ENGROSSED SENATE
BILL NO. 872

By: Herbert of the Senate

and

Stanley of the House

An Act relating to cities and towns; amending 11 O.S. 1991, Section 17-102, which relates to municipal finances; modifying time period for payment of certain invoices; and declaring an emergency.

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

SECTION 1. AMENDATORY 11 O.S. 1991, Section 17-102, is amended to read as follows:

Section 17-102. A. Any invoice against a municipality must be presented in writing and examined in the manner provided by municipal ordinance or in absence of such ordinance by other applicable law. The municipal ordinance shall establish an internal control structure adequate to provide reasonable assurance against unauthorized or illegal payments of invoices. Except as otherwise provided for in this subsection, monies may be drawn from the municipal treasury only upon a proper warrant as provided by law. In lieu of issuing such warrant, a municipality may process payment by check, wire transfer, direct payroll deposit, or other instrument or method of disbursement through the Federal Reserve System.

B. The warrant, check, or other instrument shall be prepared and issued in accordance with procedures and requirements provided by municipal ordinance or in absence of such ordinance, by other

applicable law. The municipal warrant or municipal check shall be signed by the officer designated in the ordinance or in the absence of such ordinance, by the municipal treasurer. The provisions of state law on uniform facsimile signatures of public officials, Sections 601 through 606 of Title 62 of the Oklahoma Statutes, shall be applicable to instruments authorized by this section.

C. Unless alternate procedures have been enacted by municipal ordinance and a majority or all of governing body offices in a municipality become vacant, thereby preventing approval of amounts lawfully owing on invoices, the interim mayor or the remaining governing body members, as the case may be, may authorize emergency payments of amounts owing on invoices for a period not to exceed ninety (90) days after the date that a majority of the offices become vacant <u>or, if an election cannot be held within the ninety (90) days in accordance with state law, until successors to at least a majority of the governing body offices have been elected and qualified</u>. The interim mayor or the remaining governing body members may also authorize payment of payroll, utility bills, or other usual and regular obligations of the municipality. Any such authorization and payment shall not exceed the unencumbered and unexpended balance of the appropriation made for that purpose, nor may the total amount of such emergency authorizations and payments exceed fifteen percent (15%) of the total appropriations approved for the town government for the fiscal year. Any warrant, check or other instrument issued pursuant to this section shall state that it is being issued under emergency circumstances and by special authority of this section.

D. A municipality shall have the authority to establish petty cash accounts in amounts established by the governing body for use in making payments for costs incurred in operating the municipality. The petty cash accounts shall be reimbursed by utilizing properly itemized invoices or petty cash voucher slips and processing the

reimbursement in accordance with the provisions of subsection A of this section.

SECTION 2. 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 27th day of February, 1996.

President of the Senate

Passed the House of Representatives the ____ day of _____, 1996.

Speaker of the House of Representatives