoma Center for the Advancement of Science and Technology;

26. The following positions and employees of the Oklahoma School of Science and Mathematics:

- a. positions for which the annual salary is Twenty-four Thousand One Hundred Ninety-three Dollars (\$24,193.00) or more, as determined by the Office of Personnel Management, provided no position shall become unclassified because of any change in salary or grade while it is occupied by a classified employee,
- b. positions requiring certification by the State Department of Education, and
- c. positions and employees authorized to be in the unclassified service of the state elsewhere in this section or in Section 840.10 of this title;

27. State Insurance Fund personnel occupying the following offices and positions:

- a. Commissioner,
- b. Deputy Commissioner,
- c. Administrative Assistants to the Commissioner,

- d. Executive Secretaries to the Commissioner and Deputy Commissioner,
- e. Law Clerks and Legal Assistants,
- f. Special Counsel,
- g. General Counsel,
- h. Medical Analysts Supervisor,
- i. Medical Analysts,
- j. Field Adjusters,
- k. Investment Officer, and
- l. Collections Attorneys;

28. The Carl Albert Internship Program Coordinator within the Office of Personnel Management;

29. Department of Corrections personnel occupying the following offices and positions:

- a. Associate Director,
- b. Executive Secretary,
- c. General Counsel,
- d. Assistant General Counsel,
- e. Deputy Director,
- f. Public Information Officer,
- g. Personnel Manager,
- h. Administrator of Planning and Research,
- i. Administrator of Finance and Accounting,
- j. Executive Assistant,
- k. Administrator of Information Services,
- l. Affirmative Action Officer,
- m. System Development Manager,
- n. Computer Operations Manager,
- o. Training Director,
- p. Assistant Training Director,
- q. Administrator of Construction and Maintenance,
- r. Administrative Assistant,

- s. Secretary,
- t. Administrator of Classification and Programs,
- u. Coordinator of Facility Classification,
- v. Mediation Coordinator,
- w. Inspector General,
- x. Medical Director,
- y. Psychiatrist,
- z. Physician,
- aa. Optometrist,
- ab. Dental Services Supervisor,
- ac. Dentist,
- ad. Psychologist,
- ae. Administrator of Dietary Services,
- af. Warden I,
- ag. Warden II,
- ah. Warden III,
- ai. Deputy Warden I,
- aj. Deputy Warden II,
- ak. Deputy Warden III,
- al. Community Treatment Center Superintendent,
- am. Community Treatment Center Assistant Superintendent,
- an. Probation and Parole District Supervisor,
- ao. Probation and Parole Assistant District Supervisor,
- ap. Administrator of Human Resources, ~~and~~
- aq. Facility Staffing Pattern Analyst~~r~~, and
- ar. Correctional School Superintendent;

30. Department of Corrections personnel occupying the following offices and positions as representatives of the Oklahoma State Industries:

- a. Administrator of Industrial Production,
- b. Administrator of Agriculture Production,
- c. OSI Sales Representative,

- d. OSI Sales Manager, and
- e. Marketing Manager.

The positions listed in this paragraph shall be funded from the Department of Corrections Industries' Revolving Fund only. In addition to the regular salary, any unclassified sales representative of the Oklahoma State Industries of the Department of Corrections who is responsible for obtaining a contract for products manufactured or services provided by prison industries may, at the discretion of the Director of the Department of Corrections, be awarded additional compensation of not more than five percent (5%) of the total amount of said contracts but not more than Five Thousand Dollars (\$5,000.00) per year. This compensation may be in addition to the salary of the employee and may be paid in one lump sum from any funds available to the Department of Corrections. No such compensation shall be made unless funds are available. Funds for payment of any compensation awards shall be encumbered to the extent of the awards.

Incumbents in positions listed in paragraph 29 of this section and in this paragraph that are classified under the Merit System of Personnel Administration on the effective date of this act shall have the option of remaining in their classified status under the Merit System of Personnel Administration. Incumbents that choose to accept unclassified appointments shall so signify in writing. All future appointees to these positions shall be unclassified. Incumbents that choose to remain in the classified service under the Merit System of Personnel Administration shall be subject to all rules and procedures of the Merit System of Personnel Administration. By the end of the first full work week of each month, the Director of the Department of Corrections shall submit to the Director of State Finance a report listing the total number of part-time employees employed during the preceding month, the

positions for which they were employed, and the number of hours worked for each part-time position;

31. Department of Labor personnel occupying the following offices and positions:

- a. Deputy Commissioner,
- b. Executive Secretary to the Commissioner,
- c. Chief of Staff, and
- d. Administrative Assistant, Legal; and

32. The State Bond Advisor and his employees.

SECTION 13. AMENDATORY 74 O.S. 1991, Section 85.12, as amended by Section 3 of Enrolled Senate Bill No. 646 of the 2nd Session of the 43rd Oklahoma Legislature, is amended to read as follows:

Section 85.12 A. The provisions of this section shall not be construed to affect any law relating to fiscal or accounting procedure except such as may be directly in conflict herewith; and all claims, warrants and bonds shall be examined, inspected and approved as now provided by law.

B. The following acquisitions shall not be included within the purview of the Oklahoma Central Purchasing Act, Section 85.1 et seq. of this title:

1. Food and other products produced by state institutions and agencies;

2. Contracts for construction of new buildings and for the repair, maintenance or modernization of old buildings by state educational institutions included within The Oklahoma State System of Higher Education;

3. The printing or duplication of publications or forms of whatsoever kind or character by state agencies, which service is performed upon their own equipment, by their own employees;

4. Acquisitions by The Oklahoma State System of Higher Education on any institution or entity comprising the same insofar

as such acquisitions relate to textbooks, laboratory supplies, instructional materials and specialized laboratory equipment;

5. Department of Transportation and Transportation Commission contractual services or right-of-way purchases. Contracts awarded pursuant to bids let by the Transportation Commission for the maintenance or construction of streets, roads, highways, bridges, or underpasses, or any other transportation facilities under the control of the Department of Transportation, the acquisitions of equipment or materials accruing to the Department of Transportation required in Federal-Aid contracts, and contracts for public service type announcements initiated by the Department of Transportation. Contractual services as used herein shall not include advertising or public relations services;

6. Utility services where rates therefor are regulated by a state or federal regulatory commission, or by city ordinance or by an Indian Tribal Council for use by the Department of Corrections only;

7. Purchases of products by Oklahoma Medical Center. The Commission for Human Services shall develop standards for the purchase of products and may elect to utilize Central Purchasing when appropriate. Such standards shall foster economy, short response time, and include appropriate safeguards to assure appropriate competition and economical and efficient purchasing;

8. Contracts for custom harvesting by the Department of Corrections for the Department or its institutions;

9. Contracts with private prison contractors which are subject to the contracting procedures of Section 561 of Title 57 of the Oklahoma Statutes;

10. Acquisitions of aircraft by agencies authorized by the Legislature to purchase aircraft;

11. Purchases by the Oklahoma Municipal Power Authority;

12. Grand River Dam Authority;

13. Purchases by rural water, sewer, gas or solid waste management districts created pursuant to Section 1324.1 et seq. of Title 82 of the Oklahoma Statutes;

14. Purchases by the Oklahoma Ordnance Works Authority or Midwestern Oklahoma Development Authority, except that the Oklahoma Ordnance Works Authority and the Midwestern Oklahoma Development Authority shall remain subject to the provisions of Section 85.32 of this title;

15. Contracts entered into by the Oklahoma Industrial Finance Authority for the services of an appraiser or for acquisition of insurance when it is determined by its Board of Directors that an emergency exists and for the services of legal counsel when approved by the Attorney General;

16. Contracts entered into by the State Department of Education for the purpose of implementing the provisions of Section 6-156 of Title 70 of the Oklahoma Statutes;

17. Expenditure of monies appropriated to the State Board of Education for the purpose of Local, State-supported Programs and State-supported Programs except monies appropriated for the Administrative and Support Functions of the State Department of Education;

18. Contracts entered into by the State Department of Vocational and Technical Education for the development, revision or updating of vocational curriculum materials;

19. Contracts entered into by the Oklahoma Center for the Advancement of Science and Technology for professional services;

20. Contracts entered into by the Oklahoma Department of Commerce pursuant to the provisions of Sections 8 through 13 of this act;

21. Purchases made by the Oklahoma Historical Society from monies used to administer the White Hair Memorial;

22. Purchases of products by the Forestry Service of the State Department of Agriculture as authorized by the federal General Services Administration through a General Services Administration contract or other federal contract if the item is not on current state contract or the terms of such federal contract are more favorable to the agency than the terms of a state contract for the same products; and

23. Purchases amounting to less than that requiring competitive bid pursuant to Section ~~85.4~~ 85.7 of this title. The Director of Central Services shall promulgate rules related to such purchases in excess of Seven Hundred Fifty Dollars (\$750.00) and not exceeding Two Thousand Five Hundred Dollars (\$2,500.00) to ensure competitiveness and fairness in such purchases.

C. Notwithstanding the exclusions provided herein, any agency or common schools of Oklahoma, any municipality of the state, any rural fire protection district and county officers may, unless the contract with the state specifies otherwise, avail themselves of the provisions of the Oklahoma Central Purchasing contracts and the services of the Purchasing Director. Provided further, however, that any subdivision of government and any rural fire protection district of the state may designate the office of Oklahoma Central Purchasing as its agent for the purchase or procurement of any item or service contracted or available to the state.

D. Further, notwithstanding the exclusions provided herein, the purchasing policies and procedures of the Oklahoma Ordnance Works Authority and the Midwestern Oklahoma Development Authority shall be subject to approval by the Director of the Office of Public Affairs, and said Director shall make periodic audits of the purchasing policies and procedures of the Oklahoma Ordnance Works Authority and the Midwestern Oklahoma Development Authority to assure that said purchasing policies and procedures, as approved by him, are being followed.

SECTION 14. REPEALER 11 O.S. 1991, Section 37-119
(Section 2, Chapter 293, O.S.L. 1991), 15 O.S. 1991, Section 753
(Section 4, Chapter 242, O.S.L. 1991), 20 O.S. 1991, Section 1308
(Section 29, Chapter 238, O.S.L. 1991), 47 O.S. 1991, Section 6-101
(Section 13, Chapter 335, O.S.L. 1991), 63 O.S. 1991, Section 2-503
(Section 32, Chapter 216, O.S.L. 1991), 68 O.S. 1991, Sections 1355
(Section 19, Chapter 235, O.S.L. 1991), 1357 (Section 2, Chapter
337, O.S.L. 1991) and 2358 (Section 1, Chapter 232, O.S.L. 1991), 70
O.S. 1991, Sections 6-101.4 (Section 6, Chapter 3, O.S.L. 1991) and
13-124 (Section 68, Chapter 280, O.S.L. 1991), and 74 O.S. 1991,
Sections 18 1 (Section 8, Chapter 282, O.S.L. 1991), 85.7 (Section
2, Chapter 197, O.S.L. 1991), 840.8 (Section 18, Chapter 291, O.S.L.
1991), 1304 (Section 10, Chapter 288, O.S.L. 1991) and 1847.1
(Section 2, Chapter 262, O.S.L. 1991), are hereby repealed.

SECTION 15. REPEALER 51 O.S. 1991, Section 6, as amended
by Section 2 of Enrolled House Bill No. 1804 of the 2nd Session of
the 43rd Oklahoma Legislature, and 74 O.S. 1991, Section 85.12, as
amended by Section 1 of Enrolled House Bill No. 2145 of the 2nd
Session of the 43rd Oklahoma Legislature, are hereby repealed.

SECTION 16. This act shall become effective July 1, 1992.

SECTION 17. It being immediately necessary for the preservation
of the public peace, health and safety, an emergency is hereby
declared to exist, by reason whereof this act shall take effect and
be in full force from and after its passage and approval.

Passed the House of Representatives the 21st day of May, 1992.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1992.

President of the Senate