

ENROLLED HOUSE  
BILL NO. 1388

By: Begley of the House

and

Price of the Senate

An Act relating to schools; amending 70 O.S. 1991, Section 5-124, as amended by Section 2, Chapter 394, O.S.L. 1992 (70 O.S. Supp. 1992, Section 5-124), which relates to certain contracts executed by school districts; modifying definition of contract; authorizing certain contracts; exempting certain contracts from certain requirements; and providing an effective date.

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

SECTION 1. AMENDATORY 70 O.S. 1991, Section 5-124, as amended by Section 2, Chapter 394, O.S.L. 1992 (70 O.S. Supp. 1992, Section 5-124), is amended to read as follows:

Section 5-124. Except as otherwise provided in this section, no board of education of any school district in this state shall make any contract with any of its members or with any company, individual or business concern in which any of its members shall be directly or indirectly interested. All contracts made in violation of this section shall be wholly void. A member of a board of education shall be considered to be interested in any contract made with any company, individual, or any business concern if such member of the board of education or any member of his immediate family owns any substantial interest in same.

Provided however, that for purposes of this section ~~any contract with a qualified nonprofit Internal Revenue Code Section 501(c)(3) organization, except for contracts paying salaries or expenses or except a contract involving the counseling or instruction of students or staff, shall not be considered the making of a contract. Provided that for the purposes of this section monthly billings submitted to any school district in the state for public utility companies, electric cooperatives or telephone companies, whose services are regulated by the Oklahoma Corporation Commission, or billings of said utility companies, electric cooperatives or telephone companies pertaining to installations or changes in service, where tariffs for such charges or billings by said companies are on file with the Oklahoma Corporation Commission, shall not be considered the making of a contract. Provided further,~~ that the governing board of an area vocational-technical school district may enter into a contract for the area vocational-technical school district to provide training for a company, individual, or business concern by which a member of the board is employed. A board member shall abstain from voting on any such contract between the area vocational-technical school district board and the company, individual, or business concern by which the member is employed the following shall not be considered the making of a contract:

1. Any contract with a qualified nonprofit Internal Revenue Code 501(c)(3) organization, except for contracts paying salaries or expenses or except a contract involving the counseling or instruction of students or staff;

2. Monthly billings submitted to any school district for public utility companies, electric cooperatives or telephone companies, whose services are regulated by the Oklahoma Corporation Commission, or billings of said utility companies, electric cooperatives or telephone companies pertaining to installations or changes in service, where tariffs for such charges or billings by said companies are on file with the Oklahoma Corporation Commission; and

3. The depositing of any funds in a bank or other depository. Provided further:

1. That the governing board of an area vocational-technical school district may enter into a contract for the area vocational-technical school district to provide training for a company, individual or business concern by which a member of the board is employed. A board member shall abstain from voting on any such contract between the area vocational-technical school district board and the company, individual or business concern by which the member is employed;

2. That a board of education may enter into a contract with a company, individual, or business concern in which a board member or a member's spouse is employed by or has a substantial interest if the company, individual, or business concern is the only supplier having a place of business located within the school district or within ten (10) miles of the needed services or materials. The board member shall abstain from voting on any such contract between the company, individual, or business concern in which that member has a substantial interest, and the minutes of the board meeting at which such contract is approved shall state that such contract is being made because of the lack of another supplier with a place of business located within the school district; and

3. That a board of education which has entered into a lease-purchase agreement, prior to the time a board member which has a substantial interest in such company, individual, or business concern became a member of the board of education, may, after such member becomes a board member, continue to exercise any fiscal year options in the lease-purchase agreement for renewal of the lease-purchase for the balance of the contract term. The affected board member shall abstain from voting on such fiscal year renewal of the continuation of the lease-purchase agreement.

SECTION 2. This act shall become effective July 1, 1993.

Passed the House of Representatives the 21st day of April, 1993.

Speaker of the House of  
Representatives

Passed the Senate the 6th day of April, 1993.

President of the Senate