

ENROLLED SENATE  
BILL NO. 354

BY: HENDRICK of the SENATE

and

BENSON, GLOVER, HUDSON,  
ISTOOK and STEIDLEY of the  
HOUSE

AN ACT RELATING TO STATE GOVERNMENT; CREATING  
THE STATE AGENCY SETTLEMENTS ACT; PROVIDING  
SHORT TITLE; PROVIDING DEFINITIONS; MAKING  
CERTAIN SETTLEMENTS VOID; REQUIRING CERTAIN  
SETTLEMENTS TO BE PURSUANT TO THIS ACT; SETTING  
OUT PROCEDURES FOR APPROVING CERTAIN  
SETTLEMENTS; PROVIDING FOR CODIFICATION; AND  
DECLARING AN EMERGENCY.

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

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 8001 of Title 74, unless there  
is created a duplication in numbering, reads as follows:

This act shall be known as the "State Agency Settlements Act".

SECTION 2. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 8002 of Title 74, unless there  
is created a duplication in numbering, reads as follows:

As used in the State Agency Settlements Act:

1. "Agency" means any state agency, board, commission,  
institution of higher education, public officer, official or  
employee of the State of Oklahoma, and shall also mean the State of  
Oklahoma itself;

2. "Settle" means to concur on behalf of a state agency to any  
default or agreed judgment, consent decree, or other settlement of  
any litigation or claim against any state agency, or against the  
State of Oklahoma;

3. "Days" means calendar days, not legislative days;

4. "Claim" means any and all demands for payment of money,  
performance or nonperformance of some act or acts, forbearance from  
some act or acts, adoption or nonadoption of some policy or course  
of conduct, or any other matter commonly understood to comprise a  
claim at law, and shall also mean any and all lawsuits and legal  
actions which relate to any demand. It shall not mean claims made  
against the state arising from a contract not in dispute, pursuant  
to an appropriation of funds already made by the Oklahoma  
Legislature, in accordance with the laws governing appropriations;  
and

5. "Extraordinary claim" means a claim which seeks or results  
in imposing a continuing duty or obligation which requires  
expenditure of funds beyond current appropriations authority and not  
previously included in the agency's budget work plan.  
"Extraordinary claim" shall also mean a claim to be paid in whole or  
in part by money to be appropriated in a future fiscal year, unless  
the claim is expressly authorized by an act of the Legislature.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8003 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. No state agency shall settle any extraordinary claim against it, except in compliance with the State Agency Settlements Act, and any settlement made in violation of the State Agency Settlements Act is void.

B. No state officer, official, employee or agent shall attempt to settle any extraordinary claim on behalf of a state agency, except in compliance with the State Agency Settlements Act.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8004 of Title 74, unless there is created a duplication in numbering, reads as follows:

As to all extraordinary claims, any settlement approved by a state agency shall require additional approval as follows:

1. Copies of the settlement proposal shall be provided immediately by the involved agency to the Governor, Attorney General, Speaker of the House of Representatives and President Pro Tempore of the State Senate, to the chairmen of the House and Senate Judiciary and Appropriations and Budget Committees, and to the majority and minority floor leaders of the House and Senate. The time limits for approval or rejection shall not commence until all such persons have been so notified. Notice is deemed to be given by providing written notices to the persons specified in this paragraph, by delivering a copy to their offices during regular business hours;

2. If notice is given as provided in paragraph 1 of this section, the settlement shall be deemed approved thirty (30) days after all notices are given, unless:

- a. it is expressly disapproved under the provisions of paragraph 3 of this section, or
- b. a written notice of objection is made within that thirty (30) days by the Governor, Attorney General, or by any three of the legislators who are entitled to notice under paragraph 1 of this section.

Any such notice of objection shall automatically invoke the provisions of paragraph 3 of this section. A copy of the written notice of objection shall be provided by the objecting person to the parties involved in the settlement, and to the court, if the matter is in litigation;

3. If this paragraph is invoked, either the Governor, by executive order, or either house of the Legislature, by simple resolution in regular or special session, may reject the settlement. Any such order or resolution must be made within thirty (30) days, if the Legislature is in session throughout such thirty-day period, or during a special session, if one is convened for the purpose of considering a settlement involving this act. Otherwise, such rejection may be made within thirty (30) days after convening of the next legislative session which is thirty (30) days or more in duration. If no rejection is made within the relevant time period, the settlement is automatically approved. Express approval of a settlement may be made at any time, by bill or by joint resolution, unless it is vetoed by the Governor and the veto of the Governor is not overridden.

SECTION 5. 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 Senate the 30th day of May, 1991.

President of the Senate

Passed the House of Representatives the 31st day of May, 1991.

Speaker of the House of  
Representatives