

SHORT TITLE: Public finance; payment of state funds; effective date.

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

SENATE BILL NO. 980

By: Haney and Hobson of the
Senate

and

Hamilton and Settle of the
House

AS INTRODUCED

An Act relating to public finance; amending 62 O.S.
1991, Section 41.16, as amended by Section 1,
Chapter 301, O.S.L. 1997 (62 O.S. Supp. 1997,
Section 41.16), which relates to payments of state
funds; correcting statutory reference; correcting
agency names; and providing an effective date.

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

SECTION 1. AMENDATORY 62 O.S. 1991, Section 41.16, as
amended by Section 1, Chapter 301, O.S.L. 1997 (62 O.S. Supp. 1997,
Section 41.16), is amended to read as follows:

Section 41.16 Encumbrance requirements for payments from funds
of the state shall include the following:

A. Whenever departments, institutions, boards, commissions or
agencies of this state enter into contracts for, or on behalf of the
state for the purchase of goods, wares or merchandise, or for
construction of buildings, roads, bridges or any other thing for
which labor and materials must be furnished by outside vendors, such
agreement shall be evidenced by written contracts or purchase

orders, and must be transmitted to the Director of State Finance within a reasonable time as determined by the Director of State Finance from the date of awarding of such contract or purchase order.

B. The Director of State Finance shall charge such contracts, purchase orders or agreements, against the proper appropriation allotment account as an outstanding order until it is liquidated by payment of a claim, or claims, against said contracts or purchase orders, or by cancellation.

C. The Director of State Finance shall have the authority, and is hereby given the power to authorize departments, institutions, boards, commissions or agencies of the state to make purchases not requiring the submission of competitive bids pursuant to Section 85.7 of Title 74 of the Oklahoma Statutes, or excluded from the purview of the Oklahoma Central Purchasing Act pursuant to Section ~~84.12~~ 85.12 of Title 74 of the Oklahoma Statutes, for or on behalf of the state whenever the Director of State Finance determines that the best interests of the state are served thereby. The administrative head of any agency shall be personally liable for obligations incurred in excess of the authorization granted by the Director of State Finance.

D. The Director of State Finance shall never authorize payment of claims for the purchase of goods, wares and merchandise, or claims for contractual services, for any agency of the state unless it is supported by (1) contracts or purchase orders of the ~~State Board of Public Affairs~~ Department of Central Services, or (2) institutional purchase orders or contracts, or (3) departmental purchase orders or contracts, or (4) authorizations for purchases granted by the Director of State Finance as provided by subsection C of this section. Any invoice or claim dated prior to the date of any of the above-mentioned encumbrance documents shall be rejected by the Director of State Finance. Any encumbrance document that is

outstanding on the records in the Office of State Finance for a period of one (1) year shall be canceled, encumbrances for capital outlay excepted.

E. Beginning October 1, 1997, the Commissioners of the Land Office, in connection with the payment of the custodial bank and investment managers retained pursuant to Section 51 of Title 64 of the Oklahoma Statutes, shall be excluded from the requirements of this section. The Commissioners of the Land Office shall be authorized to make payment to its custodial bank and investment managers from the proceeds of total investments, and such payments may be made from the accounts of the Commissioners of the Land Office at its custodial bank.

SECTION 2. This act shall become effective November 1, 1998.

46-2-2037

TKW