

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 SENATE BILL NO. 1842

By: Aldridge of the Senate

and

6 Wright of the House

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9 COMMITTEE SUBSTITUTE

10 An Act relating to prisons and reformatories;
11 amending 57 O.S. 2001, Section 537, which relates to
12 Board of Directors for canteen services; modifying
13 entity approving certain accounts; amending 62 O.S.
14 2001, Section 7.2, as amended by Section 1, Chapter
15 105, O.S.L. 2002 (62 O.S. Supp. 2007, Section 7.2),
16 which relates to the Special Agency Account Board;
17 abolishing the Special Agency Account Board;
18 transferring all powers, duties, and responsibilities
19 to the Office of State Finance; requiring the Office
20 of State Finance to convert certain accounts by a
21 date certain; amending 72 O.S. 2001, Section 222,
22 which relates to the Oklahoma Department of Veterans
23 Affairs Revolving Fund; modifying entity approving
24 certain accounts; amending 74 O.S. 2001, Section
85.58N, which relates to Quick Settlement Account;
modifying entity to be the depository for certain
account; providing an effective date; and declaring
an emergency.

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

SECTION 1. AMENDATORY 57 O.S. 2001, Section 537, is
amended to read as follows:

1 Section 537. A. There shall be established a Board of
2 Directors for all canteen services within the Department of
3 Corrections. The members of the Board shall be appointed by the
4 Director of the Department of Corrections. All canteen operations
5 shall be under the control of the Board and shall operate pursuant
6 to written guidelines established by the Board. The overall canteen
7 operation shall be self-supporting.

8 B. Each correctional facility may have a canteen. The
9 directors of each canteen shall be the facility head and two
10 directors appointed by the facility head. The business manager
11 shall act as custodian of canteen funds and shall make daily
12 deposits of cash receipts in an agency special account approved by
13 the ~~Special Agency Account Board~~ Office of State Finance. Canteen
14 funds may be transferred from one canteen fund special account to
15 another canteen fund special account upon an affirmative vote by the
16 Board of Directors. All disbursements made from the account shall
17 be by voucher signed by two of the directors of the canteen.
18 Documentation of each disbursement shall be kept on permanent file
19 at each institution. Accounting procedures in accordance with state
20 fiscal accounting procedures shall be followed in administering
21 canteen funds. All profits from the canteen operations shall be
22 used exclusively for the benefit of the inmates of the various
23 institutions and personnel of the Department of Corrections as

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1 determined by the canteen Board of Directors pursuant to subsection
2 A of this section.

3 C. Employees utilized in the operation of the canteen services
4 at each institution shall be state employees. Inmates may work in
5 the canteen operations. Reimbursement for ~~said~~ the work shall be
6 accomplished through the institution incentive pay program.

7 D. The operations of the canteen service shall be the subject
8 of an annual audit by the Office of the State Auditor and Inspector.
9 Reports of the audit shall be provided to the Governor, the Speaker
10 of the House of Representatives, the President Pro Tempore of the
11 Senate, the Legislative Service Bureau, the Department of
12 Corrections, and to the warden of the concerned institution.

13 E. Merchandise for resale purchased and sold through a
14 correctional facilities' canteen as established in this section
15 shall be exempted from the provisions of the Oklahoma Central
16 Purchasing Act.

17 SECTION 2. AMENDATORY 62 O.S. 2001, Section 7.2, as
18 amended by Section 1, Chapter 105, O.S.L. 2002 (62 O.S. Supp. 2007,
19 Section 7.2), is amended to read as follows:

20 Section 7.2 A. There is hereby ~~re-created, to continue until~~
21 ~~July 1, 2008, in accordance with the provisions of the Oklahoma~~
22 ~~Sunset Law, Section 3901 et seq. of Title 74 of the Oklahoma~~
23 ~~Statutes, a abolished the Special Agency Account Board, to consist~~
24 ~~of the Director of State Finance, the State Treasurer and the~~

1 ~~Director of the Legislative Service Bureau.~~ Effective July 1, 2008,
2 all powers, duties and responsibilities of the Special Agency
3 Account Board shall be transferred to the Office of State Finance.
4 All records, property and matters pending of the Board shall also be
5 transferred to the Office of State Finance. The ~~Board~~ Office of
6 State Finance shall have the authority to approve the establishment
7 of agency special accounts in the official depository of the State
8 Treasury. In the case of institutions of higher education, the
9 ~~Special Agency Account Board~~ Office of State Finance, acting in
10 conjunction with the Oklahoma State Regents for Higher Education,
11 shall establish special agency accounts as appropriate which shall
12 be consistent with provisions of the Oklahoma Budget Law of 1947,
13 Section 41.1 et seq. of this title, as it relates to institutions in
14 The Oklahoma State System of Higher Education.

15 B. The ~~Board, created by this section,~~ Office of State Finance
16 shall adopt procedures including application forms, justification
17 and other pertinent information as to the basis for a state agency
18 application for the establishment of agency special accounts. By
19 July 1, 2011, the Office of State Finance shall convert all existing
20 state agency special accounts to 700 Series Fund accounts.

21 C. The ~~Board~~ Office of State Finance may approve agency special
22 accounts for money received by state agencies for the following
23 purposes:
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1 1. Benefit programs for individuals, including, but not limited
2 to, unemployment compensation, workers' compensation and state
3 retirement programs;

4 2. Revenues produced by activities or facilities ancillary to
5 the operation of a state agency which receive no money, directly or
6 indirectly, from or through that state agency, including, but not
7 limited to, revenues from the sales of food at retail level, sales
8 at canteens, sales at student unions, sales at student bookstores,
9 receipts from athletic programs and receipts from housing.
10 Provided, however, that a state institution of higher learning may
11 purchase necessary equipment and instructional supplies and office
12 supplies from a student bookstore, or, subject to authorization by
13 the Oklahoma State Regents for Higher Education, may rent building
14 space for institutional use in a building operated by an
15 organization or entity whose existence is ancillary to the operation
16 of a state agency, and whose cost was financed in whole or in part
17 with revenue-type bonds; provided, further, that the cost of such
18 office supplies or space rental shall not exceed the cost of similar
19 supplies or rentals available commercially;

20 3. Gifts, devises and bequests with an agency as beneficiary,
21 unless otherwise provided by statute;

22 4. Evidence funds for law enforcement agencies;

23 5. Student loan funds and scholarship funds;

24 6. Funds held in escrow;

- 1 7. Land Commission funds;
- 2 8. Funds for which the state agency acts as custodian,
3 including, but not limited to, fees from employee earnings approved
4 by the governing board of the agency, funds of student organizations
5 including student activity fees collected by an educational
6 institution as a separate item in enrollment procedures,
7 professional organizations, patients and inmates;
- 8 9. Funds used by the Oklahoma Tax Commission to pay for the
9 filing of liens with the Federal Aviation Administration;
- 10 10. Temporary accounts for funds arising from new or amended
11 legislation not otherwise provided for in statute or for other
12 emergency situations. Such accounts are to be utilized only pending
13 legislative action directing custody of such funds;
- 14 11. Payment of liability claims against the state;
- 15 12. Activities of the various Armory Boards of the Oklahoma
16 Military Department to receive and dispense funds derived by the
17 Armory Boards pursuant to Sections 232.6 and 232.7 of Title 44 of
18 the Oklahoma Statutes; and
- 19 13. Payment of expenses incurred in connection with the
20 acceptance of payments made with nationally recognized credit cards.
- 21 D. The State Treasurer is authorized to accept deposit of money
22 made directly to agency special accounts approved by the ~~Board~~
23 Office of State Finance. All money received by a state agency, as
24 described in Section 7.1 of this title, shall be deposited in State

1 Treasury funds or accounts and no money shall be deposited in banks
2 or other depositories unless the bank accounts are maintained by the
3 State Treasurer or are for the deposit of authorized petty cash
4 funds.

5 E. Money deposited in agency special accounts shall be
6 disbursed on vouchers issued by the state agency concerned to
7 accomplish the purpose for which the money was intended.

8 F. Funds and revenues of the Grand River Dam Authority are
9 exempt from the requirements of this section.

10 G. Funds and revenues of the Oklahoma Municipal Power Authority
11 are exempt from the requirements of this section.

12 H. Monies used for investment purposes by the Oklahoma
13 Firefighters Pension and Retirement System, the Oklahoma Police
14 Pension and Retirement System, the Uniform Retirement System for
15 Justices and Judges, the Oklahoma Law Enforcement Retirement System,
16 the Oklahoma Public Employees Retirement System, the Teachers'
17 Retirement System of Oklahoma, the State Insurance Fund, the State
18 and Education Employees Group Insurance Board, the Commissioners of
19 the Land Office, and the Oklahoma State Regents for Higher Education
20 for its Endowment Trust Fund are exempt from the requirements of
21 this section, and shall be placed with the respective custodian bank
22 or trust company.

23 SECTION 3. AMENDATORY 72 O.S. 2001, Section 222, is
24 amended to read as follows:

1 Section 222. A. There is hereby created in the State Treasury
2 a Revolving Fund for the Oklahoma Department of Veterans Affairs to
3 be known as the Oklahoma Department of Veterans Affairs Revolving
4 Fund. The Revolving Fund shall consist of all funds and monies
5 received by the Oklahoma Department of Veterans Affairs, its
6 constituent institutions, and/or, the War Veterans Commission of
7 Oklahoma, from any gifts, contributions, bequests, individual
8 reimbursements except as otherwise provided by law, and other
9 sources of revenue, for the care or support of war veterans
10 discharged other than under dishonorable conditions, who have been
11 admitted and cared for at the Oklahoma Department of Veterans
12 Affairs Centers, at Ardmore, Claremore, Clinton, Lawton/Ft. Sill,
13 Norman, Sulphur or Talihina. Provided no grants-in-aid,
14 reimbursements, or other revenue from the United States government
15 or any instrumentality of the United States government shall be
16 deposited in the fund. Provided further, nothing contained herein
17 prohibits the establishment and utilization of special agency
18 accounts by the Department of Veterans Affairs and its constituent
19 institutions, as may be approved by the ~~Special Agency Account Board~~
20 Office of State Finance, for receipt and disbursement of the
21 personal funds of Veteran Center patients and members and/or for
22 receipt and disbursement of charitable contributions and donations
23 for use by and for patients and members.

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1 B. The Revolving Fund herein created shall be used by the
2 Oklahoma Department of Veterans Affairs to pay for the care of war
3 veterans discharged other than under dishonorable conditions, in
4 Veterans Centers, to pay the general operating expenses of the
5 Veterans Centers, including the payment of salaries and wages of
6 officials and employees, to pay for the employee safety programs and
7 incentive awards provided for in Section 63.10a of this title, and
8 to remodel, repair, construct, build additions, modernize, or add
9 improvements of domiciliary or hospital buildings necessary for the
10 care of veterans, including tuberculosis, mentally ill or
11 neuropsychiatric patients, but not excluding others; and
12 architectural plans, specifications, or other costs pertinent
13 thereto.

14 C. The Department of Veterans Affairs may transfer monies from
15 the revolving fund created in this section to the W.V.C. Revolving
16 Fund in the State Treasury.

17 D. All expenditures from ~~said~~ the Revolving Fund shall be made
18 upon warrants issued by the State Treasurer based upon claims
19 approved by the Department of Veterans Affairs, as provided by law,
20 and filed with the Director of State Finance for approval and
21 payment.

22 SECTION 4. AMENDATORY 74 O.S. 2001, Section 85.58N, is
23 amended to read as follows:
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1 Section 85.58N ~~The Special Agency Account Board~~ Office of State
2 Finance shall create in the official depository of the State
3 Treasury an agency special account for the Department of Central
4 Services to be designated as the "Quick Settlement Account". The
5 purpose of the account shall be the payment of liability claims
6 against the state after a determination by the Risk Management
7 Administration that such payments are in the best interest of the
8 state, are in accordance with the laws and regulations governing the
9 Comprehensive Professional Risk Management Program, and are in an
10 amount not exceeding Ten Thousand Dollars (\$10,000.00). No monies
11 shall be expended from the Quick Settlement Account except as
12 provided for in this section.

13 The Department of Central Services shall transfer funds as
14 necessary from the Risk Management Revolving Fund to the Quick
15 Settlement Account, provided that the maximum sum held in the Quick
16 Settlement Account shall not exceed Ten Thousand Dollars
17 (\$10,000.00), excluding funds in transit. Expenditures from the
18 Quick Settlement Account shall be exempt from the provisions of the
19 Oklahoma Central Purchasing Act.

20 SECTION 5. This act shall become effective July 1, 2008.

21 SECTION 6. It being immediately necessary for the preservation
22 of the public peace, health and safety, an emergency is hereby
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1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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