

(1ST EXTRAORDINARY SESSION)  
ENGROSSED SENATE  
BILL NO. 3

By: Mickle of the Senate

and

Steidley of the House

An Act relating to prisons and reformatories, public finance and agriculture; amending 57 O.S. 1991, Section 509, which relates to Department of Corrections facilities; amending 62 O.S. 1991, Sections 41.21, as last amended by Section 21 of Enrolled House Bill No. 2299 of the 2nd Session of the 44th Oklahoma Legislature, and Section 7, Chapter 350, O.S.L. 1992, as amended by Section 129, Chapter 189, O.S.L. 1993 (62 O.S. Supp. 1993, Section 57.306), which relate to payment of claims or payrolls and building bonds, and 2 O.S. 1991, Section 1766, which relates to agricultural linked deposits; modifying name of agency; making reference gender neutral; making interest subject to legislative appropriations; and changing statutory reference.

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

SECTION 1. AMENDATORY 57 O.S. 1991, Section 509, is amended to read as follows:

Section 509. The Oklahoma State Penitentiary shall be located at McAlester in Pittsburg County, State of Oklahoma; and the Oklahoma State Reformatory shall be located at Granite in Greer County, State of Oklahoma; and the Lexington Assessment and Reception Center shall be located at Lexington in Cleveland County, State of Oklahoma; and the Jackie Brannon Correctional Center shall be located at McAlester in Pittsburg County, State of Oklahoma; and the Joseph Harp Correctional Center shall be located at Lexington in Cleveland County, State of Oklahoma; and the Howard C. McLeod Correctional Center shall be located at Farris in Atoka County, State of Oklahoma; and the Mack H. Alford Correctional Center shall be located at Stringtown in Atoka County, State of Oklahoma; and the Ouachita Correctional Center shall be located at Hodgens in LeFlore County, State of Oklahoma; and the Mabel Bassett Correctional Center shall be located at Oklahoma City in Oklahoma County, State of Oklahoma; and the R.B. "Dick" Conner Correctional Center shall be located at Hominy in Osage County, State of Oklahoma; and the James Crabtree Correctional Center shall be located at Helena in Alfalfa County, State of Oklahoma; and the Jess Dunn Correctional Center shall be located at Taft in Muskogee County, State of Oklahoma; and the John Lilley Correctional Center shall be located at Boley in Okfuskee County, State of Oklahoma; and the William S. Key Correctional Center shall be located at Fort Supply in Woodward County, State of Oklahoma; and the Dr. Eddie Walter Warrior Correctional Center shall be located at Taft in Muskogee County, State of Oklahoma; and the Oklahoma City, Clara Waters and Kate Barnard Community Corrections Centers shall be located at Oklahoma City in Oklahoma County, State of Oklahoma; and the Tulsa Community Corrections Center shall be located at Tulsa in Tulsa County, State of Oklahoma; and the Muskogee Community Corrections Center shall be located at Muskogee in Muskogee County, State of Oklahoma; and the Lawton Community Corrections Center shall be located at Lawton in

Comanche County, State of Oklahoma; and the Enid Community Corrections Center shall be located at Enid in Garfield County, State of Oklahoma; and the McAlester Community Corrections Center shall be located at McAlester in Pittsburg County, State of Oklahoma; and said institutions and community corrections centers are hereby established within the Department. Said Department shall be the legal successor of and, except as otherwise provided in the Oklahoma Corrections Act of 1967, Section 501 et seq. of this title, shall have the powers and duties vested by law in the ~~Office of Public Affairs~~ Department of Central Services in all matters relating to penal institutions, heretofore or hereafter established by the Department, which institutions and community corrections centers shall be under the administrative direction and control of the Department.

SECTION 2. AMENDATORY 62 O.S. 1991, Section 41.21, as last amended by Section 21 of Enrolled House Bill No. 2299 of the 2nd Session of the 44th Oklahoma Legislature, is amended to read as follows:

Section 41.21 A. Except as otherwise provided by subsections B, C and D of this section, procedures for effecting payment of claims or payrolls shall include the following:

1. All claims and payrolls which are to be used to authorize the payment of money from the State Treasury, shall be filed with the Director of State Finance for audit and settlement prior to being filed for payment with the State Treasurer. The Director of State Finance may, at his or her discretion, establish a procedure to permit consolidated payment to vendors for claims involving more than one agency of the state when audit and settlement of such claims, as hereinafter provided, can in all respects be accomplished;

2. The Division of Central Accounting and Reporting shall preaudit all claims against contracts, purchase orders and other

commitments before entering such claims against the appropriation allotment accounts; and

3. After claims and/or payrolls have been properly audited and recorded against the respective appropriation allotment accounts, the Division of Central Accounting and Reporting shall certify such claims and/or payrolls to the State Treasurer for payment. It shall be the responsibility of the Division of Central Accounting and Reporting to determine:

- a. that all legal requirements concerning the expenditure of monies involved in each claim or payroll have been complied with, and
- b. that funds have been properly and legally allotted for the payment of the claim or payroll and that a sufficient balance exists for the payment of same.

Sufficient space shall be provided on each claim and/or payroll for the Director of State Finance to indicate that the claim or payroll has been approved for payment by the Division of Central Accounting and Reporting. The Director of State Finance shall authorize bonded employees in the Division of Central Accounting and Reporting to execute the signed approval of each claim or payroll which shall be certified to the State Treasurer for payment.

B. Notwithstanding the provisions of subsection A of this section, the Department of Human Services is authorized to establish an encumbrance and preaudit system for settlement of claims relating to public assistance, social service benefits and medical benefits to or for persons eligible under applicable federal laws and regulations, Oklahoma Statutes, and policies established by the Oklahoma Commission for Human Services. The following programs shall be eligible for this procedure:

1. Aid to Families with Dependent Children;
2. Aid to Aged, Blind and Disabled;
3. Medical Assistance;

4. Day Care;
5. Refugee Resettlement;
6. Low Income Heating and Energy Assistance;
7. General Assistance;
8. Crippled Children;
9. Social Services under Title XX of the U.S. Social Security Act, 42 U.S.C., Section 301 et seq.;
10. Adoption Subsidies;
11. Foster Care;
12. Medical Examination;
13. Area Agencies on Aging;
14. Any contract for service for which the Department of Central Services has approved as qualifying for a fixed and uniform rate pursuant to Section 85.7 of Title 74 of the Oklahoma Statutes;
15. Sheltered Workshops;
16. Contracted Group Homes;
17. Rehabilitative Client Interpreters; and
18. Rehabilitative Client Drivers.

The Department of Human Services shall provide to the Director of State Finance, for approval prior to inclusion in this procedure, detailed listings of the type of payments to be made for each of these programs. The Department of Human Services shall provide the Director of State Finance a daily report of the dollar amount of claims settled and checks or warrants written, the dollar amount of checks or warrants canceled, and the dollar amount of checks or warrants canceled by statutes.

C. Notwithstanding the provisions of subsection A of this section, the State Department of Rehabilitation Services is authorized to establish an encumbrance and preaudit system for settlement of claims relating to social service benefits and medical benefits to or for persons eligible under applicable federal laws

and regulations, Oklahoma Statutes, and policies established by the Commission for Rehabilitation Services for the following programs:

1. Vocational and other rehabilitation;
2. Educational services; and
3. Disability Determination Services.

The State Department of Rehabilitation Services shall provide to the Director of State Finance, for approval prior to inclusion in this procedure, detailed listings of the type of payments to be made for each of these programs. The State Department of Rehabilitation Services shall provide the Director of State Finance a daily report of the dollar amount of claims settled and checks or warrants written, the dollar amount of checks or warrants canceled, and the dollar amount of checks or warrants canceled by statutes.

D. Provisions of subsection A of this section notwithstanding, the Oklahoma State Regents for Higher Education and the Director of State Finance shall jointly establish a system for the settlement of claims, excepting payroll, by entities of The Oklahoma State System of Higher Education. The settlement system shall include policy, procedures, and performance criteria for participation. The State Regents are authorized to approve or disapprove the participation of any institution or other entity of the State System in the claims settlement system.

E. Notwithstanding the provisions of subsection A of this section, agencies administering certain major federal assistance programs are authorized to establish a preaudit and settlement system for claims and/or payments relating to the purposes of the stated federal assistance programs. The State Treasurer shall promulgate rules and regulations for the state in accordance with Federal Banking and National Automated Clearing House Association standards and agencies shall be required to utilize automated clearing house procedures and regulations established by the State Treasurer provided that no individual or entity shall be required to

have a bank account unless required by federal law or federal regulation. Agencies shall be further required to present these transactions to the Office of State Finance in a summarized format and shall include any accounting information necessary as determined by the Director of State Finance including, but not limited to, information related to Public Law 101-453 the Cash Management Improvement Act, 31 U.S.C., Sections 3335, 6501 and 6503.

Expenditures for administration of the stated federal assistance programs shall not be eligible for these procedures.

The following programs shall be eligible for this procedure:

1. National School Lunch Program;
2. Job Training Partnership Act, 29 U.S.C., Section 1501 et seq.;
3. Chapter 1 Programs - Local Education Agencies;
4. Pell Grant Program;
5. School Breakfast Program;
6. Federal, State and Local Partnerships for Educational Improvement;
7. Unemployment Trust Fund;
8. Special Education State Grants;
9. Alcohol and Drug Abuse and Mental Health Services Block Grant;
10. Child and Adult Care Food Program;
11. Special Supplemental Food Program for Women, Infants and Children;
12. Community Development Block Grant;
13. Community Services Block Grant;
14. Vocational Education - Basic Grants to States;
15. Capitalization Grants for State Revolving Funds;
16. Highway Planning and Construction (contractor estimates and right-of-way payments);
17. Special Milk Program;

18. Summer Food Service;

19. U.S. Departments of Health and Human Services, Housing and Urban Development, Education, and the Bureau of Indian Affairs grant awards administered by the Oklahoma Department of Education and ultimately received by eligible subrecipients;

20. Home Investment Partnership Program;

21. Emergency Shelter Grant Program;

22. Rental Rehabilitation;

23. Emergency Homeless Program; and

24. Weatherization.

The Director of State Finance shall establish a disbursing fund which shall receive all federal, state matching and other funds which make up the total funding sources for each of the above federal programs.

F. Notwithstanding the provisions of subsection A of this section, the Director of State Finance shall be authorized to process payments for federal tax withholding without claim forms. The Director of State Finance shall establish a separate fund for the purpose of accumulating federal income tax withholding from payrolls and remitting same to the United States Treasury.

G. The State Treasurer shall write checks or warrants in payment of claims and payrolls certified to him or her for payment by the Division of Central Accounting and Reporting or the Department of Human Services. The State Treasurer, at his or her discretion and within such limitations as he or she may prescribe, may authorize the Director of State Finance or the Department of Human Services to write the checks or warrants for payment of claims and payrolls that have been certified by the respective agency. The Director of State Finance and the Department of Human Services shall provide the State Treasurer a register of each payment for each check or warrant written. Provided, in lieu of checks or warrants:

1. The Director of State Finance may, with the concurrence of the State Treasurer, establish a procedure to effect the settlement of interagency claims by transfer entry; and

2. At the discretion of the State Treasurer, payment of claims and payrolls may be made by the electronic transfer of funds.

Such optional settlement modes may be implemented when the authorized officer or officers of the state are satisfied such modes will substantially operate to the benefit of the state and without sacrifice to the security and integrity of the monies and records of the state.

H. The Director of State Finance is authorized to use a numeric or alphanumeric designation to cross-reference claims or payrolls to check warrant numbers, transfer entry or optional settlement mode used in the payment thereof.

SECTION 3. AMENDATORY Section 7, Chapter 350, O.S.L. 1992, as amended by Section 129, Chapter 189, O.S.L. 1993 (62 O.S. Supp. 1993, Section 57.306), is amended to read as follows:

Section 57.306 A. There is hereby created in the State Treasury of the State of Oklahoma the "Oklahoma Building Bonds of 1992 Fund". The proceeds of the sale of bonds pursuant to this act shall be deposited in said fund, where they shall remain subject to disposition to be provided for by the Legislature of this state, provided that the State Treasurer, when so directed by the Commission, shall invest the amounts designated by the Commission for the period of time specified by the Commission; provided that all such investments of said monies must be made so that the same shall mature in time to enable the State of Oklahoma to issue warrants for payment of the valid obligations incurred for the purpose for which the bonds were issued.

B. It shall be the duty of the Director of the Office of State Finance to promptly certify to the State Treasurer the amount of all sums not needed for payment of construction and other legal

expenditures payable from the fund to meet the payment schedule, and upon receipt of such certification the State Treasurer shall forthwith invest such funds.

C. All interest received by the State Treasurer for such investments shall be utilized ~~as determined by the Commission~~ pursuant to appropriations by the Legislature.

SECTION 4. AMENDATORY 2 O.S. 1991, Section 1766, is amended to read as follows:

Section 1766. A. The State Treasurer is hereby authorized to disseminate information and to provide agricultural linked deposit loan packages to the lending institutions eligible for participation in this act.

B. The agricultural linked deposit loan package shall be completed by the borrower before being forwarded to the lending institution for consideration. Any technical assistance in completing the agricultural loan package shall be provided by the Department of Agriculture.

C. 1. An eligible lending institution that desires to receive an agricultural linked deposit shall accept and review applications for loans from eligible agricultural businesses. The lending institution shall apply all usual lending standards to determine the credit worthiness of each eligible agricultural business. No single linked deposit for an alternative agricultural product shall exceed One Million Dollars (\$1,000,000.00). No single linked deposit for an at-risk farm or ranch operation shall exceed Three Hundred Fifty Thousand Dollars (\$350,000.00). The total amount of agricultural and small business linked deposit loans shall not exceed fifteen percent (15%) of all investable state funds under the control of the State Treasurer.

2. Only one linked deposit loan shall be made and be outstanding at any one time to any farmer. However, the linked deposit loan may be refinanced.

3. No loan shall be made to any officer or director of the lending institution making the loan.

D. An eligible agricultural business shall certify on its loan application that the reduced rate loan will be used exclusively for the purposes outlined in paragraph 1 of Section 1762 of ~~this title~~ Title 62 of the Oklahoma Statutes.

E. In considering which eligible agricultural businesses to include in the agricultural linked deposit loan package for reduced rate loans, the eligible lending institution shall give priority to the economic needs of the area in which the business is located and other factors it considers appropriate to determine the relative financial need of the business.

F. The eligible lending institution shall forward to the State Treasurer, an agricultural linked deposit loan package, in the form and manner prescribed and approved by the State Treasurer. The package shall include information regarding the amount of the loan requested by each eligible agricultural business and such other information regarding each business the State Treasurer and the State Board of Agriculture requires. The institution shall certify that each applicant is an eligible agricultural business, and shall, for each business, certify the present borrowing rate applicable to each specific eligible agricultural business.

G. Upon receipt of a completed agricultural linked deposit loan package, the State Treasurer shall forward the agricultural linked deposit loan package to the Board. The Board shall review the agricultural linked deposit loan package to determine if said package qualifies under this act. The Board shall make a recommendation concerning the package within ten (10) business days. The Board shall return the package to the State Treasurer with a written recommendation of approval or rejection. If the Board recommends rejection, the written recommendation shall include reasons for said rejection. The Board shall forward a copy of its

rejection notice to the lending institution and the borrower. The State Treasurer shall keep a chronological list of applications forwarded by the Board for approval or rejection.

Passed the Senate the 25th day of May, 1994.

President of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_, 1994.

Speaker of the House of Representatives