

ENROLLED HOUSE
BILL NO. 2195

By: Duncan of the House

and

Lerblance and Williamson
of the Senate

An Act relating to duplicate sections; amending, merging, consolidating, and repealing duplicate sections; amending 3A O.S. 2001, Section 200.1, as last amended by Section 1, Chapter 274, O.S.L. 2006 (3A O.S. Supp. 2006, Section 200.1); repealing 3A O.S. 2001, Section 200.1, as last amended by Section 1, Chapter 177, O.S.L. 2006 (3A O.S. Supp. 2006, Section 200.1); amending 10 O.S. 2001, Section 7003-3.7, as amended by Section 3, Chapter 205, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7003-3.7); repealing 10 O.S. 2001, Section 7003-3.7, as amended by Section 1, Chapter 136, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7003-3.7); amending 10 O.S. 2001, Section 7302-3.1, as amended by Section 5, Chapter 320, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7302-3.1); repealing 10 O.S. 2001, Section 7302-3.1, as amended by Section 2, Chapter 124, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7302-3.1); amending 10 O.S. 2001, Section 7302-6.3, as amended by Section 16, Chapter 320, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7302-6.3); repealing 10 O.S. 2001, Section 7302-6.3, as amended by Section 4, Chapter 124, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7302-6.3); amending 10 O.S. 2001, Section 7306-2.2, as amended by Section 2, Chapter 286, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7306-2.2); repealing 10 O.S. 2001, Section 7306-2.2, as amended by Section 1, Chapter 285, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7306-2.2); amending 10 O.S. 2001, Section 7306-2.5, as amended by Section 4, Chapter 286, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7306-2.5); repealing 10 O.S. 2001, Section 7306-2.5, as amended by Section 2, Chapter 285, O.S.L. 2006 (10

O.S. Supp. 2006, Section 7306-2.5); repealing 10 O.S. 2001, Section 7306-2.10, as amended by Section 1, Chapter 239, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7306-2.10); amending 11 O.S. 2001, Section 28-102, as last amended by Section 4, Chapter 61, O.S.L. 2006 (11 O.S. Supp. 2006, Section 28-102); repealing 11 O.S. 2001, Section 28-102, as last amended by Section 2, Chapter 38, O.S.L. 2006 (11 O.S. Supp. 2006, Section 28-102); amending 22 O.S. 2001, Section 991a, as last amended by Section 1, Chapter 294, O.S.L. 2006 (22 O.S. Supp. 2006, Section 991a); repealing 22 O.S. 2001, Section 991a, as last amended by Section 6, Chapter 284, O.S.L. 2006 (22 O.S. Supp. 2006, Section 991a); amending 28 O.S. 2001, Section 153, as last amended by Section 2, Chapter 195, O.S.L. 2006 (28 O.S. Supp. 2006, Section 153); repealing 28 O.S. 2001, Section 153, as last amended by Section 6, Chapter 61, O.S.L. 2006 (28 O.S. Supp. 2006, Section 153); amending 36 O.S. 2001, Section 1204, as last amended by Section 1, Chapter 180, O.S.L. 2006 (36 O.S. Supp. 2006, Section 1204); repealing 36 O.S. 2001, Section 1204, as last amended by Section 43, Chapter 264, O.S.L. 2006 (36 O.S. Supp. 2006, Section 1204); repealing 36 O.S. 2001, Section 2813, as amended by Section 58, Chapter 264, O.S.L. 2006 (36 O.S. Supp. 2006, Section 2813); amending 43 O.S. 2001, Section 112, as last amended by Section 1, Chapter 127, O.S.L. 2006 (43 O.S. Supp. 2006, Section 112); repealing 43 O.S. 2001, Section 112, as last amended by Section 1, Chapter 74, O.S.L. 2006 (43 O.S. Supp. 2006, Section 112); amending 43 O.S. 2001, Section 118, as last amended by Section 2, Chapter 127, O.S.L. 2006 (43 O.S. Supp. 2006, Section 118); repealing 43 O.S. 2001, Section 118, as last amended by Section 2, Chapter 74, O.S.L. 2006 (43 O.S. Supp. 2006, Section 118); amending Section 4, Chapter 457, O.S.L. 2005, as amended by Section 2, Chapter 294, O.S.L. 2006 (47 O.S. Supp. 2006, Section 6-105.3); repealing Section 4, Chapter 457, O.S.L. 2005, as amended by Section 10, Chapter 311, O.S.L. 2006 (47 O.S. Supp. 2006, Section 6-105.3); amending 47 O.S. 2001, Section 156, as last amended by Section 1, Chapter 213, O.S.L. 2006 (47 O.S. Supp. 2006, Section 156); repealing 47 O.S. 2001, Section 156, as last amended by Section 22, Chapter 211, O.S.L. 2006 (47

O.S. Supp. 2006, Section 156); amending Section 11, Chapter 504, O.S.L. 2004, as last amended by Section 5, Chapter 272, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1135.2); repealing Section 11, Chapter 504, O.S.L. 2004, as last amended by Section 1, Chapter 275, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1135.2); repealing Section 11, Chapter 504, O.S.L. 2004, as last amended by Section 23, Chapter 311, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1135.2); repealing Section 11, Chapter 504, O.S.L. 2004, as last amended by Section 22, Chapter 44, 2nd Extraordinary Session, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1135.2); amending Section 12, Chapter 504, O.S.L. 2004, as last amended by Section 24, Chapter 311, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1135.3); repealing Section 12, Chapter 504, O.S.L. 2004, as last amended by Section 2, Chapter 275, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1135.3); amending 47 O.S. 2001, Section 1151, as last amended by Section 26, Chapter 311, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1151); repealing 47 O.S. 2001, Section 1151, as last amended by Section 9, Chapter 238, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1151); amending 57 O.S. 2001, Section 549.1, as last amended by Section 1, Chapter 267, O.S.L. 2006 (57 O.S. Supp. 2006, Section 549.1); repealing 57 O.S. 2001, Section 549.1, as last amended by Section 9, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2006, Section 549.1); amending 57 O.S. 2001, Section 583, as last amended by Section 8, Chapter 284, O.S.L. 2006 (57 O.S. Supp. 2006, Section 583); repealing 57 O.S. 2001, Section 583, as last amended by Section 12, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2006, Section 583); repealing Section 1, Chapter 223, O.S.L. 2003, as amended by Section 13, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2006, Section 590); repealing 59 O.S. 2001, Section 328.3, as last amended by Section 1, Chapter 21, O.S.L. 2006 (59 O.S. Supp. 2006, Section 328.3); amending 60 O.S. 2001, Section 180.1, as last amended by Section 2, Chapter 325, O.S.L. 2006 (60 O.S. Supp. 2006, Section 180.1); repealing 60 O.S. 2001, Section 180.1, as last amended by Section 6, Chapter 314, O.S.L. 2006 (60 O.S. Supp. 2006, Section 180.1); amending 62 O.S. 2001, Section 275.1, as last amended by Section 4, Chapter 233, O.S.L. 2006 (62

O.S. Supp. 2006, Section 275.1); repealing 62 O.S. 2001, Section 275.1, as last amended by Section 1, Chapter 20, O.S.L. 2006 (62 O.S. Supp. 2006, Section 275.1); amending 63 O.S. 2001, Section 1-2503, as last amended by Section 1, Chapter 171, O.S.L. 2006 (63 O.S. Supp. 2006, Section 1-2503); repealing 63 O.S. 2001, Section 1-2503, as last amended by Section 1, Chapter 155, O.S.L. 2006 (63 O.S. Supp. 2006, Section 1-2503); amending 63 O.S. 2001, Section 2-103, as last amended by Section 5, Chapter 79, 2nd Extraordinary Session, O.S.L. 2006 (63 O.S. Supp. 2006, Section 2-103); repealing 63 O.S. 2001, Section 2-103, as last amended by Section 7, Chapter 83, 2nd Extraordinary Session, O.S.L. 2006 (63 O.S. Supp. 2006, Section 2-103); repealing 63 O.S. 2001, Section 91, as amended by Section 1, Chapter 54, O.S.L. 2006 (63 O.S. Supp. 2006, Section 91); repealing 63 O.S. 2001, Section 4021, as last amended by Section 48, Chapter 16, O.S.L. 2006 (63 O.S. Supp. 2006, Section 4021); amending 68 O.S. 2001, Section 1004, as last amended by Section 1, Chapter 43, 2nd Extraordinary Session, O.S.L. 2006 (68 O.S. Supp. 2006, Section 1004); repealing 68 O.S. 2001, Section 1004, as last amended by Section 5, Chapter 45, 2nd Extraordinary Session, O.S.L. 2006 (68 O.S. Supp. 2006, Section 1004); amending 68 O.S. 2001, Section 2358, as last amended by Section 21, Chapter 44, 2nd Extraordinary Session, O.S.L. 2006 (68 O.S. Supp. 2006, Section 2358); repealing 68 O.S. 2001, Section 2358, as last amended by Section 1, Chapter 178, O.S.L. 2006 (68 O.S. Supp. 2006, Section 2358); repealing 68 O.S. 2001, Section 2358, as last amended by Section 17, Chapter 272, O.S.L. 2006 (68 O.S. Supp. 2006, Section 2358); repealing 68 O.S. 2001, Section 2358, as last amended by Section 5, Chapter 42, 2nd Extraordinary Session, O.S.L. 2006 (68 O.S. Supp. 2006, Section 2358); amending 68 O.S. 2001, Section 3603, as last amended by Section 31, Chapter 281, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3603); repealing 68 O.S. 2001, Section 3603, as last amended by Section 74, Chapter 16, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3603); amending 68 O.S. 2001, Section 3604, as last amended by Section 1, Chapter 282, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3604); repealing 68 O.S. 2001, Section 3604, as last amended by Section 32,

Chapter 281, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3604); amending 68 O.S. 2001, Section 3606, as last amended by Section 2, Chapter 282, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3606); repealing 68 O.S. 2001, Section 3606, as last amended by Section 33, Chapter 281, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3606); amending 68 O.S. 2001, Section 3904, as last amended by Section 1, Chapter 256, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3904); repealing 68 O.S. 2001, Section 3904, as last amended by Section 35, Chapter 281, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3904); amending 70 O.S. 2001, Section 6-194, as last amended by Section 3, Chapter 227, O.S.L. 2006 (70 O.S. Supp. 2006, Section 6-194); repealing 70 O.S. 2001, Section 6-194, as last amended by Section 1, Chapter 192, O.S.L. 2006 (70 O.S. Supp. 2006, Section 6-194); repealing 70 O.S. 2001, Section 6-194, as last amended by Section 3, Chapter 278, O.S.L. 2006 (70 O.S. Supp. 2006, Section 6-194); amending 70 O.S. 2001, Section 17-108.1, as amended by Section 4, Chapter 46, 2nd Extraordinary Session, O.S.L. 2006 (70 O.S. Supp. 2006, Section 17-108.1); repealing 70 O.S. 2001, Section 17-108.1, as amended by Section 32, Chapter 46, 2nd Extraordinary Session, O.S.L. 2006 (70 O.S. Supp. 2006, Section 17-108.1); amending 70 O.S. 2001, Section 3311, as last amended by Section 1, Chapter 225, O.S.L. 2006 (70 O.S. Supp. 2006, Section 3311); repealing 70 O.S. 2001, Section 3311, as last amended by Section 1, Chapter 26, O.S.L. 2006 (70 O.S. Supp. 2006, Section 3311); repealing 70 O.S. 2001, Section 3311, as last amended by Section 2, Chapter 33, O.S.L. 2006 (70 O.S. Supp. 2006, Section 3311); amending 74 O.S. 2001, Section 85.12, as last amended by Section 17, Chapter 320, O.S.L. 2006 (74 O.S. Supp. 2006, Section 85.12); repealing 74 O.S. 2001, Section 85.12, as last amended by Section 1, Chapter 80, O.S.L. 2006 (74 O.S. Supp. 2006, Section 85.12); amending 74 O.S. 2001, Section 5060.4, as last amended by Section 2, Chapter 263, O.S.L. 2006 (74 O.S. Supp. 2006, Section 5060.4); repealing 74 O.S. 2001, Section 5060.4, as last amended by Section 1, Chapter 297, O.S.L. 2006 (74 O.S. Supp. 2006, Section 5060.4); providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 3A O.S. 2001, Section 200.1, as last amended by Section 1, Chapter 274, O.S.L. 2006 (3A O.S. Supp. 2006, Section 200.1), is amended to read as follows:

Section 200.1 A. As used in the Oklahoma Horse Racing Act:

1. "Commission" means the Oklahoma Horse Racing Commission;
2. "Enclosure" means all buildings, structures and grounds utilized for the conduct of a race meeting and/or gaming at the race track and any additional areas designated by the Oklahoma Horse Racing Commission;
3. "Family" means husband, wife, and any dependent children;
4. "Financial interest" means an interest that could result in directly or indirectly receiving a pecuniary gain or sustaining a pecuniary loss as a result of ownership or interest in a business entity, or as a result of salary, gratuity, or other compensation or remuneration from any person;
5. "Horse racing" means any type of horse racing, including, but not limited to, Arabian, Appaloosa, Paint, Pinto, Quarter Horse, and Thoroughbred horse racing.
 - a. "Arabian horse racing" means the form of horse racing in which each participating horse is an Arabian horse registered with the Arabian Horse Club Registry of America and approved by the Arabian Horse Racing Association of America or any successor organization, mounted by a jockey, and engaged in races on the flat over a distance of not less than one-quarter (1/4) mile or more than four (4) miles.
 - b. "Appaloosa horse racing" means the form of horse racing in which each participating horse is an Appaloosa horse registered with the Appaloosa Horse Club or any successor organization and mounted by a jockey.
 - c. "Quarter Horse racing" means the form of horse racing where each participating horse is a Quarter Horse registered with the American Quarter Horse Association

or any successor organization, mounted by a jockey, and engaged in a race on the flat.

- d. "Paint horse racing" means the form of horse racing in which each participating horse is a Paint horse registered with the American Paint Horse Association or any successor organization and mounted by a jockey.
- e. "Pinto horse racing" means the form of horse racing in which each participating horse is a Pinto horse registered with the Pinto Horse Association of America, Inc. or any successor organization and mounted by a jockey.
- f. "Thoroughbred horse racing" means the form of horse racing in which each participating horse is a Thoroughbred horse registered with the Jockey Club or any successor organization, mounted by a jockey, and engaged in races on the flat.

"Horse racing" shall not mean the racing of a cloned horse regardless of whether any breed association has registered the horse;

6. "Minor" means any individual under eighteen (18) years of age;

7. "Minus pool" means a pari-mutuel pool in which, after deducting the take-out, not enough money remains in the pool to pay the legally prescribed minimum return to those placing winning wagers, and in which the organization licensee would be required to pay the remaining amount due;

8. "Occupation licensee" means any person who has obtained an occupation license;

9. "Organization licensee" means any person receiving an organization license;

10. "Pari-mutuel system of wagering" means a form of wagering on the outcome of horse races in which those who wager purchase wagers of various denominations on a horse or horses and all wagers for each race are pooled and held by the organization licensee for distribution. The pari-mutuel system of wagering uses an electric

totalizator or similar equipment which automatically registers the wagers made on each horse;

11. "Pari-mutuel pool" means the total money wagered by individuals on any horse or horses in a particular horse race to win, place, or show and held by the organization licensee pursuant to the pari-mutuel system of wagering. There is a separate pari-mutuel pool for win, for place, for show, and for each multiple combination of betting approved by the Oklahoma Horse Racing Commission;

12. "Person" means any individual, partnership, corporation, or other association or entity; and

13. "Race meeting" means the entire period of time not to exceed twenty (20) calendar days separating any race days for which an organization license has been granted to a person by the Commission to hold horse races at which the pari-mutuel system of wagering is conducted, to hold non-pari-mutuel horse races or to conduct accredited work or training races.

B. The Commission may define by rule or regulation any term which is not defined in the Oklahoma Horse Racing Act.

SECTION 2. REPEALER 3A O.S. 2001, Section 200.1, as last amended by Section 1, Chapter 177, O.S.L. 2006 (3A O.S. Supp. 2006, Section 200.1), is hereby repealed.

SECTION 3. AMENDATORY 10 O.S. 2001, Section 7003-3.7, as amended by Section 3, Chapter 205, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7003-3.7), is amended to read as follows:

Section 7003-3.7

A. 1. a. If the parents, legal guardian or custodian of the child requests an attorney and is found to be without sufficient financial means, counsel shall be appointed by the court if a petition has been filed alleging that the child is a deprived child or if termination of parental rights is a possible remedy; provided that the court may appoint counsel without such request, if it deems representation by counsel necessary to protect the interest of the parents, legal guardian or custodian.

- b. The court shall not be required to appoint an attorney for any person other than for the parents, legal guardian or custodian of the child pursuant to the provisions of this paragraph.
- 2.
- a. Whenever a petition is filed pursuant to the provisions of this part, the court shall appoint a separate attorney, who shall not be a district attorney, regardless of any attempted waiver by the parent, legal guardian or custodian of the child of the right of the child to be represented by counsel. The parent, legal guardian or custodian shall not select the child's attorney. If financially capable, the parent, legal guardian or custodian shall reimburse the Court Fund for the services of a court-appointed attorney for the child.
 - b. The attorney appointed for the child shall make arrangements to meet with the child as soon as possible after receiving notification of the appointment. Except for good cause shown, the attorney shall meet with the child not less than twenty-four (24) hours prior to any hearing in such proceeding. The attorney may speak with the child over the telephone if a personal visit is not possible due to exigent circumstances. If a meaningful attorney-client relationship between the child and the attorney is prohibited due to age or disability of the child, the attorney shall contact the custodian or caretaker of the child prior to the hearing.
 - c. The attorney shall be given access to all reports, records and other information relevant to the case and to any reports of examination of the child's parents, legal guardian or custodian made pursuant to this section. The attorney shall represent the child and any expressed interests of the child. The attorney shall make such further inquiry as the attorney deems necessary to ascertain the facts, to interview witnesses, examine and cross-examine witnesses, make recommendations to the court and participate further in the proceedings to the degree appropriate for adequately representing the interests of the child.

3. The attorney shall be allowed a reasonable fee for such services as determined by the court, as authorized by law.

B. 1. Whenever a petition is filed alleging that a child is a deprived child, the court may appoint a guardian ad litem for the child at any time subsequent to the filing of the petition or for any other action related to the child.

2. The court shall appoint a guardian ad litem upon the request of the child, the attorney of the child, the Department of Human Services, a licensed child-placing agency, or any other party to the action.

3. A guardian ad litem shall not be a district attorney, an employee of the office of the district attorney, the child's attorney, an employee of the court, an employee of a juvenile bureau, or an employee of any public agency having duties or responsibilities towards the child.

4. The guardian ad litem shall be appointed to objectively advocate on behalf of the child and act as an officer of the court to investigate all matters concerning the best interests of the child. In addition to other duties required by the court and as specified by the court, a guardian ad litem shall have the following responsibilities:

- a. review documents, reports, records and other information relevant to the case, meet with and observe the child in appropriate settings, and interview parents, foster parents, health care providers, child protective services workers and any other person with knowledge relevant to the case,
- b. advocate for the child's best interests by participating in the case, attending any hearings in the matter and advocating for appropriate services for the child when necessary,
- c. maintain the confidentiality of information related to a case as required by Article 7 of the Oklahoma Children's Code,
- d. monitor the child's best interests throughout any judicial proceeding, and

- e. present written reports on the child's best interests that include conclusions and recommendations and the facts upon which they are based.

5. The guardian ad litem shall be given access to the court files and agency files and access to all documents, reports, records and other information relevant to the case and to any records and reports of examination of the child's parent or other custodian, made pursuant to the laws relating to child abuse and neglect including reports generated by service providers.

6. On or before December 31, 2007, the Administrative Director of the Courts shall develop a standard operating manual for guardians ad litem which shall include, but not be limited to, legal obligations and responsibilities, information concerning child abuse, child development, domestic abuse, sexual abuse, and parent and child behavioral health and management including best practices. After publication of the manual, all guardians ad litem shall certify to the court in which he or she is appointed as a guardian ad litem that the manual has been read and all provisions contained therein are understood. The guardian ad litem shall also certify that he or she agrees to follow the best practices described within the standard operating manual. The Administrative Director of the Courts shall provide public access to the standard operating manual and shall periodically review and revise the manual as deemed necessary.

C. 1. Whenever a court-appointed special advocate program is available to the court to serve as a guardian ad litem, priority shall be given to appointment of the court-appointed special advocate to serve as guardian ad litem for the child regardless of whether a guardian ad litem has been requested pursuant to the provisions of this subsection.

2. A Court-Appointed Special Advocate Program shall be made available to each judicial district.

3. For purposes of the Oklahoma Children's Code, the terms "court-appointed special advocate" and "guardian ad litem" shall have the same function. In like manner, a court-appointed special advocate, except as specifically otherwise provided by law or by the court, shall have the same power, duties and responsibilities as assigned to a guardian ad litem by law and shall have such other qualifications, duties and responsibilities as may be prescribed by rule by the Supreme Court.

4. A court-appointed special advocate shall serve without compensation.

5. No court-appointed special advocate shall be assigned a case before:

- a. completing a training program in compliance with nationally documented Court-Appointed Special Advocate standards. Documentation of training shall be submitted annually by local Court-Appointed Special Advocate Programs to the Oklahoma Court-Appointed Special Advocate Association, and
- b. being approved by the local Court-Appointed Special Advocate Program, which will include appropriate criminal background checks.

D. 1. Any person participating in a judicial proceeding as a court-appointed special advocate shall be presumed prima facie to be acting in good faith and in so doing shall be immune from any civil liability that otherwise might be incurred or imposed.

2. Any person serving in a management position of a court-appointed special advocate organization, including a member of the Board of Directors acting in good faith, shall be immune from any civil liability or any vicarious liability for the negligence of any court-appointed special advocate organization advocates, managers, or directors.

E. The provisions of this section shall not apply to adoption proceedings and actions to terminate parental rights which do not involve a petition for deprived status of the child. Such proceedings and actions shall be governed by the Oklahoma Adoption Code.

SECTION 4. REPEALER 10 O.S. 2001, Section 7003-3.7, as amended by Section 1, Chapter 136, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7003-3.7), is hereby repealed.

SECTION 5. AMENDATORY 10 O.S. 2001, Section 7302-3.1, as amended by Section 5, Chapter 320, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7302-3.1), is amended to read as follows:

Section 7302-3.1 A. Effective July 1, 2006, in addition to other responsibilities specified by law, the Office of Juvenile Affairs shall:

1. Be the state planning and coordinating agency for statewide juvenile justice and delinquency prevention services; provided, it shall give full consideration to any recommendations of the Oklahoma Association of Youth Services regarding community-based facilities, programs or services;

2. Provide court intake, probation and parole for delinquent children; and

3. Collect and disseminate information and engage in juvenile justice or delinquency prevention activities relating to the provisions of the Oklahoma Juvenile Code.

B. The Office of Juvenile Affairs shall include the following:

1. The Office of Advocate Defender;

2. The Office of the Parole Board which shall consist of the Parole Review and Hearing Board; and

3. Such other offices prescribed by the Executive Director of the Office of Juvenile Affairs or by law.

C. 1. Effective July 1, 2006, the following programs are established within the Office of Juvenile Affairs:

a. programs for community intervention and diversion projects to prevent juvenile delinquency,

b. state programs for children who are potentially delinquent and/or who are adjudicated delinquent,

c. programs for community disciplinary projects,

d. programs of juvenile crime restitution,

e. the Serious and Habitual Juvenile Offender Program,

f. regimented juvenile training programs,

- g. the Delinquency and Youth Gang Intervention and Deterrence Act, and
- h. such other programs prescribed by the Executive Director of the Office of Juvenile Affairs or by law.

2. Beginning July 1, 1995, the Office of Juvenile Affairs, in cooperation with the courts, shall develop programs which can be used directly by the Office of Juvenile Affairs or can be used in communities with the assistance of the Office of Juvenile Affairs to divert juveniles at risk of becoming delinquent from the formal court process. Such programs shall include, but not be limited to:

- a. alternative diversion programs for first-time offenders as defined by Section 7303-4.6 of this title,
- b. teen court programs, subject to the requirements and procedures provided in Section 7303-4.6 of this title, and
- c. teen substance abuse schools. A teen substance abuse school shall include any program approved by the court that provides educational, motivational and behavior modification instruction for juveniles who have chemical dependency problems.

D. Beginning July 1, 1995, the Office of Juvenile Affairs, in its role as coordinator for delinquency prevention services, shall, after full consideration of any recommendation of the Oklahoma Association of Youth Services:

1. Establish guidelines for juvenile delinquency prevention and diversion programs for use in community-based programs, including but not limited to:

- a. counseling programs,
- b. recreational programs,
- c. job skills workshops,
- d. community public improvement projects,
- e. mediation programs,

- f. programs to improve relationships between juveniles and law enforcement personnel,
- g. diagnostic evaluation services,
- h. substance abuse prevention programs,
- i. independent living skills and self-sufficiency planning programs, and
- j. case management services; and

2. Provide that personnel shall be available in each county of the state to assist local communities in developing and implementing community programs to prevent delinquency and to divert juveniles who have committed delinquent acts from committing further delinquent or criminal acts. The Office of Juvenile Affairs shall provide this service in each county either directly or by contract.

E. 1. On July 1, 2006, the following programs or divisions, which were transferred from the Department of Human Services to the Department of Juvenile Justice on July 1, 1995, shall be transferred, along with funding allocations, from the Department of Juvenile Justice to the Office of Juvenile Affairs:

- a. the Residential Services Unit of the Office of Juvenile Justice and all staff for the Unit,
- b. the Quality Assurance Monitoring Unit of the Office of Juvenile Justice and all staff for the Unit,
- c. the Contract Management/Youth Services Unit of the Office of Juvenile Justice and all staff for the Unit,
- d. the Psychological Unit of the Office of Juvenile Justice and all staff for the Unit,
- e. the Juvenile Services Unit and all field and supervisory staff for the Unit,
- f. all institutional staff for institutions transferred from the Department of Human Services to the Office of Juvenile Affairs,

- g. all staff assigned to the community residential programs of the Office of Juvenile Justice,
- h. the Management Services Unit of the Office of Juvenile Justice,
- i. the Programs Unit of the Office of Juvenile Justice,
- j. all staff of the business office of the Office of Juvenile Justice,
- k. the Planning and Information Unit of the Office of Juvenile Justice,
- l. all staff of the Office of Juvenile Justice assigned to serve as the liaison to the Federal Court Monitor of the Office of Juvenile Justice,
- m. the Parole Review and Hearing Board within the Office of the General Counsel of the Department of Human Services and all members of the Board and support staff for the Board, and
- n. the Division Administrator for the Office of Juvenile Justice and administrative staff for the Division Administrator.

2. The Office of Juvenile Affairs and the Department of Human Services may enter into an agreement for the transfer of personnel on July 1, 1995, from the Department of Human Services to the Office of Juvenile Affairs. No selected employee shall be transferred to the Office of Juvenile Affairs, except on the freely given written consent of the employee.

3. The classified and unclassified employees who are transferred pursuant to paragraph 1 or 2 of this subsection from the Department of Human Services to the Office of Juvenile Affairs on July 1, 1995, shall be subject to the following provisions:

- a. classified employees shall remain subject to the provisions of the Merit System of Personnel Administration as provided in the Oklahoma Personnel Act except that such employees shall be exempt from the provisions of the Merit System pertaining to classification until October 1, 1995. Effective

October 1, 1995, such employees shall be given status in the class to which the position occupied by the employee on October 1, 1995, is allocated by the Office of Personnel Management. The salary of such an employee shall not be reduced as a result of such position allocation, and if the employee's salary is below the minimum rate of pay for the class to which the position occupied by the employee on October 1, 1995, is allocated, the employee's salary shall be adjusted up to the minimum rate of pay; provided, if such allocation is a promotion, the minimum rate shall be determined as provided in 530:10-7-14 of the Oklahoma Administrative Code,

- b. unclassified employees shall remain in the unclassified service and shall serve at the pleasure of the Executive Director. Effective October 1, 1995, such employees who occupy positions that are subject to the Merit System of Personnel Administration shall become classified and subject to the provisions of the Merit System of Personnel Administration pursuant to Section 840-4.1 of Title 74 of the Oklahoma Statutes. Unclassified employees who, on October 1, 1995, occupy positions that remain in the unclassified service pursuant to law, shall remain in the unclassified service and shall continue to serve at the pleasure of the Executive Director,
- c. all employees who are transferred to the Office of Juvenile Affairs shall retain leave, sick and annual time earned and any retirement and longevity benefits which have accrued during their tenure with the agency from which transferred. The salaries of employees who are transferred shall not be reduced as a direct and immediate result of the transfer. The transfer of personnel among the state agencies shall be coordinated with the Office of Personnel Management, and
- d. if the Office of Juvenile Affairs should implement a reduction in force, all employees transferred from the Department of Human Services to the Office of Juvenile Affairs on July 1, 1995, shall be credited for the time they were employed by the Department of Human Services. The Office of Juvenile Affairs may enter

into a contract for professional services for any contract that was in effect at the time of the posting of the reduction in force with a person who has been separated from service with the Office of Juvenile Affairs as a result of the reduction in force.

F. Effective July 1, 1995, custody, care and supervision of juveniles adjudicated to be delinquent or in need of supervision and any monies and funds received on behalf of such juveniles are hereby transferred from the Department of Human Services to the Office of Juvenile Affairs. Records in the custody of the Department of Human Services on the transfer date relating to delinquent juveniles and juveniles in need of supervision shall be transferred to the Department of Juvenile Justice. Effective July 1, 2006, records in the custody of the Department of Juvenile Justice relating to delinquent juveniles and juveniles in need of supervision shall be transferred to the Office of Juvenile Affairs.

G. Effective July 1, 1995, all powers, duties, records, property, assets, monies and funds of the Office of Juvenile Justice shall be transferred to the Office of Juvenile Affairs. Effective July 1, 1995, liabilities of the Office of Juvenile Justice shall be transferred to the Office of Juvenile Affairs as provided for in the appropriation process of the Legislature. Any additional administrative support or costs incurred by the Office of Juvenile Affairs as a result of the transfer required by this section shall be borne by the Office of Juvenile Affairs.

H. The Office of Juvenile Justice shall be abolished by the Commission for Human Services after such transfer has been completed.

I. The Director of State Finance is hereby directed to coordinate the transfer of assets, funds, allotments, purchase orders, liabilities, outstanding financial obligations or encumbrances provided for in this section. The Department of Central Services is hereby directed to coordinate the transfer of property and records provided for in this section.

SECTION 6. REPEALER 10 O.S. 2001, Section 7302-3.1, as amended by Section 2, Chapter 124, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7302-3.1), is hereby repealed.

SECTION 7. AMENDATORY 10 O.S. 2001, Section 7302-6.3, as amended by Section 16, Chapter 320, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7302-6.3), is amended to read as follows:

Section 7302-6.3 A. The Board of Juvenile Affairs shall promulgate written rules, outline policies and procedures governing the operation of those facilities operated by or through contract with the Office of Juvenile Affairs wherein juveniles may be housed. Said policies and procedures shall include, but not be limited to, standards of cleanliness, temperature and lighting, availability of medical and dental care, provision of food, furnishings, clothing and toilet articles, supervision, appropriate and permissible use of restriction and confinement, procedures for enforcing rules of conduct consistent with due process of law and visitation privileges.

B. The policies prescribed shall, at a minimum, ensure that:

1. A child shall not be punished by physical force, deprivation of nutritious meals, deprivation of family visits or solitary confinement;

2. A child shall have the opportunity to participate in physical exercise each day;

3. A child shall be allowed daily access to showers and the child's own clothing or individualized clothing which is clean. When a child is participating in an outdoor adventure program that takes the child away from the permanent facility, the child shall be provided with the opportunity to wash with soap and water daily;

4. A child shall have constant access to writing materials and may send mail without limitation, censorship or prior reading, and may receive mail without prior reading, except that mail may be opened in the presence of the child, without being read, to inspect for contraband, as defined by Section 21 of Title 57 of the Oklahoma Statutes or as otherwise defined by rules promulgated by the Board of Juvenile Affairs, or to inspect for material harmful to minors, as defined by Section 1040.75 of Title 21 of the Oklahoma Statutes. Provided that, when based on legitimate facility interests of order and security as determined by the facility superintendent, mail addressed to a child or sent by a child may be read, censored, or rejected, except that mail addressed to a child from the attorney of the child or sent by the child to the attorney of said child shall not be opened, censored, or withheld in any way. The child shall be

notified when incoming or outgoing mail is withheld in part or in full;

5. A child shall have reasonable opportunity to communicate and to visit with the child's family on a regular basis and to communicate with persons in the community;

6. A child shall have immediate access to medical care as needed and shall receive necessary psychological and psychiatric services;

7. A child in the custody or care of the Office of Juvenile Affairs shall be provided access to education including teaching, educational materials and books, provided, that such policies shall provide emphasis upon basic literacy skills, including but not limited to curricula requirements stressing reading, writing, mathematics, science, vocational-technical education, and other courses of instruction designed to assure that such children will be capable of being assimilated into society as productive adults capable of self-support and full participation;

8. A child shall have reasonable access to an attorney upon request;

9. A child shall be afforded a grievance procedure, including an appeal procedure;

10. A child's mental health needs and mental well-being will be met, protected and served through provision of guidance, counseling and treatment programs, staffed by competent, professionally qualified persons, serving under the supervision of licensed psychologists, psychiatrists or licensed clinical social workers as defined by the regulations of the State Board of Licensed Social Workers; and

11. Upon leaving the custody of the Office of Juvenile Affairs, a child shall be afforded a copy of the literacy progress section of the individualized service plan developed for the child for continued use at the next school placement of the child.

C. Any contract or agreement between the Office of Juvenile Affairs and the Department of Mental Health and Substance Abuse Services for the care and treatment of children in the custody of the Office of Juvenile Affairs shall provide that the Department of Mental Health and Substance Abuse Services shall comply with the

provisions of subsections A and B of this section and the provisions of Section 7302-6.4 of this title.

SECTION 8. REPEALER 10 O.S. 2001, Section 7302-6.3, as amended by Section 4, Chapter 124, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7302-6.3), is hereby repealed.

SECTION 9. AMENDATORY 10 O.S. 2001, Section 7306-2.2, as amended by Section 2, Chapter 286, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7306-2.2), is amended to read as follows:

Section 7306-2.2 A. For the purposes of the Youthful Offender Act:

1. "Youthful offender" means a person:
 - a. thirteen (13) ~~or~~ or fourteen (14) ~~, fifteen (15), sixteen (16) or seventeen (17)~~ years of age who is charged with murder in the first degree and certified as a youthful offender as provided by Section 7306-2.5 of this title,
 - b. fifteen (15), sixteen (16), or seventeen (17) years of age and charged with a crime listed in subsection A of Section 7306-2.6 of this title, and
 - c. sixteen (16) or seventeen (17) years of age and charged with a crime listed in subsection B of Section 7306-2.6 of this title,

if the offense was committed on or after January 1, 1998;

2. "Sentenced as a youthful offender" means the imposition of a court order making disposition of a youthful offender as provided by Section 7306-2.9 of this title which shall constitute an adult criminal sentence if the youthful offender is transferred to the custody or supervision of the Department of Corrections pursuant to paragraph 5 of subsection F of Section 7306-2.10 of this title; and

3. "Next friend" means an individual or executive of an organization who has assumed a parental role without formal legal proceedings, but to all objective observers is readily identified as custodian or guardian in fact.

B. It is the purpose of the Youthful Offender Act to better ensure the public safety by holding youths accountable for the commission of serious crimes, while affording courts methods of rehabilitation for those youths the courts determine, at their discretion, may be amenable to such methods. It is the further purpose of the Youthful Offender Act to allow those youthful offenders whom the courts find to be amenable to rehabilitation by the methods prescribed in the Youthful Offender Act to be placed in the custody or under the supervision of the Office of Juvenile Affairs for the purpose of accessing the rehabilitative programs provided by that Office and thereby, upon good conduct and successful completion of such programs, avoid conviction for a crime.

SECTION 10. REPEALER 10 O.S. 2001, Section 7306-2.2, as amended by Section 1, Chapter 285, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7306-2.2), is hereby repealed.

SECTION 11. AMENDATORY 10 O.S. 2001, Section 7306-2.5, as amended by Section 4, Chapter 286, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7306-2.5), is amended to read as follows:

Section 7306-2.5 A. Any person thirteen (13) ~~or~~ or fourteen (14) ~~, fifteen (15), sixteen (16) or seventeen (17)~~ years of age who is charged with murder in the first degree shall be held accountable for the act as if the person were an adult; provided, the person may be certified as a youthful offender or a juvenile as provided by this section, unless the person is subject to the provisions of subsection F of Section 7306-2.4 of this title.

B. Any person fifteen (15), sixteen (16) or seventeen (17) years of age who is charged with murder in the first degree at that time shall be held accountable for his or her act as if the person was an adult and shall not be subject to the provisions of the Youthful Offender Act or the provisions of the Juvenile Code for certification as a juvenile. The person shall have all the statutory rights and protections of an adult accused of a crime. All proceedings shall be as for a criminal action and the provisions of Title 22 of the Oklahoma Statutes shall apply. A person having been convicted as an adult pursuant to this paragraph shall be tried as an adult for every subsequent offense.

C. 1. Upon the filing of an adult criminal information against such accused person, a warrant shall be issued which shall set forth the rights of the accused person, and the rights of the parents,

guardian or next friend of the accused person to be present at the preliminary hearing, to have an attorney present and to make application for certification of such accused person as a youthful offender to the district court for the purpose of prosecution as a youthful offender.

2. The warrant shall be personally served together with a certified copy of the information on the accused person and on a custodial parent, guardian or next friend of the accused person. The court may inquire of the accused as to the whereabouts of his or her parents, guardian, or next friend in order to avoid unnecessary delay in the proceedings.

3. When personal service of a custodial parent, guardian or next friend of the accused person cannot be effected, service may be made by certified mail to such person's last-known address, requesting a return receipt from the addressee only. If delivery is refused, notice may be given by mailing the warrant and a copy of the information on the accused person by regular first-class mail to the address where the person to be notified refused delivery of the notice sent by certified mail. Where the address of a custodial parent, guardian or next friend is not known, or if the mailed warrant and copy of the information on the accused person is returned for any reason other than refusal of the addressee to accept delivery, after a thorough search of all reasonably available sources to ascertain the whereabouts of a custodial parent, guardian or next friend has been conducted, the court may order that notice of the hearing be given by publication one time in a newspaper of general circulation in the county. In addition, the court may order other means of service of notice that the court deems advisable or in the interests of justice.

4. Before service by publication is ordered, the court shall conduct an inquiry to determine whether a thorough search has been made of all reasonably available sources to ascertain the whereabouts of any party for whom notice by publication is sought.

~~C.~~ D. 1. The accused person shall file any motions for certification as a youthful offender or a juvenile before the start of the criminal preliminary hearing. If both a motion for certification as a youthful offender and a motion for certification as a juvenile are filed, they shall both be heard at the same time. No motion for certification as a youthful offender or certification as a juvenile may be filed after the time specified in this subsection. Upon the filing of such motion, the complete juvenile

record of the accused shall be made available to the district attorney and the accused person.

2. The court shall commence a preliminary hearing within ninety (90) days of the filing of the information, pursuant to Section 258 of Title 22 of the Oklahoma Statutes, to determine whether the crime was committed and whether there is probable cause to believe the accused person committed a crime. If the preliminary hearing is not commenced within ninety (90) days of the date the accused person is charged, the district court shall hold a hearing to determine the reasons for delay utilizing the procedure set out in Section 812.2 of Title 22 of the Oklahoma Statutes, to ensure the preliminary hearing is expedited. If the whereabouts of the accused are unknown at the time of the filing of the information or if the accused is a fugitive, the State of Oklahoma shall make reasonable efforts to locate the accused in order to commence the proceedings. An accused who flees the jurisdiction of the court or purposely avoids apprehension for the charges, waives the right to have the preliminary hearing commenced within ninety (90) days of the filing of the information. An accused who fails to cooperate with providing information in locating the parents of the accused, guardian, or next friend for purpose of notice waives the right to have the preliminary hearing commence within ninety (90) days of the filing of the information.

3. At the conclusion of the state's case at the criminal preliminary hearing, the state and the accused person may offer evidence to support or oppose the motions for certification as a youthful offender or an alleged juvenile delinquent.

~~D.~~ E. The court shall rule on any motions for certification as a youthful offender or an alleged juvenile delinquent before ruling on whether to bind the accused over for trial. When ruling on a motion for certification as a youthful offender or juvenile, the court shall give consideration to the following guidelines with greatest weight to be given to paragraphs 1, 2 and 3:

1. Whether the alleged offense was committed in an aggressive, violent, premeditated or willful manner;

2. Whether the offense was against persons, and, if personal injury resulted, the degree of personal injury;

3. The record and past history of the accused person, including previous contacts with law enforcement agencies and juvenile or

criminal courts, prior periods of probation and commitments to juvenile institutions;

4. The sophistication and maturity of the accused person and the capability of distinguishing right from wrong as determined by consideration of the person's psychological evaluation, home, environmental situation, emotional attitude and pattern of living;

5. The prospects for adequate protection of the public if the accused person is processed through the youthful offender system or the juvenile system;

6. The reasonable likelihood of rehabilitation of the accused person if such person is found to have committed the alleged offense, by the use of procedures and facilities currently available to the juvenile court; and

7. Whether the offense occurred while the accused person was escaping or on escape status from an institution for youthful offenders or delinquent children.

The court, in its decision on a motion for certification as a youthful offender or juvenile, shall detail findings of fact and conclusions of law to each of the above considerations, and shall state that the court has considered each of the guidelines in reaching its decision.

~~E.~~ F. The order certifying a person as a youthful offender or an alleged juvenile delinquent or denying the request for certification as either a youthful offender or an alleged juvenile delinquent shall be a final order, appealable to the Court of Criminal Appeals when entered.

~~F.~~ G. An order certifying the accused person as a youthful offender or an alleged juvenile delinquent shall not be reviewable by the trial court.

~~G.~~ H. If the accused person is prosecuted as an adult and is subsequently convicted of the alleged offense or against whom the imposition of judgment and sentencing has been deferred, the person may be incarcerated with the adult population and shall be prosecuted as an adult in all subsequent criminal proceedings.

SECTION 12. REPEALER 10 O.S. 2001, Section 7306-2.5, as amended by Section 2, Chapter 285, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7306-2.5), is hereby repealed.

SECTION 13. REPEALER 10 O.S. 2001, Section 7306-2.10, as amended by Section 1, Chapter 239, O.S.L. 2006 (10 O.S. Supp. 2006, Section 7306-2.10), is hereby repealed.

SECTION 14. AMENDATORY 11 O.S. 2001, Section 28-102, as last amended by Section 4, Chapter 61, O.S.L. 2006 (11 O.S. Supp. 2006, Section 28-102), is amended to read as follows:

Section 28-102. A. The municipal criminal courts of record shall have original jurisdiction to hear and determine all prosecutions when a violation of any of the ordinances of the city where the court is established is charged, as provided by Article VII, Section 1 of the Oklahoma Constitution.

B. ~~Except in~~ In cases when the penalty provided for the violation of an ordinance is a fine in the amount of ~~Two Hundred Dollars (\$200.00) or less~~ more than Five Hundred Dollars (\$500.00), excluding court costs, or by imprisonment, or by both such fine and imprisonment, all persons charged before such municipal criminal court of record shall be entitled to a trial by jury, unless waived by the defendant. Judgment and sentence imposed by the judge shall be as effective as if the same had been rendered and imposed by a jury.

C. The maximum punishment that may be levied in any municipal criminal court of record is a fine not exceeding One Thousand Two Hundred Dollars (\$1,200.00) and costs, an imprisonment not to exceed six (6) months, or both such fine and imprisonment. Provided, the maximum punishment that may be levied in any municipal criminal court of record for violations of municipal traffic ordinances not including ordinances relating to driving a motor vehicle under the influence of alcohol or drugs is a fine not exceeding One Thousand Two Hundred Fifty Dollars (\$1,250.00) and costs, an imprisonment not to exceed ninety (90) days, or both such fine and imprisonment. If a fine exceeding Seven Hundred Fifty Dollars (\$750.00) is imposed for an alcohol-related or drug-related traffic offense, the amount in excess of Seven Hundred Fifty Dollars (\$750.00) shall be used to defray costs for enforcement of laws relating to juvenile access to alcohol, other laws relating to alcohol and other intoxicating substances, and traffic-related offenses involving alcohol or other intoxicating substances. Provided, further that any municipal

criminal court of record may levy a fine not to exceed One Thousand Dollars (\$1,000.00) and costs, an imprisonment not to exceed six (6) months, or both such fine and imprisonment for violations of municipal ordinances regulating the pretreatment of wastewater and regulating stormwater discharges. Provided, further, that for violations of municipal ordinances relating to prostitution, including but not limited to engaging in prostitution or soliciting or procuring prostitution, any municipal criminal court of record in cities with more than two hundred thousand (200,000) in population may levy an imprisonment not to exceed six (6) months, and fines as follows: a fine not to exceed Two Thousand Five Hundred Dollars (\$2,500.00) upon the first conviction for violation of any such ordinances, a fine of not more than Five Thousand Dollars (\$5,000.00) upon the second conviction for violation of any of such ordinances, and a fine of not more than Seven Thousand Five Hundred Dollars (\$7,500.00) upon the third or subsequent convictions for violation of any of such ordinances, or both such fine and imprisonment, as well as a term of community service of not less than forty (40) nor more than eighty (80) hours. If imprisonment is available for the offense, then that person charged shall have a right to a jury trial.

D. A defendant who has been in jeopardy for the same or any lesser included offense in the municipal criminal court of record or district court shall not be prosecuted in any other court for the same or a lesser included offense.

SECTION 15. REPEALER 11 O.S. 2001, Section 28-102, as last amended by Section 2, Chapter 38, O.S.L. 2006 (11 O.S. Supp. 2006, Section 28-102), is hereby repealed.

SECTION 16. AMENDATORY 22 O.S. 2001, Section 991a, as last amended by Section 1, Chapter 294, O.S.L. 2006 (22 O.S. Supp. 2006, Section 991a), is amended to read as follows:

Section 991a. A. Except as otherwise provided in the Elderly and Incapacitated Victim's Protection Program, when a defendant is convicted of a crime and no death sentence is imposed, the court shall either:

1. Suspend the execution of sentence in whole or in part, with or without probation. The court, in addition, may order the convicted defendant at the time of sentencing or at any time during the suspended sentence to do one or more of the following:

- a. to provide restitution to the victim as provided by Section 991f et seq. of this title or according to a schedule of payments established by the sentencing court, together with interest upon any pecuniary sum at the rate of twelve percent (12%) per annum, if the defendant agrees to pay such restitution or, in the opinion of the court, if the defendant is able to pay such restitution without imposing manifest hardship on the defendant or the immediate family and if the extent of the damage to the victim is determinable with reasonable certainty,
- b. to reimburse any state agency for amounts paid by the state agency for hospital and medical expenses incurred by the victim or victims, as a result of the criminal act for which such person was convicted, which reimbursement shall be made directly to the state agency, with interest accruing thereon at the rate of twelve percent (12%) per annum,
- c. to engage in a term of community service without compensation, according to a schedule consistent with the employment and family responsibilities of the person convicted,
- d. to pay a reasonable sum into any trust fund, established pursuant to the provisions of Sections 176 through 180.4 of Title 60 of the Oklahoma Statutes, and which provides restitution payments by convicted defendants to victims of crimes committed within this state wherein such victim has incurred a financial loss,
- e. to confinement in the county jail for a period not to exceed six (6) months,
- f. to confinement as provided by law together with a term of post-imprisonment community supervision for not less than three (3) years of the total term allowed by law for imprisonment, with or without restitution; provided, however, the authority of this provision is limited to Section 7115 of Title 10 of the Oklahoma Statutes when the offense involved sexual abuse or sexual exploitation; Sections 681, 741 and 843.1 of Title 21 of the Oklahoma Statutes when the offense

involved sexual abuse or sexual exploitation; and Sections 865 et seq., 885, 886, 888, 891, 1021, 1021.2, 1021.3, 1040.13a, 1087 and 1088 of Title 21 of the Oklahoma Statutes,

- g. to repay the reward or part of the reward paid by a certified local crimestoppers program and the Oklahoma Reward System. In determining whether the defendant shall repay the reward or part of the reward, the court shall consider the ability of the defendant to make the payment, the financial hardship on the defendant to make the required payment, and the importance of the information to the prosecution of the defendant as provided by the arresting officer or the district attorney with due regard for the confidentiality of the records of the certified local crimestoppers program and the Oklahoma Reward System. The court shall assess this repayment against the defendant as a cost of prosecution. "Certified local crimestoppers program" means a crimestoppers program certified by the Office of the Attorney General pursuant to Section 991g of this title. The "Oklahoma Reward System" means the reward program established by Section 150.18 of Title 74 of the Oklahoma Statutes,
- h. to reimburse the Oklahoma State Bureau of Investigation for costs incurred by that agency during its investigation of the crime for which the defendant pleaded guilty, nolo contendere or was convicted, including compensation for laboratory, technical, or investigation services performed by the Bureau if, in the opinion of the court, the defendant is able to pay without imposing manifest hardship on the defendant, and if the costs incurred by the Bureau during the investigation of the defendant's case may be determined with reasonable certainty,
- i. to reimburse the Oklahoma State Bureau of Investigation and any authorized law enforcement agency for all costs incurred by that agency for cleaning up an illegal drug laboratory site for which the defendant pleaded guilty, nolo contendere or was convicted. The court clerk shall collect the amount and may retain five percent (5%) of such monies to be deposited in the Court Clerk Revolving Fund to cover

administrative costs and shall remit the remainder to the Oklahoma State Bureau of Investigation to be deposited in the OSBI Revolving Fund established by Section 150.19a of Title 74 of the Oklahoma Statutes or to the general fund wherein the other law enforcement agency is located,

- j. to pay a reasonable sum to the Crime Victims Compensation Board, created by Section 142.2 et seq. of Title 21 of the Oklahoma Statutes, for the benefit of crime victims,
- k. to reimburse the court fund for amounts paid to court-appointed attorneys for representing the defendant in the case in which the person is being sentenced,
- l. to participate in an assessment and evaluation by an assessment agency or assessment personnel certified by the Department of Mental Health and Substance Abuse Services pursuant to Section 3-460 of Title 43A of the Oklahoma Statutes and, as determined by the assessment, participate in an alcohol and drug substance abuse course or treatment program or both, pursuant to Sections 3-452 and 3-453 of Title 43A of the Oklahoma Statutes, or as ordered by the court,
- m. to be placed in a victims impact panel program or victim/offender reconciliation program and payment of a fee to the program of not less than Fifteen Dollars (\$15.00) nor more than Fifty Dollars (\$50.00) as set by the governing authority of the program to offset the cost of participation by the defendant. Provided, each victim/offender reconciliation program shall be required to obtain a written consent form voluntarily signed by the victim and defendant that specifies the methods to be used to resolve the issues, the obligations and rights of each person, and the confidentiality of the proceedings. Volunteer mediators and employees of a victim/offender reconciliation program shall be immune from liability and have rights of confidentiality as provided in Section 1805 of Title 12 of the Oklahoma Statutes,
- n. to install, at the expense of the defendant, an ignition interlock device approved by the Board of

Tests for Alcohol and Drug Influence. The device shall be installed upon every motor vehicle operated by the defendant, and the court shall require that a notation of this restriction be affixed to the defendant's driver license. The restriction shall remain on the driver license not exceeding two (2) years to be determined by the court. The restriction may be modified or removed only by order of the court and notice of any modification order shall be given to the Department of Public Safety. Upon the expiration of the period for the restriction, the Department of Public Safety shall remove the restriction without further court order. Failure to comply with the order to install an ignition interlock device or operating any vehicle without a device during the period of restriction shall be a violation of the sentence and may be punished as deemed proper by the sentencing court. As used in this paragraph, "ignition interlock device" means a device that, without tampering or intervention by another person, would prevent the defendant from operating a motor vehicle if the defendant has a blood or breath alcohol concentration of two-hundredths (0.02) or greater,

- o. to be confined by electronic monitoring administered and supervised by the Department of Corrections or a community sentence provider, and payment of a monitoring fee to the supervising authority, not to exceed Three Hundred Dollars (\$300.00) per month. Any fees collected pursuant to this paragraph shall be deposited with the appropriate supervising authority. Any willful violation of an order of the court for the payment of the monitoring fee shall be a violation of the sentence and may be punished as deemed proper by the sentencing court. As used in this paragraph, "electronic monitoring" means confinement of the defendant within a specified location or locations with supervision by means of an electronic device approved by the Department of Corrections which is designed to detect if the defendant is in the court-ordered location at the required times and which records violations for investigation by a qualified supervisory agency or person,

- p. to perform one or more courses of treatment, education or rehabilitation for any conditions, behaviors, deficiencies or disorders which may contribute to criminal conduct, including but not limited to alcohol and substance abuse, mental health, emotional health, physical health, propensity for violence, antisocial behavior, personality or attitudes, deviant sexual behavior, child development, parenting assistance, job skills, vocational-technical skills, domestic relations, literacy, education, or any other identifiable deficiency which may be treated appropriately in the community and for which a certified provider or a program recognized by the court as having significant positive impact exists in the community. Any treatment, education or rehabilitation provider required to be certified pursuant to law or rule shall be certified by the appropriate state agency or a national organization,
- q. to submit to periodic testing for alcohol, intoxicating substance, or controlled dangerous substances by a qualified laboratory,
- r. to pay a fee, costs for treatment, education, supervision, participation in a program, or any combination thereof as determined by the court, based upon the defendant's ability to pay the fees or costs,
- s. to be supervised by a Department of Corrections employee, a private supervision provider, or other person designated by the court,
- t. to obtain positive behavior modeling by a trained mentor,
- u. to serve a term of confinement in a restrictive housing facility available in the community,
- v. to serve a term of confinement in the county jail at night or during weekends pursuant to Section 991a-2 of this title or for work release,
- w. to obtain employment or participate in employment-related activities,

- x. to participate in mandatory day reporting to facilities or persons for services, payments, duties or person-to-person contacts as specified by the court,
- y. to pay day fines not to exceed fifty percent (50%) of the net wages earned. For purposes of this paragraph, "day fine" means the offender is ordered to pay an amount calculated as a percentage of net daily wages earned. The day fine shall be paid to the local community sentencing system as reparation to the community. Day fines shall be used to support the local system,
- z. to submit to blood or saliva testing as required by subsection I of this section,
- aa. to repair or restore property damaged by the defendant's conduct, if the court determines the defendant possesses sufficient skill to repair or restore the property and the victim consents to the repairing or restoring of the property,
- bb. to restore damaged property in kind or payment of out-of-pocket expenses to the victim, if the court is able to determine the actual out-of-pocket expenses suffered by the victim,
- cc. to attend a victim-offender reconciliation program if the victim agrees to participate and the offender is deemed appropriate for participation,
- dd. in the case of a person convicted of prostitution pursuant to Section 1029 of Title 21 of the Oklahoma Statutes, require such person to receive counseling for the behavior which may have caused such person to engage in prostitution activities. Such person may be required to receive counseling in areas including but not limited to alcohol and substance abuse, sexual behavior problems, or domestic abuse or child abuse problems,
- ee. in the case of a sex offender sentenced after November 1, 1989, and required by law to register pursuant to the Sex Offender Registration Act, the court shall

require the person to comply with sex offender specific rules and conditions of supervision established by the Department of Corrections and require the person to participate in a treatment program designed for the treatment of sex offenders during the period of time while the offender is subject to supervision by the Department of Corrections. The treatment program shall include polygraph examinations specifically designed for use with sex offenders for purposes of supervision and treatment compliance, and shall be administered not less than each six (6) months during the period of supervision. The examination shall be administered by a certified licensed polygraph examiner. The treatment program must be approved by the Department of Corrections or the Department of Mental Health and Substance Abuse Services. Such treatment shall be at the expense of the defendant based on the defendant's ability to pay,

- ff. in addition to other sentencing powers of the court, the court in the case of a defendant being sentenced for a felony conviction for a violation of Section 2-402 of Title 63 of the Oklahoma Statutes which involves marijuana may require the person to participate in a drug court program, if available. If a drug court program is not available, the defendant may be required to participate in a community sanctions program, if available,
- gg. in the case of a person convicted of any false or bogus check violation, as defined in Section 1541.4 of Title 21 of the Oklahoma Statutes, impose a bogus check fee to be paid to the district attorney. The fee shall be equal to the amount assessed as court costs plus Twenty-five Dollars (\$25.00) for each check upon filing of the case in district court. This money shall be deposited in the Bogus Check Restitution Program Fund as established in subsection B of Section 114 of this title. Additionally, the court may require the offender to pay restitution and bogus check fees on any other bogus check or checks that have been submitted to the District Attorney Bogus Check Restitution Program, and

hh. any other provision specifically ordered by the court.

However, any such order for restitution, community service, payment to a certified local crimestoppers program, payment to the Oklahoma Reward System, or confinement in the county jail, or a combination thereof, shall be made in conjunction with probation and shall be made a condition of the suspended sentence;

2. Impose a fine prescribed by law for the offense, with or without probation or commitment and with or without restitution or service as provided for in this section, Section 991a-4.1 of this title or Section 227 of Title 57 of the Oklahoma Statutes;

3. Commit such person for confinement provided for by law with or without restitution as provided for in this section;

4. Order the defendant to reimburse the Oklahoma State Bureau of Investigation for costs incurred by that agency during its investigation of the crime for which the defendant pleaded guilty, nolo contendere or was convicted, including compensation for laboratory, technical, or investigation services performed by the Bureau if, in the opinion of the court, the defendant is able to pay without imposing manifest hardship on the defendant, and if the costs incurred by the Bureau during the investigation of the defendant's case may be determined with reasonable certainty;

5. Order the defendant to reimburse the Oklahoma State Bureau of Investigation for all costs incurred by that agency for cleaning up an illegal drug laboratory site for which the defendant pleaded guilty, nolo contendere or was convicted. The court clerk shall collect the amount and may retain five percent (5%) of such monies to be deposited in the Court Clerk Revolving Fund to cover administrative costs and shall remit the remainder to the Oklahoma State Bureau of Investigation to be deposited in the OSBI Revolving Fund established by Section 150.19a of Title 74 of the Oklahoma Statutes;

6. In the case of nonviolent felony offenses, sentence such person to the Community Service Sentencing Program;

7. In addition to the other sentencing powers of the court, in the case of a person convicted of operating or being in control of a motor vehicle while the person was under the influence of alcohol, other intoxicating substance, or a combination of alcohol or another intoxicating substance, or convicted of operating a motor vehicle

while the ability of the person to operate such vehicle was impaired due to the consumption of alcohol, require such person:

- a. to participate in an alcohol and drug assessment and evaluation by an assessment agency or assessment personnel certified by the Department of Mental Health and Substance Abuse Services pursuant to Section 3-460 of Title 43A of the Oklahoma Statutes and, as determined by the assessment, participate in an alcohol and drug substance abuse course or treatment program or both, pursuant to Sections 3-452 and 3-453 of Title 43A of the Oklahoma Statutes,
- b. to attend a victims impact panel program, if such a program is offered in the county where the judgment is rendered, and to pay a fee, not less than Fifteen Dollars (\$15.00) nor more than Fifty Dollars (\$50.00) as set by the governing authority of the program and approved by the court, to the program to offset the cost of participation by the defendant, if in the opinion of the court the defendant has the ability to pay such fee,
- c. to both participate in the alcohol and drug substance abuse course or treatment program, pursuant to subparagraph a of this paragraph and attend a victims impact panel program, pursuant to subparagraph b of this paragraph,
- d. to install, at the expense of the person, an ignition interlock device approved by the Board of Tests for Alcohol and Drug Influence, upon every motor vehicle operated by such person and to require that a notation of this restriction be affixed to the person's driver license at the time of reinstatement of the license. The restriction shall remain on the driver license for such period as the court shall determine. The restriction may be modified or removed by order of the court and notice of the order shall be given to the Department of Public Safety. Upon the expiration of the period for the restriction, the Department of Public Safety shall remove the restriction without further court order. Failure to comply with the order to install an ignition interlock device or operating any vehicle without such device during the period of

restriction shall be a violation of the sentence and may be punished as deemed proper by the sentencing court, or

- e. beginning January 1, 1993, to submit to electronically monitored home detention administered and supervised by the Department of Corrections, and to pay to the Department a monitoring fee, not to exceed Seventy-five Dollars (\$75.00) a month, to the Department of Corrections, if in the opinion of the court the defendant has the ability to pay such fee. Any fees collected pursuant to this subparagraph shall be deposited in the Department of Corrections Revolving Fund. Any order by the court for the payment of the monitoring fee, if willfully disobeyed, may be enforced as an indirect contempt of court;

8. In addition to the other sentencing powers of the court, in the case of a person convicted of prostitution pursuant to Section 1029 of Title 21 of the Oklahoma Statutes, require such person to receive counseling for the behavior which may have caused such person to engage in prostitution activities. Such person may be required to receive counseling in areas including but not limited to alcohol and substance abuse, sexual behavior problems, or domestic abuse or child abuse problems;

9. In addition to the other sentencing powers of the court, in the case of a person convicted of any crime related to domestic abuse, as defined in Section 60.1 of this title, the court may require the defendant to undergo the treatment or participate in the counseling services necessary to bring about the cessation of domestic abuse against the victim. The defendant may be required to pay all or part of the cost of the treatment or counseling services;

10. In addition to the other sentencing powers of the court, the court, in the case of a sex offender sentenced after November 1, 1989, and required by law to register pursuant to the Sex Offenders Registration Act, shall require the person to participate in a treatment program designed specifically for the treatment of sex offenders, if available. The treatment program will include polygraph examinations specifically designed for use with sex offenders for the purpose of supervision and treatment compliance, provided the examination is administered by a certified licensed polygraph examiner. The treatment program must be approved by the Department of Corrections or the Department of Mental Health and

Substance Abuse Services. Such treatment shall be at the expense of the defendant based on the defendant's ability to pay;

11. In addition to the other sentencing powers of the court, the court, in the case of a person convicted of child abuse or neglect, as defined in Section 7102 of Title 10 of the Oklahoma Statutes, may require the person to undergo treatment or to participate in counseling services. The defendant may be required to pay all or part of the cost of the treatment or counseling services;

12. In addition to the other sentencing powers of the court, the court, in the case of a person convicted of cruelty to animals pursuant to Section 1685 of Title 21 of the Oklahoma Statutes, may require the person to pay restitution to animal facilities for medical care and any boarding costs of victimized animals; or

13. In addition to the other sentencing powers of the court, ~~in the case of a sex offender who is habitual or aggravated sex offender~~ as defined by Section 584 of Title 57 of the Oklahoma Statutes, and who is required to register as a sex offender pursuant to the Oklahoma Sex Offenders Registration Act, ~~the court shall order the habitual or aggravated sex offender~~ be supervised by the Department of Corrections for the duration of the registration period and shall be assigned to a global position monitoring device by the Department of Corrections for the duration of the registration period. ~~The Department of Corrections shall be responsible for monitoring the global position monitoring device.~~ The cost of such monitoring device shall be reimbursed by the offender.

B. Notwithstanding any other provision of law, any person who is found guilty of a violation of any provision of Section 761 or 11-902 of Title 47 of the Oklahoma Statutes or any person pleading guilty or nolo contendere for a violation of any provision of such sections shall be ordered to participate in, prior to sentencing, an alcohol and drug assessment and evaluation by an assessment agency or assessment personnel certified by the Department of Mental Health and Substance Abuse Services for the purpose of evaluating the receptivity to treatment and prognosis of the person. The court shall order the person to reimburse the agency or assessor for the evaluation. The fee shall be the amount provided in subsection C of Section 3-460 of Title 43A of the Oklahoma Statutes. The evaluation shall be conducted at a certified assessment agency, the office of a certified assessor or at another location as ordered by the court.

The agency or assessor shall, within seventy-two (72) hours from the time the person is assessed, submit a written report to the court for the purpose of assisting the court in its final sentencing determination. No person, agency or facility operating an alcohol and drug substance abuse evaluation program certified by the Department of Mental Health and Substance Abuse Services shall solicit or refer any person evaluated pursuant to this subsection for any treatment program or alcohol and drug substance abuse service in which such person, agency or facility has a vested interest; however, this provision shall not be construed to prohibit the court from ordering participation in or any person from voluntarily utilizing a treatment program or alcohol and drug substance abuse service offered by such person, agency or facility. If a person is sentenced to the custody of the Department of Corrections and the court has received a written evaluation report pursuant to this subsection, the report shall be furnished to the Department of Corrections with the judgment and sentence. Any evaluation report submitted to the court pursuant to this subsection shall be handled in a manner which will keep such report confidential from the general public's review. Nothing contained in this subsection shall be construed to prohibit the court from ordering judgment and sentence in the event the defendant fails or refuses to comply with an order of the court to obtain the evaluation required by this subsection.

C. When sentencing a person convicted of a crime, the court shall first consider a program of restitution for the victim, as well as imposition of a fine or incarceration of the offender. The provisions of paragraph 1 of subsection A of this section shall not apply to defendants being sentenced upon their third or subsequent to their third conviction of a felony or, beginning January 1, 1993, to defendants being sentenced for their second or subsequent felony conviction for violation of Section 11-902 of Title 47 of the Oklahoma Statutes, except as otherwise provided in this subsection. In the case of a person being sentenced for their second or subsequent felony conviction for violation of Section 11-902 of Title 47 of the Oklahoma Statutes, the court may sentence the person pursuant to the provisions of paragraph 1 of subsection A of this section if the court orders the person to submit to electronically monitored home detention administered and supervised by the Department of Corrections pursuant to subparagraph e of paragraph 7 of subsection A of this section. Provided, the court may waive these prohibitions upon written application of the district attorney. Both the application and the waiver shall be made part of the record of the case.

D. When sentencing a person convicted of a crime, the judge shall consider any victim impact statements if submitted to the jury, or the judge in the event a jury is waived.

E. Probation, for purposes of subsection A of this section, is a procedure by which a defendant found guilty of a crime, whether upon a verdict or plea of guilty or upon a plea of nolo contendere, is released by the court subject to conditions imposed by the court and subject to the supervision of the Department of Corrections. Such supervision shall be initiated upon an order of probation from the court, and shall not exceed two (2) years, except as otherwise provided by law. In the case of a person convicted of a sex offense, supervision shall begin immediately upon release from incarceration and shall not be limited to two (2) years. Provided further, any supervision provided for in this section may be extended for a period not to exceed the expiration of the maximum term or terms of the sentence upon a determination by the Division of Probation and Parole of the Department of Corrections that the best interests of the public and the release will be served by an extended period of supervision.

F. The Department of Corrections, or such other agency as the court may designate, shall be responsible for the monitoring and administration of the restitution and service programs provided for by subparagraphs a, c, and d of paragraph 1 of subsection A of this section, and shall ensure that restitution payments are forwarded to the victim and that service assignments are properly performed.

G. 1. The Department of Corrections is hereby authorized, subject to funds available through appropriation by the Legislature, to contract with counties for the administration of county Community Service Sentencing Programs.

2. Any offender eligible to participate in the Program pursuant to this act shall be eligible to participate in a county Program; provided, participation in county-funded Programs shall not be limited to offenders who would otherwise be sentenced to confinement with the Department of Corrections.

3. The Department shall establish criteria and specifications for contracts with counties for such Programs. A county may apply to the Department for a contract for a county-funded Program for a specific period of time. The Department shall be responsible for ensuring that any contracting county complies in full with

specifications and requirements of the contract. The contract shall set appropriate compensation to the county for services to the Department.

4. The Department is hereby authorized to provide technical assistance to any county in establishing a Program, regardless of whether the county enters into a contract pursuant to this subsection. Technical assistance shall include appropriate staffing, development of community resources, sponsorship, supervision and any other requirements.

5. The Department shall annually make a report to the Governor, the President Pro Tempore of the Senate and the Speaker of the House on the number of such Programs, the number of participating offenders, the success rates of each Program according to criteria established by the Department and the costs of each Program.

H. As used in this section:

1. "Ignition interlock device" means a device that, without tampering or intervention by another person, would prevent the defendant from operating a motor vehicle if the defendant has a blood or breath alcohol concentration of two-hundredths (0.02) or greater; and

2. "Electronically monitored home detention" means incarceration of the defendant within a specified location or locations with monitoring by means of a device approved by the Department of Corrections that detects if the person leaves the confines of any specified location.

I. A person convicted of a felony offense or receiving any form of probation for an offense in which registration is required pursuant to the Sex Offenders Registration Act shall submit to deoxyribonucleic acid DNA testing for law enforcement identification purposes in accordance with Section 150.27 of Title 74 of the Oklahoma Statutes and the rules promulgated by the Oklahoma State Bureau of Investigation for the OSBI Combined DNA Index System (CODIS) Database. Any defendant sentenced to probation shall be required to submit to testing within thirty (30) days of sentencing either to the Department of Corrections or to the county sheriff as directed by the court. Defendants who are sentenced to a term of incarceration shall submit to testing in accordance with Section 530.1 of Title 57 of the Oklahoma Statutes, for those defendants who enter the custody of the Department of Corrections or to the county

sheriff, for those defendants sentenced to incarceration in a county jail. Convicted individuals who have previously submitted to DNA testing under this section and for whom a valid sample is on file in the OSBI Combined DNA Index System (CODIS) Database at the time of sentencing shall not be required to submit to additional testing. Except as required by the Sex Offenders Registration Act, a deferred judgment does not require submission to deoxyribonucleic acid testing.

Any person who is incarcerated in the custody of the Department of Corrections after July 1, 1996, and who has not been released before the effective date of this act, shall provide a blood or saliva sample prior to release. Every person convicted of a felony offense after the effective date of this act whose sentence does not include a term of confinement with the Department of Corrections shall submit a blood or saliva sample. Those felons sentenced to unsupervised probation or otherwise not supervised by the Department of Corrections shall submit for blood or saliva testing to the sheriff of the sentencing county.

J. Samples of blood or saliva for DNA testing required by subsection I of this section shall be taken by employees or contractors of the Department of Corrections or the county sheriff or employees or contractors of the sheriff's office. The individuals shall be properly trained to collect blood or saliva samples. Persons collecting blood or saliva for DNA testing pursuant to this section shall be immune from civil liabilities arising from this activity. The Department of Corrections and the county sheriff shall ensure the collection of samples are mailed to the Oklahoma State Bureau of Investigation within ten (10) days of the time the subject appears for testing or within ten (10) days of the date the subject comes into physical custody to serve a term of incarceration. The Department and the sheriff's office shall use sample kits provided by the OSBI and procedures promulgated by the OSBI. Persons subject to DNA testing who are not received at the Lexington Assessment and Reception Center shall be required to pay a fee of Fifteen Dollars (\$15.00) to the agency collecting the sample for submission to the OSBI Combined DNA Index System (CODIS) Database. Any fees collected by the Department of Corrections or the county sheriff pursuant to this subsection shall be deposited in the Department of Corrections revolving account or the sheriff's service fee account.

K. When sentencing a person who has been convicted of a crime that would subject that person to the provisions of the Sex

Offenders Registration Act, neither the court nor the district attorney shall be allowed to waive or exempt such person from the registration requirements of the Sex Offenders Registration Act.

SECTION 17. REPEALER 22 O.S. 2001, Section 991a, as last amended by Section 6, Chapter 284, O.S.L. 2006 (22 O.S. Supp. 2006, Section 991a), is hereby repealed.

SECTION 18. AMENDATORY 28 O.S. 2001, Section 153, as last amended by Section 2, Chapter 195, O.S.L. 2006 (28 O.S. Supp. 2006, Section 153), is amended to read as follows:

Section 153. A. The clerks of the courts shall collect as costs in every criminal case for each offense of which the defendant is convicted, irrespective of whether or not the sentence is deferred, the following flat charges and no more, except for standing and parking violations and for charges otherwise provided for by law, which fee shall cover docketing of the case, filing of all papers, issuance of process, warrants, orders, and other services to the date of judgment:

1. For each defendant convicted of exceeding the speed limit by at least one (1) mile per hour but not more than ten (10) miles per hour, whether charged individually or conjointly with others.....\$77.00
2. For each defendant convicted of a misdemeanor traffic violation other than an offense provided for in paragraph 1 or 5 of this subsection, whether charged individually or conjointly with others.....\$98.00
3. For each defendant convicted of a misdemeanor, other than for driving under the influence of alcohol or other intoxicating substance or an offense provided for in paragraph 1 or 2 of this subsection, whether charged individually or conjointly with others.....\$93.00
4. For each defendant convicted of a felony, other than for driving under

the influence of alcohol or other
intoxicating substance, whether
charged individually or conjointly
with others.....\$103.00

5. For each defendant convicted of the
misdemeanor of driving under the
influence of alcohol or other
intoxicating substance, whether charged
individually or conjointly with others..... ~~\$383.00~~
\$433.00

6. For each defendant convicted of the
felony of driving under the influence
of alcohol or other intoxicating
substance, whether charged
individually or conjointly with others.....~~\$383.00~~
\$433.00

7. For the services of a court reporter at
each preliminary hearing and trial
held in the case.....\$20.00

8. For each time a jury is requested..... \$30.00

9. A sheriff's fee for serving or
endeavoring to serve each writ,
warrant, order, process, command, or
notice or pursuing any fugitive from
justice
a. within the county..... \$50.00, or

mileage as
established by the
Oklahoma Statutes,
whichever is
greater, or

b. outside of the county..... \$50.00, or

actual, necessary
expenses, whichever
is greater

10. For the services of a language interpreter, other than an interpreter appointed pursuant to the provisions of the Oklahoma Interpreter for the Deaf Act, at each hearing held in the case, the actual cost of the interpreter.

B. In addition to the amount collected pursuant to paragraphs 2 through 6 of subsection A of this section, the sum of Six Dollars (\$6.00) shall be assessed and credited to the Law Library Fund pursuant to Section 1201 et seq. of Title 20 of the Oklahoma Statutes.

C. In addition to the amount collected pursuant to subsection A of this section, the sum of Ten Dollars (\$10.00) shall be assessed and collected in every traffic case for each offense other than for driving under the influence of alcohol or other intoxicating substance; the sum of Fifteen Dollars (\$15.00) shall be assessed and collected in every misdemeanor case for each offense; the sum of Fifteen Dollars (\$15.00) shall be assessed and collected in every misdemeanor case for each offense for driving under the influence of alcohol or other intoxicating substance; the sum of Twenty-five Dollars (\$25.00) shall be assessed and collected in every felony case for each offense; and the sum of Twenty-five Dollars (\$25.00) shall be assessed and collected in every felony case for each offense for driving under the influence of alcohol or other intoxicating substance.

D. In addition to the amounts collected pursuant to subsections A and B of this section, the sum of Ten Dollars (\$10.00) shall be assessed and credited to the Oklahoma Court Information System Revolving Fund created pursuant to Section 1315 of Title 20 of the Oklahoma Statutes.

E. In addition to the amount collected pursuant to paragraphs 1 through 6 of subsection A of this section, the sum of Ten Dollars (\$10.00) shall be assessed and credited to the Sheriff's Service Fee Account in the county in which the conviction occurred for the purpose of enhancing existing or providing additional courthouse security.

F. Prior to conviction, parties in criminal cases shall not be required to pay, advance, or post security for the services of a

language interpreter or for the issuance or service of process to obtain compulsory attendance of witnesses.

G. The fees collected pursuant to this section shall be deposited into the court fund, except the following:

1. A court clerk issuing a misdemeanor warrant is entitled to ten percent (10%) of the sheriff's service fee, provided for in paragraph 9 of subsection A of this section, collected on a warrant referred to the contractor for the misdemeanor warrant notification program governed by Sections 514.4 and 514.5 of Title 19 of the Oklahoma Statutes. This ten-percent sum shall be deposited into the issuing Court Clerk's Revolving Fund, created pursuant to Section 220 of Title 19 of the Oklahoma Statutes, of the court clerk issuing the warrant with the balance of the sheriff's service fee to be deposited into the Sheriff's Service Fee Account, created pursuant to the provisions of Section 514.1 of Title 19 of the Oklahoma Statutes, of the sheriff in the county in which service is made or attempted. Otherwise, the sheriff's service fee, when collected, shall be deposited in its entirety into the Sheriff's Service Fee Account of the sheriff in the county in which service is made or attempted;

2. The sheriff's fee provided for in Section 153.2 of this title;

3. The witness fees paid by the district attorney pursuant to the provisions of Section 82 of this title which, if collected by the court clerk, shall be transferred to the district attorney's office in the county where witness attendance was required. Fees transferred pursuant to this paragraph shall be deposited in the district attorney's maintenance and operating expense account;

4. The fees provided for in subsection C of this section shall be forwarded to the District Attorneys Council Revolving Fund to defray the costs of prosecution; and

5. The following amounts of the fees provided for in paragraphs 2, 3, 5 and 6 of subsection A of this section, when collected, shall be deposited in the Trauma Care Assistance Revolving Fund, created pursuant to the provisions of Section ~~1-2522~~ 1-2530.9 of Title 63 of the Oklahoma Statutes:

- a. Ten Dollars (\$10.00) of the Ninety-eight-Dollar fee provided for in paragraph 2 of subsection A of this section,
- b. Ten Dollars (\$10.00) of the Ninety-three-Dollar fee provided for in paragraph 3 of subsection A of this section,
- c. One Hundred Dollars (\$100.00) of the ~~Three Hundred-Eighty three Dollar~~ Four-Hundred-Thirty-three-Dollar fee provided for in paragraph 5 of subsection A of this section, and
- d. One Hundred Dollars (\$100.00) of the ~~Three Hundred-Eighty three Dollar~~ Four-Hundred-Thirty-three-Dollar fee provided for in paragraph 6 of subsection A of this section.

H. Costs required to be collected pursuant to this section shall not be dismissed or waived; provided, if the court determines that a person needing the services of a language interpreter is indigent, the court may waive all or part of the costs or require the payment of costs in installments.

I. As used in this section, "convicted" means any final adjudication of guilt, whether pursuant to a plea of guilty or nolo contendere or otherwise, and any deferred judgment or suspended sentence.

J. A court clerk may accept in payment for any fee, fine, or cost for violation of any traffic law a nationally recognized credit card or debit card issued to the applicant. The court clerk shall publicly post and collect a fee for the acceptance of the nationally recognized credit or debit card. The court fee shall be set by the Supreme Court of Oklahoma each time a fee schedule is promulgated by the Supreme Court of Oklahoma, not to exceed five percent (5%) of the amount of the payment. Any other costs or maintenance fees accrued for accepting or using credit or debit cards may be paid from the court fund. For purposes of this paragraph, "nationally recognized credit card" means any instrument or device, whether known as a credit card, credit plate, charge plate, or by any other name, issued with or without fee by an issuer for the use of the cardholder in obtaining goods, services, or anything else of value and which is accepted by over one thousand (1,000) merchants in this state. "Debit card" means an identification card or device issued

to a person by a business organization which permits such person to obtain access to or activate a consumer banking electronic facility. The court clerk shall determine which nationally recognized credit cards will be accepted as payment for fees; provided, the court clerk must ensure that no loss of state revenue will occur by the use of such cards.

K. Upon receipt of payment of fines and costs for offenses charged prior to July 1, 1992, the court clerk shall apportion and pay Thirteen Dollars (\$13.00) per conviction to the court fund.

SECTION 19. REPEALER 28 O.S. 2001, Section 153, as last amended by Section 6, Chapter 61, O.S.L. 2006 (28 O.S. Supp. 2006, Section 153), is hereby repealed.

SECTION 20. AMENDATORY 36 O.S. 2001, Section 1204, as last amended by Section 1, Chapter 180, O.S.L. 2006 (36 O.S. Supp. 2006, Section 1204), is amended to read as follows:

Section 1204. The following are hereby defined as unfair methods of competition and unfair and deceptive acts or practices in the business of insurance:

1. Misrepresentations and false advertising of policy contracts. Making, issuing, circulating, or causing to be made, issued or circulated, any estimate, illustration, circular or statement misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised thereby or the dividends or share of the surplus to be received thereon, or making any false or misleading statement as to the dividends or share of surplus previously paid on similar policies, or making any misleading representation or any misrepresentation as to the financial condition of any insurer, or as to the legal reserve system upon which any life insurer operates, or using any name or title of any policy or class of policies misrepresenting the true nature thereof, or making any misrepresentation to any policyholder insured in any company for the purpose of inducing or tending to induce such policyholder to lapse, forfeit, or surrender his insurance.

2. False information and advertising generally. Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a

notice, circular, pamphlet, letter or poster, or over any radio or television station, or in any other way an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business which is untrue, deceptive or misleading. No insurance company shall issue, or cause to be issued, any policy of insurance of any type or description upon life, or property, real or personal, whenever such policy of insurance is to be furnished or delivered to the purchaser or bailee of any property, real or personal, as an inducement to purchase or bail said property, real or personal, and no other person shall advertise, offer or give free insurance, insurance without cost or for less than the approved or customary rate, in connection with the sale or bailment of real or personal property, except as provided in subsection B, Section 4101 of Article 41 (Group Life Insurance and Group Annuity Contracts). No person that is not an insurer shall assume or use any name which deceptively infers or suggests that it is an insurer.

3. Defamation. Making, publishing, disseminating, or circulating, directly or indirectly, or aiding, abetting or encouraging the making, publishing, disseminating or circulating of any oral or written statement or any pamphlet, circular, article or literature which is false, or maliciously critical of or derogatory to the financial condition of an insurer, and which is calculated to injure any person engaged in the business of insurance.

4. Boycott, coercion and intimidation. Entering into any agreement to commit, or by any concerted action committing, any act of boycott, coercion or intimidation resulting in or tending to result in unreasonable restraint of, or monopoly in, the business of insurance.

5. False financial statements. Filing with any supervisory or other public official, or making, publishing, disseminating, circulating or delivering to any person, or placing before the public or causing directly or indirectly, to be made, published, disseminated, circulated, delivered to any person or placed before the public, any false statement of financial condition of an insurer with intent to deceive.

Making any false entry in any book, report or statement of any insurer with intent to deceive any agent or examiner lawfully appointed to examine into its condition or into any of its affairs, or any public official to whom such insurer is required by law to

report, or who has authority by law to examine into its condition or into any of its affairs, or, with like intent, willfully omitting to make a true entry of any material fact pertaining to the business of such insurer in any book, report or statement of such insurer.

6. Stock operations and advisory board contracts. Issuing or delivering or permitting agents, officers, or employees to issue or deliver agency company stock or other capital stock, or benefit certificates or shares in any common-law corporation, or securities or any special or advisory board contracts or other contracts of any kind promising returns and profits as an inducement to insurance.

7. Unfair discrimination. (a) Making or permitting any unfair discrimination between individuals of the same class and equal expectation of life in the rates charged for any contract of life insurance or of life annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract.

(b) Making or permitting any unfair discrimination between individuals of the same class and of essentially the same hazard in the amount of premium, policy fees, or rates charged for any policy or contract of accident or health insurance or in the benefits payable thereunder, or in any of the terms or conditions of such contract, or in any other manner whatever.

(c) As to kinds of insurance other than life and accident and health, no person shall make or permit any unfair discrimination in favor of particular persons, or between insureds or subjects of insurance having substantially like insuring, risk, and exposure factors, or expense elements, in the terms or conditions of any insurance contract, or in the rate or amount of premium charged therefor. This subsection shall not apply as to any premium rate in effect pursuant to Article 9 of the Oklahoma Insurance Code.

8. Rebates. (a) Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any contract of insurance or agreement as to such contract other than as plainly expressed in the contract issued thereon; or paying or allowing, or giving or offering to pay, allow or give, directly or indirectly, as inducement to any contract of insurance, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract; except in accordance with an applicable rate filing, rating plan or rating

~~system filed with and approved by the Board or~~ filed with and approved by the Insurance Commissioner; or giving or selling or purchasing or offering to give, sell, or purchase as inducement to such insurance, or in connection therewith, any stocks, bonds or other securities of any company, or any dividends or profits accrued thereon, or anything of value whatsoever not specified in the contract or receiving or accepting as inducement to contracts of insurance, any rebate of premium payable on the contract, or any special favor or advantage in the dividends or other benefit to accrue thereon, or any valuable consideration or inducement not specified in the contract.

(b) Nothing in subsection 7 or paragraph (a) of this subsection shall be construed as including within the definition of discrimination or rebates any of the following practices:

(1) In the case of any contract of life insurance or life annuity, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, provided, that any such bonuses or abatement of premiums shall be fair and equitable to policyholders and for the best interest of the company and its policyholders;

(2) In the case of life or accident and health insurance policies issued on the industrial debit or weekly premium plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the saving in collection expense;

(3) Making a readjustment of the rate of premium for a policy based on the loss or expense experience thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year;

(4) In the case of life insurance companies, allowing its bona fide employees to receive a commission on the premiums paid by them on policies on their own lives;

(5) Issuing life or accident and health policies on a salary saving or payroll deduction plan at a reduced rate commensurate with the savings made by the use of such plan; and

(6) Paying commissions or other compensation to duly licensed agents or brokers, or allowing or returning to participating

policyholders, members or subscribers, dividends, savings or unabsorbed premium deposits.

(c) As used in this section, the word "insurance" includes suretyship and the word "policy" includes bond.

9. Coercion prohibited. Requiring as a condition precedent to the purchase of, or the lending of money upon the security of, real or personal property, that any insurance covering such property, or liability arising from the ownership, maintenance or use thereof, be procured by or on behalf of the vendee or by the borrower in connection with such purchase or loan through any particular person or agent or in any particular insurer, or requiring the payment of a reasonable fee as a condition precedent to the replacement of insurance coverage on mortgaged property at the anniversary date of the policy; provided, however, that this provision shall not prevent the exercise by any such vendor or lender of the right to approve or disapprove any insurer selected to underwrite the insurance; but any disapproval of any insurer shall be on reasonable grounds.

10. Inducements. No insurer, agent, broker, solicitor, or other person shall, as an inducement to insurance or in connection with any insurance transaction, provide in any policy for or offer, sell, buy, or offer or promise to buy, sell, give, promise, or allow to the insured or prospective insured or to any other person in his behalf in any manner whatsoever:

(a) Any employment.

(b) Any shares of stock or other securities issued or at any time to be issued or any interest therein or rights thereto.

(c) Any advisory board contract, or any similar contract, agreement or understanding, offering, providing for, or promising any special profits.

(d) Any prizes, goods, wares, merchandise, or tangible property of an aggregate value in excess of Twenty-five Dollars (\$25.00).

(e) Any special favor, advantage or other benefit in the payment, method of payment or credit for payment of the premium through the use of credit cards, credit card facilities, credit card lists, or wholesale or retail credit accounts of another person. The provisions of this paragraph shall not apply to individual

policies insuring against loss resulting from bodily injury or death by accident as defined by Article 44 of the Oklahoma Insurance Code.

11. Premature disposal of premium notes prohibited. No insurer or agent thereof shall hypothecate, sell, or dispose of a promissory note received in payment of any part of a premium on a policy of insurance applied for prior to the delivery of the policy.

12. Fraudulent statement in application; penalty. Any insurance agent, examining physician, or other person who knowingly or willfully makes a false or fraudulent statement or representation in or relative to an application for insurance, or who makes any such statement to obtain a fee, commission, money, or benefit shall be guilty of a misdemeanor.

13. Deceptive use of financial institution's name in notification or solicitation. Verbally or by any other means notifying or soliciting any person in a manner that:

- (a) mentions the name of an unrelated and unaffiliated financial institution,
- (b) mentions an insurance product or the possible lack of insurance coverage,
- (c) does not mention the actual or trade name of the insurance agency or company on whose behalf the notification or solicitation is provided, and
- (d) thereby creates an impression or implication, including by omission, that the financial institution or a financial-institution-authorized entity is or may be the one making the notification or solicitation.

Nothing in this paragraph shall be interpreted to prohibit the reference to or use of the name of a financial institution made pursuant to a contractual agreement between the insurer and the financial institution.

SECTION 21. REPEALER 36 O.S. 2001, Section 1204, as last amended by Section 43, Chapter 264, O.S.L. 2006 (36 O.S. Supp. 2006, Section 1204), is hereby repealed.

SECTION 22. REPEALER 36 O.S. 2001, Section 2813, as amended by Section 58, Chapter 264, O.S.L. 2006 (36 O.S. Supp. 2006, Section 2813), is hereby repealed.

SECTION 23. AMENDATORY 43 O.S. 2001, Section 112, as last amended by Section 1, Chapter 127, O.S.L. 2006 (43 O.S. Supp. 2006, Section 112), is amended to read as follows:

Section 112. A. A petition or cross-petition for a divorce, legal separation, or annulment must state whether or not the parties have minor children of the marriage. If there are minor children of the marriage, the court:

1. Shall make provision for guardianship, custody, medical care, support and education of the children;

2. Unless not in the best interests of the children, may provide for the visitation of the noncustodial parent with any of the children of the noncustodial parent; and

3. May modify or change any order whenever circumstances render the change proper either before or after final judgment in the action; provided, that the amount of the periodic child support payment shall not be modified retroactively or payment of all or a portion of the past due amount waived, except by mutual agreement of the obligor and obligee, or if the obligee has assigned child support rights to the Department of Human Services or other entity, by agreement of the Department or other entity. Unless the parties agree to the contrary, a completed child support computation form provided for in Section 120 of this title shall be required to be filed with the child support order.

The social security numbers of both parents and the child shall be included on the child support order summary form provided for in Section 120 of this title, which shall be submitted to the Central Case Registry as provided for in Section 112A of this title with all child support or paternity orders.

B. In any action in which there are minor unmarried children in awarding or modifying the custody of the child or in appointing a general guardian for the child, the court shall be guided by the provisions of Section 21.1 of Title 10 of the Oklahoma Statutes and shall consider what appears to be in the best interests of the child.

C. 1. When it is in the best interests of a minor unmarried child, the court shall:

- a. assure children of frequent and continuing contact with both parents after the parents have separated or dissolved their marriage, and
- b. encourage parents to share the rights and responsibilities of child rearing in order to effect this policy.

2. There shall be neither a legal preference nor a presumption for or against joint legal custody, joint physical custody, or sole custody.

3. When in the best interests of the child, custody shall be awarded in a way which assures the frequent and continuing contact of the child with both parents. When awarding custody to either parent, the court:

- a. shall consider, among other facts, which parent is more likely to allow the child or children frequent and continuing contact with the noncustodial parent, and
- b. shall not prefer a parent as a custodian of the child because of the gender of that parent.

4. In any action, there shall be neither a legal preference or a presumption for or against private or public school or home-schooling in awarding the custody of a child, or in appointing a general guardian for the child.

5. In making an order for custody, the court shall require compliance with Section 8 of this act.

D. 1. Except for good cause shown, a pattern of failure to allow court-ordered visitation may be determined to be contrary to the best interests of the child and as such may be grounds for modification of the child custody order.

2. For any action brought pursuant to the provisions of this section which the court determines to be contrary to the best interests of the child, the prevailing party shall be entitled to

recover court costs, attorney fees and any other reasonable costs and expenses incurred with the action.

E. Except as otherwise provided by Section 112.1A of this title, any child shall be entitled to support by the parents until the child reaches eighteen (18) years of age. ~~If a dependent child is regularly and continuously attending high school, said child shall be entitled to support by the parents through the age of eighteen (18) years. No hearing shall be required to extend such support through the age of eighteen (18) if the child is regularly and continuously attending high school~~ child is regularly enrolled in and attending high school, as set forth in Section 11-103.6 of Title 70 of the Oklahoma Statutes, other means of high school education, or an alternative high school education program as a full-time student, the child shall be entitled to support by the parents until the child graduates from high school or until the age of twenty (20) years, whichever occurs first. Full-time attendance shall include regularly scheduled breaks from the school year. No hearing or further order is required to extend support pursuant to this subsection after the child reaches the age of eighteen (18) years.

F. In any case in which provision is made for the custody or support of a minor child or enforcement of such order and before hearing the matter or signing any orders, the court shall inquire whether public assistance money or medical support has been provided by the Department of Human Services, hereafter referred to as the Department, for the benefit of each child. If public assistance money, medical support, or child support services under the state child support plan as provided in Section 237 of Title 56 of the Oklahoma Statutes have been provided for the benefit of the child, the Department shall be a necessary party for the adjudication of the debt due to the State of Oklahoma, as defined in Section 238 of Title 56 of the Oklahoma Statutes, and for the adjudication of paternity, child support, and medical insurance coverage for the minor children in accordance with federal regulations. When an action is filed, the petitioner shall give the Department notice of the action according to Section 2004 of Title 12 of the Oklahoma Statutes. The Department shall not be required to intervene in the action to have standing to appear and participate in the action. When the Department is a necessary party to the action, any orders concerning paternity, child support, medical support, or the debt due to the State of Oklahoma shall be approved and signed by the Department.

G. In any case in which a child support order or custody order or both is entered, enforced or modified, the court may make a determination of the arrearages of child support.

SECTION 24. REPEALER 43 O.S. 2001, Section 112, as last amended by Section 1, Chapter 74, O.S.L. 2006 (43 O.S. Supp. 2006, Section 112), is hereby repealed.

SECTION 25. AMENDATORY 43 O.S. 2001, Section 118, as last amended by Section 2, Chapter 127, O.S.L. 2006 (43 O.S. Supp. 2006, Section 118), is amended to read as follows:

Section 118. A. Except in those cases where parties represented by counsel have agreed to a different disposition, there shall be a rebuttable presumption in any judicial or administrative proceeding for the award of child support, that the amount of the award which would result from the application of the following guidelines is the correct amount of child support to be awarded.

B. The district or administrative court may deviate from the amount of child support indicated by the child support guidelines if the amount of support so indicated is unjust, inequitable, unreasonable, or inappropriate under the circumstances, or not in the best interests of the child. If the district or administrative court deviates from the amount of child support indicated by the child support guidelines, the court shall make specific findings of fact supporting such action.

C. The court shall not take into account any stepchildren of such parent in making the determination, but in making such determination, the court may take into account the reasonable support obligations of either parent as to only natural, legal, or legally adopted minor children in the custody of the parent.

D. For purposes of this section and in determining child support, the noncustodial parent shall be designated the obligor and the custodial parent shall be designated the obligee.

E. The child support guidelines are as follows:

1. All child support shall be computed as a percentage of the combined gross income of both parents. The Child Support Guideline Schedule as provided in Section 119 of this title shall be used for such computation. The child support obligations of each parent

shall be computed. The obligor's share shall be paid monthly to the obligee and shall be due on a specific date;

2. a. (1) "Gross income", subject to paragraph 3 of this subsection, includes earned and passive income from any source, except as excluded in this section.
- (2) "Earned income" is defined as income received from labor, or the sale of goods or services and includes, but is not limited to, income from:
 - (a) salaries,
 - (b) wages,
 - (c) commissions,
 - (d) bonuses, and
 - (e) severance pay.
- (3) "Passive income" is defined as all other income and includes, but is not limited to, income from:
 - (a) dividends,
 - (b) pensions,
 - (c) rent,
 - (d) interest income,
 - (e) trust income,
 - (f) annuities,
 - (g) social security benefits,
 - (h) workers' compensation benefits,
 - (i) unemployment insurance benefits,
 - (j) disability insurance benefits,

- (k) gifts,
 - (l) prizes, and
 - (m) royalties.
- b. Specifically excluded from gross income are:
 - (1) actual child support received for children not before the court, and
 - (2) benefits received from means-tested public assistance programs including, but not limited to:
 - (a) Temporary Assistance for Needy Families (TANF),
 - (b) Supplemental Security Income (SSI),
 - (c) Food Stamps, and
 - (d) General Assistance and State Supplemental Payments for Aged, Blind and the Disabled;
- 3. a. For income from self-employment, rent, royalties, proprietorship of a business, or joint ownership of a partnership or closely held corporation, "gross income" is defined as gross receipts minus ordinary and necessary expenses required for self-employment or business operations.
- b. Specifically excluded from ordinary and necessary expenses for purposes of this paragraph are amounts determined by the district or administrative court to be inappropriate for determining gross income for purposes of calculating child support.
- c. The district or administrative court shall carefully review income and expenses from self-employment or operation of a business to determine an appropriate level of gross income available to the parent to satisfy a child support obligation.

- d. The district or administrative court shall deduct from self-employment gross income an amount equal to the employer contribution for F.I.C.A. tax which an employer would withhold from an employee's earnings on an equivalent gross income amount. A determination of business income for tax purposes shall not control for purposes of determining a child support obligation.
 - e. Expense reimbursements or in-kind payments received by a parent in the course of employment, self-employment, or operation of a business shall be counted as income if they are significant and reduce personal living expenses. Such payments may include but are not limited to a company car, free housing, or reimbursed meals;
4. a. For purposes of computing gross income of the parents, the district or administrative court shall include for each parent, whichever is most equitable, either:
- (1) all earned and passive monthly income,
 - (2) all passive income, and earned income equivalent to a forty-hour work week plus such overtime and supplemental income as the court deems equitable,
 - (3) the average of the gross monthly income for the time actually employed during the previous three (3) years, or
 - (4) the minimum wage paid for a forty-hour work week.
- b. If equitable, the district or administrative court may instead impute as gross monthly income for either parent the amount a person with comparable education, training and experience could reasonably expect to earn.
- c. If a parent is permanently physically or mentally incapacitated, the child support obligation shall be computed on the basis of actual monthly gross income;

5. The amount of any preexisting district or administrative court order for current child support for children not before the court or for support alimony arising in a prior case shall be

deducted from gross income to the extent payment is actually made under the order;

6. The amount of reasonable expenses of the parties attributable to debt service for preexisting, jointly acquired debt of the parents may be deducted from gross income to the extent payment of the debt is actually made. In any case where deduction for debt service is made, the district or administrative court may provide for prospective upward adjustments of support made possible by the reasonably anticipated reduction or elimination of any debt service;

7. The results of paragraphs 2, 3, 4, 5 and 6 of this subsection shall be denominated "adjusted gross income";

8. In cases in which one parent has sole custody, the adjusted monthly gross income of both parents shall be added together and the Child Support Guideline Schedule consulted for the total combined base monthly obligation for child support;

9. After the total combined child support is determined, the percentage share of each parent shall be allocated by computing the percentage contribution of each parent to the combined adjusted gross income and allocating that same percentage to the child support obligation to determine the base child support obligation of each parent;

10. a. In cases where shared parenting time has been ordered by a district court or agreed to by the parents, the base monthly obligation shall be adjusted. "Shared parenting time" means that each parent has physical custody of the child or children overnight for more than one hundred twenty (120) nights each year.
- b. An adjustment for shared parenting time shall be made to the base monthly child support obligation by the following formula: The total combined base monthly child support obligation shall be multiplied by one and one-half (1 1/2). The result shall be designated the adjusted combined child support obligation.
- c. To determine each parent's adjusted child support obligation, the adjusted combined child support obligation shall be divided between the parents in proportion to their respective adjusted gross incomes.

- d. (1) The percentage of time a child spends with each parent shall be calculated by determining the number of nights the child is in the physical custody of each parent and dividing that number by three hundred sixty-five (365).
- (2) Each parent's share of the adjusted combined child support obligation shall then be multiplied by the percentage of time the child spends with the other parent to determine the base child support obligation owed to the other parent.
- (3) The respective adjusted base child support obligations for each parent are then offset, with the parent owing more base child support paying the difference between the two amounts to the other parent. The base child support obligation of the parent owing the lesser amount is then set at zero dollars.
- e. The parent owing the greater amount of base child support shall pay the difference between the two amounts as a child support order. In no case shall the amount of child support ordered to be paid exceed the amount of child support which would otherwise be ordered to be paid if the parents did not participate in shared parenting time.
- f. In no event shall the provisions of this paragraph be construed to authorize or allow the payment of child support by the custodial parent to the noncustodial parent;
- 11. a. The actual medical and dental insurance premium for the child shall be allocated between the parents in the same proportion as their adjusted gross income and shall be added to the base child support obligation. If the insurance policy covers a person other than the child before the court, only that portion of the premium attributed to the child before the court shall be allocated and added to the base child support obligation.

- b. If the obligor pays the medical insurance premium, the obligor shall receive credit against the base child support obligation for the obligee's allocated share of the medical insurance premium.
 - c. If the obligee pays the medical insurance premium, the obligor shall pay the obligor's allocated share of the medical insurance premium to the obligee as part of the base child support obligation;
12. a. In cases of split custody, where each parent is awarded custody of at least one of their natural or legally adopted children, the child support obligation for each parent shall be calculated by application of the child support guidelines for each custodial arrangement. ~~The~~
- b. In cases of joint custody, where the parents share physical and legal custody of at least one of their natural or legally adopted children, the child support obligation for each parent shall be calculated by applying the child support guidelines.
- c. In all cases the parent with the larger child support obligation shall pay the difference between the two amounts to the parent with the smaller child support obligation;
13. a. The district or administrative court shall determine the "actual" child care expenses reasonably necessary to enable either or both parents to:
- (1) be employed,
 - (2) seek employment, or
 - (3) attend school or training to enhance employment income.
- b. When the obligee is participating in the Department of Human Services child care subsidy program as provided under Section 230.50 of Title 56 of the Oklahoma Statutes, the Child Care Eligibility/Rates Schedule established by the Department shall be used to determine the amount to be treated as actual child

care costs incurred. When applying the schedule to determine the family share copayment amount, the obligor's share of the base monthly obligation for child support and the obligee's gross income shall be considered as the obligee's monthly income. The actual child care costs incurred shall be the family share copayment amount indicated on the schedule which shall be allocated and paid monthly in the same proportion as base child support. The Department of Human Services shall promulgate rules, as necessary, to implement the provisions of this subparagraph.

- c. The actual child care costs incurred for the purposes authorized by this paragraph shall be allocated and paid monthly in the same proportion as base child support.
- d. The district or administrative court shall require the obligee to provide the obligor with timely documentation of any change in the amount of the child care costs. Upon request by the obligor, whose requests shall not exceed one each month, or upon order of the court, the obligee shall provide the documentation of the amount of incurred child care costs which are related to employment, employment search or education or training as authorized by this paragraph.
- e. If the court determines that it will not cause detriment to the child or will not cause undue hardship to either parent, in lieu of payment of child care expenses incurred during employment, employment search, or while the obligee is attending school or training, the obligor may provide care for the child during that time;

14. Reasonable and necessary medical, dental, orthodontic, optometric, psychological, or any other physical or mental health expenses of the child incurred by either parent and not reimbursed by insurance may be allocated in the same proportion as the parents' adjusted gross income as separate items that are not added to the base child support obligation. If reimbursement is required, the parent who incurs the expense shall be reimbursed by the other parent within thirty (30) days of receipt of documentation of the expense;

15. Transportation expenses of a child between the homes of the parents may be divided between the parents in proportion to their adjusted gross income;

16. a. (1) Child support orders may be modified upon a material change in circumstances which includes, but is not limited to, an increase or decrease in income, changes in actual child care expenses, changes in medical or dental insurance, or when one of the children in the child support order reaches the age of majority or otherwise ceases to be entitled to support pursuant to the support order.
- (2) Modification of the Child Support Guideline Schedule shall not alone be a material change in circumstances for child support orders in existence on November 1, 1999.
- (3) Providing support for children born to or adopted by either parent after the entry of a child support order shall not alone be considered a material change in circumstances.
- (4) An order of modification shall be effective upon the date the motion to modify was filed, unless the parties agree to the contrary or the court makes a specific finding of fact that the material change of circumstance did not occur until a later date.
- b. (1) A child support order shall not be modified retroactively regardless of whether support was ordered in a temporary order, a decree of divorce, an order establishing paternity, modification of an order of support, or other action to establish or to enforce support.
- (2) All final orders shall state whether past due support and interest has accrued pursuant to any temporary order and the amount due, if any; however, failure to state a past due amount shall not bar collection of that amount after entry of the final support order.

- c. The amount of a child support order shall not be construed to be an amount per child unless specified by the district or administrative court in the order. A child reaching the age of majority or otherwise ceasing to be entitled to support pursuant to the support order shall constitute a material change in circumstances, but shall not automatically serve to modify the order;
- 17.
- a. When a child support order is entered or modified, the parents may agree or the district or administrative court may require a periodic exchange of information for an informal review and adjustment process.
 - b. When an existing child support order does not contain a provision which requires an informal review and adjustment process, either parent may request the other parent to provide the information necessary for the informal review and adjustment process. Information shall be provided to the requesting parent within forty-five (45) days of the request.
 - c. Requested information may include verification of income, proof and cost of children's medical insurance, and current and projected child care costs. If shared parenting time has been awarded by the court, documentation of past and prospective overnight visits shall be exchanged.
 - d. Exchange of requested information may occur once a year or less often, by regular mail.
 - e.
 - (1) If the parents agree to a modification of a child support order, their agreement shall be in writing using standard modification forms and the child support computation form provided for in Section 120 of this title.
 - (2) The standard modification forms and the standard child support computation form shall be submitted to the district or administrative court. The court shall review the modification forms to confirm that the child support obligation complies with the child support guidelines and

that all necessary parties pursuant to Section 112 of this title have been notified. If the court approves the modification forms, they shall be filed with the court.

- f. If the district court refuses to consider the parents' agreed modification order or the parents do not agree to a modification of the child support order, a parent may request a modification through the Department of Human Services Child Support Enforcement Division, hereinafter referred to as the "Department", when the child support services are being provided under the state child support plan as provided in Section 237 of Title 56 of the Oklahoma Statutes. If the parent does not have an open case with the Department, the parent shall make application for services and complete a request for review;

18. Child support orders may include such provisions as the district or administrative court deems appropriate to assure that the child support payments to the custodial parent are used for the support of the child;

19. The district or administrative court shall require and enforce a complete disclosure of assets by both parents on a financial affidavit form prescribed by the Administrative Office of the Courts;

20. Child support orders issued for prior-born children of the payor may not be modified for the purpose of providing support for later-born children;

21. The court, to the extent reasonably possible, shall make provision in an order for prospective adjustment of support to address any foreseen changes including, but not limited to, changes in medical insurance, child care expenses, medical expenses, and extraordinary costs;

22. The social security numbers of both parents and the children who are the subject of a paternity or child support order shall be included in the support order summary form provided for in Section 120 of this title; and

23. A completed support order summary form shall be presented to the judge with all paternity and child support orders, and no

such order shall be signed by the judge without presentation of the form.

SECTION 26. REPEALER 43 O.S. 2001, Section 118, as last amended by Section 2, Chapter 74, O.S.L. 2006 (43 O.S. Supp. 2006, Section 118), is hereby repealed.

SECTION 27. AMENDATORY Section 4, Chapter 457, O.S.L. 2005, as amended by Section 2, Chapter 294, O.S.L. 2006 (47 O.S. Supp. 2006, Section 6-105.3), is amended to read as follows:

Section 6-105.3 A. In addition to the licenses to operate motor vehicles, the Department of Public Safety may issue cards to Oklahoma residents for purposes of identification only. The identification cards shall be issued, renewed, replaced, canceled and denied in the same manner as driver licenses in this state. The application for an identification card by any person under the age of eighteen (18) shall be signed and verified by a custodial legal parent or legal guardian before a person authorized to administer oaths. Except as otherwise provided in this section, the identification cards shall be valid for a period of four (4) years from the month of issuance; however, the identification cards issued to persons sixty-five (65) years of age or older shall be valid indefinitely from the month of issuance.

~~B. The fee charged for the issuance or renewal of an identification card which is not in computerized image format pursuant to this section shall be Seven Dollars (\$7.00); however, no person sixty-five (65) years of age or older shall be charged a fee for an identification card. The fees derived pursuant to this subsection shall be apportioned as provided in Section 1104 of Title 47 of the Oklahoma Statutes.~~

~~C. The fee charged for the issuance ~~or~~, renewal, or replacement of an identification card which is in computerized image format pursuant to this section shall be Ten Dollars (\$10.00); however, no person sixty-five (65) years of age or older shall be charged a fee for an identification card. Of each fee charged pursuant to the provisions of this subsection:~~

1. Seven Dollars (\$7.00) shall be apportioned as provided in Section 1104 of ~~Title 47 of the Oklahoma Statutes~~ this title; and

2. Three Dollars (\$3.00) shall be credited to the Department of Public Safety Computer Imaging System Revolving Fund to be used

solely for the purpose of the administration and maintenance of the computerized imaging system of the Department.

~~D.~~ C. The Oklahoma Tax Commission is hereby authorized to reimburse, from funds available to that agency, each motor license agent issuing an identification card to a person sixty-five (65) years of age or older, an amount not to exceed One Dollar (\$1.00) for each card or driver license so issued. The Tax Commission shall develop procedures for claims for reimbursement.

~~E.~~ D. When a person makes application for a new identification card, or makes application to renew an identification card, and the person has been convicted of, or received a deferred judgment for, any offense required to register pursuant to the Sex Offenders Registration Act, the identification card shall be valid for a period of one (1) year from the month of issuance, but may be renewed yearly during the time the person is registered on the Sex Offender Registry. The cost for such identification card shall be the same as for other identification cards and renewals.

SECTION 28. REPEALER Section 4, Chapter 457, O.S.L. 2005, as amended by Section 10, Chapter 311, O.S.L. 2006 (47 O.S. Supp. 2006, Section 6-105.3), is hereby repealed.

SECTION 29. AMENDATORY 47 O.S. 2001, Section 156, as last amended by Section 1, Chapter 213, O.S.L. 2006 (47 O.S. Supp. 2006, Section 156), is amended to read as follows:

Section 156. A. Unless otherwise provided for by law, no state board, commission, department, institution, official, or employee, except the following, shall purchase any passenger automobile or bus with public funds:

1. The Department of Public Safety;
2. The Department of Human Services;
3. The State Department of Rehabilitation Services;
4. The Department of Wildlife Conservation;
5. The Department of Corrections;
6. The State Department of Education;

7. The Oklahoma School of Science and Mathematics;
8. The Oklahoma State Bureau of Narcotics and Dangerous Drugs Control;
9. The Oklahoma State Bureau of Investigation;
10. The Transportation Commission;
11. The Oklahoma Department of Agriculture, Food, and Forestry;
12. The State Department of Health;
13. The Department of Mental Health and Substance Abuse Services;
14. The J.D. McCarty Center for Children with Developmental Disabilities;
15. The Military Department of the State of Oklahoma;
16. The Oklahoma Tourism and Recreation Department;
17. The Oklahoma Conservation Commission;
18. The Oklahoma Water Resources Board;
19. The Department of Mines;
20. The Office of Juvenile Affairs;
21. The Oklahoma Department of Veteran Affairs;
22. The Oklahoma Supreme Court; ~~and~~
23. The District Attorneys Council and Oklahoma district attorneys, provided adequate funding exists; and
24. The Oklahoma Boll Weevil Eradication Organization.

B. 1. The Oklahoma School for the Deaf at Sulphur, the Oklahoma School for the Blind at Muskogee, and any state institution of higher education may purchase, own, or keep if now owned, or acquire by lease or gift, and use and maintain such station wagons,

automobiles, trucks, or buses as are reasonably necessary for the implementation of the educational programs of said institutions.

2. No bus operated, owned, or used by such educational institutions shall be permitted to carry any person other than students, faculty members, employees, or volunteers of such institutions. The provisions of this section shall not be construed to prohibit:

- a. the operation of intracampus buses or buses routed directly between portions of the campus of any institution not adjacent to each other, nor to prohibit the collection of fares from such students, faculty members, or employees of such institutions, sufficient in amount to cover the reasonable cost of such transportation, or
- b. the Oklahoma School for the Blind or the Oklahoma School for the Deaf from entering into agreements with local public school districts pursuant to the Interlocal Cooperation Act for the mutual use of the schools' and the districts' vehicles. Such use may include, but is not limited to, the transportation of students from local school districts with students from the Oklahoma School for the Blind or the Oklahoma School for the Deaf in vehicles owned by the Oklahoma School for the Blind or the Oklahoma School for the Deaf when traveling to school-related activities.

C. The J.D. McCarty Center for Children with Developmental Disabilities, the Oklahoma Department of Libraries, the Oklahoma Department of Veterans Affairs, and the Oklahoma Veterans Centers may own and maintain such passenger vehicles as those institutions have acquired prior to May 1, 1981.

D. The use of station wagons, automobiles, and buses, other than as provided for in this section, shall be permitted only upon written request for such use by heads of departments of the institution, approved in writing by the president of said institution or by some administrative official of said institution authorized by the president to grant said approval. Such use shall be permitted only for official institutional business or activities connected therewith. Such use shall be subject to the provisions of Section 156.1 of this title forbidding personal use of such vehicles, and to the penalties therein declared.

E. Any person convicted of violating the provisions of this section shall be guilty of a misdemeanor and shall be punished by fine or imprisonment, or both, as provided for in Section 156.1 of this title.

F. For the purpose of this section and Section 156.3 of this title, a station wagon is classified as a passenger automobile and may not be purchased solely for the use of transporting property. Such vehicles shall include, but not be limited to, all vehicles which have no separate luggage compartment or trunk but which do not have open beds, whether the same are called station wagons, vans, suburbans, town and country, blazers, or any other names. All state boards, commissions, departments, and institutions may own and maintain station wagons purchased solely for the purpose of transporting property if acquired prior to July 1, 1985.

G. The provisions of this section and Section 156.1 of this title shall not apply to public officials who are statewide elected commissioners.

SECTION 30. REPEALER 47 O.S. 2001, Section 156, as last amended by Section 22, Chapter 211, O.S.L. 2006 (47 O.S. Supp. 2006, Section 156), is hereby repealed.

SECTION 31. AMENDATORY Section 11, Chapter 504, O.S.L. 2004, as last amended by Section 5, Chapter 272, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1135.2), is amended to read as follows:

Section 1135.2 A. The Oklahoma Tax Commission is hereby authorized to design and issue appropriate official special license plates to persons in recognition of their service or awards as provided by this section.

Special license plates shall not be transferred to any other person but shall be removed from the vehicle upon transfer of ownership and retained. The special license plate may then be used on another vehicle but only after such other vehicle has been registered for the current year.

Special license plates shall be renewed each year by the Tax Commission or a motor license agent. The Tax Commission shall annually notify by mail all persons issued special license plates. The notice shall contain all necessary information and shall contain instructions for the renewal procedure upon presentation to a motor

license agent or the Tax Commission. The license plates shall be issued on a staggered system except for legislative plates and amateur radio operator license plates.

The Tax Commission is hereby directed to develop and implement a system whereby motor license agents are permitted to accept applications for special license plates authorized under this section. The motor license agent shall confirm the applicant's eligibility, if applicable, collect and deposit any amount specifically authorized by law, accept and process the necessary information directly into such system and generate a receipt accordingly. For performance of these duties, motor license agents shall retain the fee provided in Section 1141.1 of this title for registration of a motor vehicle. The motor license agent fees for acceptance of applications and renewals shall be paid out of the Oklahoma Tax Commission Reimbursement Fund.

B. The special license plates provided by this section are as follows:

1. Prisoner of War License Plates - such plates shall be designed for honorably discharged or present members of the United States Armed Forces and civilians who were former prisoners of war held by a foreign country and who can provide proper certification of that status. Such persons may apply for a prisoner of war license plate for no more than two vehicles with each vehicle having a rated carrying capacity of one (1) ton or less. The surviving spouse of any deceased former prisoner of war, if the spouse has not since remarried, or if remarried, the remarriage is terminated by death, divorce, or annulment, may apply for a prisoner of war license plate for one vehicle with a rated carrying capacity of one (1) ton or less. The fee provided by this section for the special license plate authorized by this paragraph shall be in addition to all other registration fees provided by law, except the registration fees levied by Section 1132 of this title;

2. National Guard License Plates - such plates shall be designed for active or retired members of the Oklahoma National Guard. Retirees who are eligible for such plates shall provide proof of eligibility upon initial application, but shall not be required to provide proof of eligibility annually;

3. Air National Guard License Plates - such plates shall be designed for active or retired members of the Oklahoma Air National Guard. Retirees who are eligible for such plates shall provide

proof of eligibility upon initial application, but shall not be required to provide proof of eligibility annually;

4. United States Armed Forces - such plates shall be designed for active, retired, former or reserve members of the United States Armed Forces, and shall identify which branch of service, and carry the emblem and name of either the Army, Navy, Air Force, Marines or Coast Guard, according to the branch of service to which the member belongs or did belong. Former members who have been dishonorably discharged shall not be eligible for such plates. Persons applying for such license plate must show proof of present or past military service by presenting a valid Uniformed Services Identity Card or the United States Department of Defense Form (DD)214. Retired or former members who are eligible for such plates shall provide proof of eligibility upon initial application, but shall not be required to provide proof of eligibility annually;

5. Congressional Medal of Honor Recipient License Plates - such plates shall be designed for any resident of this state who has been awarded the Congressional Medal of Honor. Such persons may apply for a Congressional Medal of Honor recipient license plate for each vehicle with a rated carrying capacity of one (1) ton or less. There shall be no registration fee for the issuance of this plate;

6. Missing In Action License Plates - such plates shall be designed to honor members of the United States Armed Forces who are missing in action. The spouse of such missing person, if the spouse has not since remarried, or if remarried, the remarriage is terminated by death, divorce, or annulment, and each parent of the missing person may apply for a missing in action license plate upon presenting proper certification that the person is missing in action and that the person making the application is the qualifying spouse or the parent of the missing person. The qualifying spouse and each parent of the missing person may each apply for the missing in action license plate for each vehicle with a rated carrying capacity of one (1) ton or less;

7. Purple Heart Recipient License Plates - such plates shall be designed for any resident of this state presenting proper certification from the United States Department of Veterans Affairs or the Armed Forces of the United States certifying that such resident has been awarded the Purple Heart military decoration. Such persons may apply for a Purple Heart recipient license plate for vehicles having a rated carrying capacity of one (1) ton or less. The surviving spouse of any deceased veteran who has been

awarded the Purple Heart military decoration, if such spouse has not since remarried, or if remarried, the remarriage has been terminated by death, divorce or annulment, may apply for such plate for one vehicle with a rated carrying capacity of one (1) ton or less;

8. Pearl Harbor Survivor License Plates - such plates shall be designed for any resident of this state who can be verified by the United States Department of Veterans Affairs or the Armed Forces of the United States as being:

- a. a member of the United States Armed Forces on December 7, 1941,
- b. stationed on December 7, 1941, during the hours of 7:55 a.m. to 9:45 a.m. Hawaii time at Pearl Harbor, the island of Oahu, or offshore at a distance not to exceed three (3) miles, and
- c. a recipient of an honorable discharge from the United States Armed Forces.

Such person may apply for a Pearl Harbor Survivor license plate for each vehicle with a rated carrying capacity of one (1) ton or less;

9. Iwo Jima License Plates - such plates shall be designed for any resident of this state who can be verified by the United States Department of Veterans Affairs or the Armed Forces of the United States as being:

- a. a member of the United States Armed Forces in February of 1945,
- b. stationed in February of 1945 on or in the immediate vicinity of the island of Iwo Jima, and
- c. a recipient of an honorable discharge from the United States Armed Forces.

Such person may apply for an Iwo Jima license plate for each vehicle with a rated carrying capacity of one (1) ton or less.

Such license plate shall have the legend "Oklahoma OK" and shall contain three letters and three numbers. Between the letters and numbers shall be a logo of the flag-raising at Iwo Jima. Below the

letters, logo and numbers, the plate shall contain the words "FEB." at the left, "Iwo Jima" in the center and "1945" at the right. Such plates shall not be subject to the design requirements of any other license plates prescribed by law other than the space for the placement of the yearly decals for each succeeding year of registration after the initial issue;

10. D-Day Survivor License Plates - such plates shall be designed for any resident of this state who can be verified by the United States Department of Veterans Affairs or the Armed Forces of the United States as being:

- a. a member of the United States Armed Forces on June 6, 1944,
- b. a participant in the Allied invasion of the coast of Normandy on June 6, 1944; provided, if such participation cannot be verified by the United States Department of Veterans Affairs or the Armed Forces of the United States, the Tax Commission may, in its discretion, accept evidence of such participation from the person applying for the license plate, and
- c. a recipient of an honorable discharge from the United States Armed Forces.

Such person may apply for a D-Day Survivor license plate for each vehicle with a rated carrying capacity of one (1) ton or less;

11. Killed in Action License Plates - such plates shall be designed to honor members of the United States Armed Forces who were killed in action. The spouse of the deceased person, if the spouse has not remarried, or if remarried, the remarriage is terminated by death, divorce, or annulment, may apply for a killed in action license plate upon presenting proper certification that the person was killed in action and that the person making the application is the qualifying spouse of the deceased person. The qualifying spouse may apply for a killed in action license plate for no more than two vehicles with each vehicle with a rated carrying capacity of one (1) ton or less. The fee provided by this section for the special license plate authorized by this paragraph shall be in addition to all other registration fees provided by law, except the registration fees levied by Section 1132 of this title;

12. Gold Star Parents License Plates - such plates shall be designed to honor members of the United States Armed Forces who were killed during a war. The parents of the deceased person may apply for a gold star license plate upon presenting proper certification that the person was killed during a war and that the person making the application is the parent of the deceased person. The parent may apply for a gold star parent license plate for no more than two vehicles with each vehicle having a rated carrying capacity of one (1) ton or less. The fee provided by this section for the special license plate authorized by this paragraph shall be in addition to all other registration fees provided by law, except the registration fees levied by Section 1132 of this title;

13. Military Decoration License Plates - such plates shall be designed for any resident of this state who has been awarded the Distinguished Service Medal, the Distinguished Service Cross, the Distinguished Flying Cross, the Bronze Star military decoration or the Silver Star military decoration. Such persons may apply for a military decoration license plate for each vehicle with a rated carrying capacity of one (1) ton or less;

14. Vietnam Veteran License Plates - such plates shall be designed for honorably discharged or present members of the United States Armed Forces who served in the Vietnam Conflict. Such persons may apply for a Vietnam veteran license plate for each vehicle with a rated carrying capacity of one (1) ton or less;

15. Police Officer License Plates - such plates shall be designed for any currently employed or retired municipal police officer. Police officers may apply for police officer license plates for vehicles with a rated capacity of one (1) ton or less or for a motorcycle upon proof of employment by or retirement from a municipal police department by either an identification card or letter from the chief of the police department or the Oklahoma Police Pension and Retirement Board. Retirees who are eligible for such plates shall provide proof of eligibility upon initial application, but shall not be required to provide proof of eligibility annually. The license plates shall be designed in consultation with municipal police departments of this state; provided, the license plate for motorcycles may be of similar design to the license plate for motor vehicles or may be a new design in order to meet space requirements for a motorcycle license plate;

16. World War II Veteran License Plates - such plates shall be designed to honor honorably discharged former members of the United

States Armed Forces who are residents of this state and who can be verified by the Oklahoma Military Department, the Department of Veterans Affairs or the Armed Forces of the United States as having served on federal active duty anytime during the period from September 16, 1940, to December 7, 1945. The former members may apply for a World War II Veteran license plate for vehicles with a rated carrying capacity of one (1) ton or less.

The license plate shall have the legend "Oklahoma" and shall contain, in the center of the plate, either the Thunderbird Insignia of the 45th Infantry Division in the prescribed red and gold coloring or the emblem of the Army, Navy, Air Force, Marines or Coast Guard according to the branch of service to which the member belonged. For the purpose of license plate identification, the plate shall contain four digits, two digits at the left and two digits at the right of the insignia or emblem. Centered on the bottom of the license plate shall be the words "WORLD WAR II";

17. Korean War Veteran License Plates - such plates shall be designed to honor honorably discharged former members of the United States Armed Forces who are residents of this state and who can be verified by the Oklahoma Military Department, the Department of Veterans Affairs or the Armed Forces of the United States as having served on federal active duty anytime during the period from June 27, 1950, to January 31, 1955, both dates inclusive. The former members may apply for a Korean War Veteran license plate for vehicles with a rated carrying capacity of one (1) ton or less.

The license plate shall have the legend "OKLAHOMA" and shall contain, in the center of the plate, either the Thunderbird Insignia of the 45th Infantry Division in the prescribed red and gold coloring or the emblem of the Army, Navy, Air Force, Marines or Coast Guard according to the branch of service to which the member belonged. For the purpose of license plate identification, the plate shall contain four digits, two digits at the left and two digits at the right of the insignia or emblem. Centered on the bottom of the license plate shall be the word "KOREA";

18. Municipal Official License Plates - such plates shall be designed for persons elected to a municipal office in this state and shall designate the name of the municipality and the district or ward in which the municipal official serves. The plates shall only be produced upon application;

19. Red Cross Volunteer License Plates - such plates shall be designed to honor American Red Cross volunteers and staff who are residents of this state. Such persons must present an identification card issued by the American Red Cross and bearing a photograph of the person. The license plate shall be designed with the assistance of the American Red Cross and shall have the legend "Oklahoma OK!" in the color Pantone 186C Red. Below the legend the symbol of the American Red Cross and no more than three letters and three numbers shall be in the color Pantone 186C Red. Below the symbol and letters and numbers shall be the words "American Red Cross" in black. The plates shall not be subject to the design requirements of any other license plates prescribed by law other than the space for the placement of the yearly decals for each succeeding year of registration after the initial issue;

20. Veterans of Foreign Wars License Plates - such plates shall be designed to honor the veterans of foreign wars and issued to any resident of this state who is a member of a Veterans of Foreign Wars organization in this state. Such persons may apply for Veterans of Foreign Wars license plates upon proof of membership in a Veterans of Foreign Wars organization. The license plate shall be designed in consultation with the Veterans of Foreign Wars organization;

21. Desert Storm License Plates - such plates shall be designed and issued to any honorably discharged or present member of the United States Armed Forces who served in the Persian Gulf Crisis and the Desert Storm operation. Such persons may apply for a Desert Storm license plate for each vehicle with a rated carrying capacity of one (1) ton or less;

22. Military Reserve Unit License Plates - such plates shall be designed and issued to any honorably discharged or present member of a reserve unit of the United States Armed Forces. Such persons may apply for a Military Reserve Unit license plate for each vehicle with a rated carrying capacity of one (1) ton or less;

23. Oklahoma City Bombing Victims and Survivors License Plates - such plates shall be designed and issued to any victim or survivor of the bombing attack on the Alfred P. Murrah Federal Building in downtown Oklahoma City on April 19, 1995;

24. Civil Air Patrol License Plates - such plates shall be designed and issued to any person who is a member of the Civil Air Patrol. Such persons may apply for a Civil Air Patrol license plate for each vehicle with a rated carrying capacity of one (1) ton or

less upon proof of membership in the Civil Air Patrol. The license plate shall be designed in consultation with the Civil Air Patrol;

25. Ninety-Nines License Plates - such plates shall be designed and issued to members of the Ninety-Nines. Persons applying for such license plate must show proof of membership in the Ninety-Nines. The license plates shall be designed in consultation with the Ninety-Nines;

26. Combat Infantryman Badge License Plates - such plates shall be designed to honor recipients of the Combat Infantryman Badge. The plate shall have the legend "Oklahoma OK". Below the legend shall be the Combat Infantryman Badge and three numbers. Below the badge and the numbers shall be the words "Combat Infantryman Badge". Such persons may apply for a Combat Infantryman Badge license plate for each vehicle with a rated carrying capacity of one (1) ton or less;

27. Somalia Combat Veterans License Plates - such plates shall be designed and issued to any honorably discharged or present member of the United States Armed Forces who saw combat in the United Nations relief effort. Such persons may apply for a Somalia Combat Veteran license plate for each vehicle with a rated carrying capacity of one (1) ton or less;

28. Police Chaplain License Plates - such plates shall be designed and issued to members of the International Conference of Police Chaplains (ICPC) who have completed the ICPC requirements for basic certification as a police chaplain. The license plates shall be designed in consultation with the ICPC;

29. Joint Service Commendation Medal License Plates - such plates shall be designed and issued to any resident of this state who has been awarded the Joint Service Commendation Medal by the United States Secretary of Defense;

30. Merchant Marine License Plates - such plates shall be designed, subject to criteria to be presented to the Tax Commission by the Oklahoma Department of Veterans Affairs, and issued to any person who during combat was a member of the Merchant Marines as certified by the Oklahoma Department of Veterans Affairs. Such license plate may be issued for each vehicle with a rated carrying capacity of one (1) ton or less;

31. Legislative License Plates - such plates shall be designed for persons elected to the Oklahoma Legislature and shall designate the house of the Legislature in which the legislator serves and the district number;

32. Disabled Veterans License Plates - such plates shall be designed for persons presenting proper certification from the United States Department of Veterans Affairs or the Armed Forces of the United States certifying such veteran has a service-connected disability rating of fifty percent (50%) or more, regardless which agency pays the disability benefits, or that such veteran has been awarded a vehicle by the United States government or receives a grant from the United States Department of Veterans Affairs for the purchase of an automobile due to a service-connected disability rating or due to the loss of use of a limb or an eye. Such persons may apply to the Tax Commission for a disabled veterans license plate or to a motor license agent for a regular license plate for no more than two vehicles with each vehicle having a rated carrying capacity of one (1) ton or less. The surviving spouse of any deceased disabled veteran, if the spouse has not since remarried, or if remarried, the remarriage is terminated by death, divorce, or annulment, may apply for a disabled veterans license plate for one vehicle with a rated carrying capacity of one (1) ton or less. The fee provided by this section for the special license plate authorized by this paragraph shall be in addition to all other registration fees provided by law, except the registration fees levied by Section 1132 of this title. The total expense of this license plate shall not exceed Five Dollars (\$5.00).

If the person qualifies for a disabled veterans license plate and is also eligible for an insignia as a physically disabled person under the provisions of Section 15-112 of this title, the person shall be eligible to receive a disabled veterans license plate that also displays the international accessibility symbol, which is a stylized human figure in a wheelchair. Upon the death of the disabled veteran with a disabled veterans license plate with the international accessibility symbol, the plate shall be returned to the Tax Commission;

33. United States Air Force Association License Plates - such plates shall be designed for members of the United States Air Force Association. Persons applying for such license plate must show proof of membership in the Association. The license plates shall be designed in consultation with the Association;

34. Oklahoma Military Academy Alumni License Plates - such plates shall be designed and issued to any resident of this state who is an alumnus of the Oklahoma Military Academy. Such persons may apply for an Oklahoma Military Academy Alumnus license plate for each vehicle with a rated carrying capacity of one (1) ton or less. The license plates shall be designed in consultation with the Oklahoma Military Academy and shall contain the shield of the Academy;

35. Amateur Radio Operator License Plates - such plates shall be designed and issued to any person, holding a valid operator's license, technician class or better, issued by the Federal Communications Commission, and who is also the owner of a motor vehicle currently registered in Oklahoma, in which has been installed amateur mobile transmitting and receiving equipment. Eligible persons shall be entitled to two special vehicle identification plates as herein provided. Application for such identification plates shall be on a form prescribed by the Oklahoma Tax Commission and the plates issued to such applicant shall have stamped thereon the word "Oklahoma" and bear the official call letters of the radio station assigned by the Federal Communications Commission to the individual amateur operator thereof. All applications for such plates must be made to the Oklahoma Tax Commission on or before the first day of October of any year for such plates for the following calendar year and must be accompanied by the fee required in this section together with a certificate, or such other evidence as the Tax Commission may require, of proof that applicant has a valid technician class or better amateur operator's license and proof of his ownership of a vehicle in which radio receiving and transmitting equipment is installed. Applicants shall only be entitled to one set of special identification plates in any one (1) year, and such calendar year shall be stamped thereon. The right to such special identification plates herein provided for shall continue until the amateur radio operator's license of the person to whom such plates are issued expires or is revoked;

36. American Legion License Plates - such plates shall be designed for members of the American Legion. Persons applying for such license plate must show proof of membership. The license plates shall be designed in consultation with the American Legion of Oklahoma;

37. Deputy Sheriff License Plates - such plates shall be designed for any currently employed or retired county sheriff or deputy sheriff. County sheriffs or deputy sheriffs may apply for

such plates for vehicles with a rated capacity of one (1) ton or less upon proof of employment by or retirement from a county sheriff's office by either an identification card or letter from the county sheriff or a government-sponsored retirement board from which the county sheriff or deputy sheriff may be receiving a pension. Retirees who are eligible for such plates shall provide proof of eligibility upon initial application, but shall not be required to provide proof of eligibility annually. The license plates shall be designed in consultation with the county sheriff offices of this state;

38. Surviving Spouse License Plates - such plates shall be designed for any resident of this state who is the surviving spouse of an honorably discharged veteran who died due to or as a consequence of a service-connected disability. Such surviving spouse may, if not since remarried, or if remarried, the remarriage is terminated by death, divorce or annulment, apply for a Surviving Spouse license plate for one vehicle with a rated carrying capacity of one (1) ton or less; ~~and~~

39. Gold Star Survivor License Plates - such plates shall be designed to honor the surviving spouses of qualified veterans. As used in this paragraph, "qualified veteran" shall mean:

- a. any person honorably discharged from any branch of the United States Armed Forces or as a member of the Oklahoma National Guard, who died as a direct result of the performance of duties for any branch of the United States Armed Forces or Oklahoma National Guard while on active military duty, or
- b. any person honorably discharged from any branch of the United States Armed Forces or as a member of the Oklahoma National Guard, who died as a result of injury, illness or disease caused by the performance of such duties while on active duty, whether the death occurred while on active duty or after the honorable discharge of such person;

40. Korea Defense Service Medal License Plates - such plates shall be designed and issued to any resident of this state who has been awarded the Korea Defense Service Medal by the United States Secretary of Defense. Such persons may apply for a Korea Defense Service Medal license plate for each vehicle with a rated carrying capacity of one (1) ton or less; and

41. 180th Infantry License Plates - such plates shall be designed for members and prior members of the 180th Infantry. Persons applying for such license plate must obtain and provide proof of their membership from the 180th Infantry Association. The license plates shall be designed in consultation with the 180th Infantry.

C. Unless otherwise provided by this section, the fee for such plates shall be Eight Dollars (\$8.00) and shall be in addition to all other registration fees provided by the Oklahoma Vehicle License and Registration Act. Such fees shall be deposited in the Oklahoma Tax Commission Reimbursement Fund to be used for the administration of the Oklahoma Vehicle License and Registration Act.

SECTION 32. REPEALER Section 11, Chapter 504, O.S.L. 2004, as last amended by Section 1, Chapter 275, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1135.2), is hereby repealed.

SECTION 33. REPEALER Section 11, Chapter 504, O.S.L. 2004, as last amended by Section 23, Chapter 311, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1135.2), is hereby repealed.

SECTION 34. REPEALER Section 11, Chapter 504, O.S.L. 2004, as last amended by Section 22, Chapter 44, 2nd Extraordinary Session, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1135.2), is hereby repealed.

SECTION 35. AMENDATORY Section 12, Chapter 504, O.S.L. 2004, as last amended by Section 24, Chapter 311, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1135.3), is amended to read as follows:

Section 1135.3 A. The Oklahoma Tax Commission is hereby authorized to design and issue appropriate official special license plates to persons wishing to demonstrate support, interest, or membership to or for an organization, occupation, cause or other subject as provided by this section.

Special license plates shall not be transferred to any other person but shall be removed from the vehicle upon transfer of ownership and retained. The special license plate may then be used on another vehicle but only after such other vehicle has been registered for the current year.

Special license plates shall be renewed each year by the Tax Commission or a motor license agent. The Tax Commission shall annually notify by mail all persons issued special license plates. The notice shall contain all necessary information and shall contain instructions for the renewal procedure upon presentation to a motor license agent or the Tax Commission. The license plates shall be issued on a staggered system.

The Tax Commission is hereby directed to develop and implement a system whereby motor license agents are permitted to accept applications for special license plates authorized under this section. The motor license agent shall confirm the applicant's eligibility, if applicable, collect and deposit any amount specifically authorized by law, accept and process the necessary information directly into such system and generate a receipt accordingly. For performance of these duties, motor license agents shall retain the fee provided in Section 1141.1 of this title for registration of a motor vehicle. The motor license agent fees for acceptance of applications and renewals shall be paid out of the Oklahoma Tax Commission Reimbursement Fund.

If fewer than one hundred of any type of special license plates authorized prior to January 1, 2004, are issued prior to January 1, 2006, the Tax Commission shall discontinue issuance and renewal of that type of special license plate. Any such authorized special license plate registrant shall be allowed to display the license plate upon the designated vehicle until the registration expiration date. After such time the expired special license plate shall be removed from the vehicle.

~~For~~ Except as otherwise provided in this section, for special license plates authorized on or after July 1, 2004, no special license plates shall be developed or issued by the Tax Commission until the Commission receives one hundred (100) prepaid applications therefor. The prepaid applications must be received by the Tax Commission within one hundred and eighty (180) days of the effective date of the authorization or the authority to issue shall be null and void. In the event one hundred (100) prepaid applications are not received by the Tax Commission within such prescribed time period any payment so received shall be refunded accordingly.

B. The special license plates provided by this section are as follows:

1. Round and Square Dance License Plates - such plates shall be designed and issued to any person wishing to demonstrate support for round and square dancing;

2. National Association for the Advancement of Colored People License Plates - such plates shall be designed, subject to the criteria to be presented to the Tax Commission by the NAACP, and issued to any person wishing to demonstrate support for the NAACP;

3. National Rifle Association License Plates - such plates shall be designed, subject to the criteria to be presented to the Tax Commission by the National Rifle Association, and issued to any person wishing to demonstrate support for the National Rifle Association;

4. Masonic Fraternity License Plates - such plates shall be designed and issued to any resident of this state who is a member of a Masonic Fraternity of Oklahoma. Such persons may apply for a Masonic Fraternity license plate for each vehicle with a rated carrying capacity of one (1) ton or less upon proof of a Masonic Fraternity membership or upon the presentment of an application for a Masonic Fraternity license plate authorized and approved by the Grand Lodge of Oklahoma. The license plates shall be designed in consultation with the Masonic Fraternities of Oklahoma and shall contain the Masonic emblem;

5. Shriner's Hospitals for Burned and Crippled Children License Plates - such plates shall be designed to demonstrate support for Shriner's Hospitals for Burned and Crippled Children and shall be issued to any resident of this state who is a member of a Shriner's Temple in Oklahoma. The license plate shall be designed in consultation with the Shriner's Temples in Oklahoma and shall contain the Shriner's emblem;

6. Balloonists License Plate - such plates shall be designed and issued to any person wishing to demonstrate support for hot air ballooning in this state;

7. Order of the Eastern Star License Plates - such plates shall be designed and issued to any resident of this state who is a member of an Order of the Eastern Star. Such persons may apply for an Order of the Eastern Star license plate for each vehicle with a rated carrying capacity of one (1) ton or less upon proof of an Order of the Eastern Star membership or upon the presentment of an application for an Order of the Eastern Star license plate

authorized and approved by the organization. The license plate shall be designed in consultation with the Order of the Eastern Star and shall contain the Order of the Eastern Star emblem;

8. Knights of Columbus License Plates - such plates shall be designed and issued to any resident of this state who is a member of the Knights of Columbus. Such persons may apply for a Knights of Columbus license plate for each vehicle with a rated carrying capacity of one (1) ton or less upon proof of a Knights of Columbus membership or upon the presentment of an application for a Knights of Columbus license plate authorized and approved by the organization. The license plate shall be designed in consultation with the Knights of Columbus and shall contain the Knights of Columbus emblem;

9. Jaycees License Plates - such plates shall be designed and issued to members of the Jaycees. Persons applying for such license plate must show proof of membership in the Jaycees. The license plates shall be designed in consultation with the Jaycees;

10. Ducks Unlimited License Plates - such plates shall be designed and issued to members of Ducks Unlimited. Persons applying for and renewing such license plates must show proof of tag membership in Ducks Unlimited. The license plates shall be designed in consultation with Ducks Unlimited;

11. Kiwanis International License Plates - such plates shall be designed and issued to members of Kiwanis International. Persons applying for such license plate must show proof of membership in Kiwanis International. The license plates shall be designed in consultation with Kiwanis International;

12. Certified Public Accountants License Plates - such plates shall be designed and issued to any resident of this state who is a Certified Public Accountant. Such persons may apply for a Certified Public Accountant license plate for each vehicle with a rated carrying capacity of one (1) ton or less upon proof of status as a Certified Public Accountant. The license plates shall be designed in consultation with the Oklahoma Society of Certified Public Accountants;

13. Civil Emergency Management License Plates - such plates shall be designed and issued to persons wishing to demonstrate support for the state civil emergency management system;

14. Civilian Conservation Corps License Plates - such plates shall be designed, subject to criteria to be presented to the Tax Commission, by the Civilian Conservation Corps Association, and issued to any person wishing to demonstrate support of the Civilian Conservation Corps;

15. Rotarian License Plates - such plates shall be designed and issued to any resident of this state who is a member of a Rotarian Club of Oklahoma. Such persons may apply for a Rotarian license plate for each vehicle with a rated carrying capacity of one (1) ton or less upon proof of a Rotarian Club membership or upon the presentment of an application for a Rotarian license plate authorized and approved by a Rotarian Club of Oklahoma. The license plates shall be designed in consultation with the five Rotarian District Governors and shall contain the Rotarian emblem;

16. Benevolent Protective Order of Elks - such plates shall be designed, subject to criteria to be presented to the Tax Commission, by the Benevolent Protective Order of Elks, and issued to any resident of this state who is a member of the Benevolent Protective Order of Elks;

17. Humane Society License Plates - such plates shall be designed and issued to any person wishing to demonstrate support for the Humane Society of the United States. The plates shall be issued to any person in any combination of numbers and letters from one to a maximum of seven, as for personalized license plates. The plate shall contain the official Humane Society logo;

18. Oklahoma Mustang Club - such plates shall be designed, subject to criteria to be presented to the Tax Commission, by the Oklahoma Mustang Club, and issued to any resident of this state who is a member of the Oklahoma Mustang Club. Such persons may apply for an Oklahoma Mustang Club license plate upon presentment of proof of membership in the Oklahoma Mustang Club. The plates shall be issued to any person in any combination of numbers and letters from one to a maximum of seven, as for personalized license plates;

19. American Business Clubs (AMBUCS) License Plates - such plates shall be designed and issued to members of American Business Clubs. Persons applying for such license plate must show proof of membership in AMBUCS. The license plates shall be designed in consultation with American Business Clubs;

20. West Point 200th Anniversary License Plates - such plates shall be designed and issued to any person wishing to commemorate the Two Hundredth Anniversary of the founding of the United States Military Academy at West Point, New York. The license plates shall be designed in consultation with the West Point Society of Central Oklahoma;

21. Northern Cherokee Nation of the Old Louisiana Territory License Plate - such plates shall be designed and issued to persons wishing to demonstrate support or affiliation with the Northern Cherokee Nation of the Old Louisiana Territory;

22. Oklahoma Aquarium License Plate - such plates shall be designed and issued to persons wishing to demonstrate support for the Oklahoma Aquarium. The license plates shall be designed in consultation with the Oklahoma Aquarium;

23. The Pride of Broken Arrow License Plates - such plates shall be designed and issued to any person wishing to demonstrate support for The Pride of Broken Arrow marching band. The plates shall be designed in consultation with the Broken Arrow Public School System;

24. Fellowship of Christian Athletes License Plates - such plates shall be designed in consultation with the Fellowship of Christian Athletes and issued to members and supporters of the Fellowship of Christian Athletes;

25. Parrothead Club License Plates - such plates shall be designed and issued to members and supporters of the Parrothead Club. The license plate shall be issued to any person in any combination of numbers and letters from one to a maximum of seven as for personalized license plates;

26. Oklahoma Bicycling Coalition License Plates - such plates shall be designed and issued to any person who is a member of the Oklahoma Bicycling Coalition. The license plates shall be designed in consultation with the Oklahoma Bicycling Coalition;

27. Electric Lineman License Plate - such plates shall be designed and issued to persons wishing to demonstrate support for Oklahoma's electric linemen. The license plates shall be designed in consultation with the Oklahoma Electric Superintendent's Association;

28. Alpha Kappa Alpha License Plate - such plates shall be designed and issued to any person who is a member of Alpha Kappa Alpha Sorority. The license plates shall be designed in consultation with the Oklahoma Chapter of Alpha Kappa Alpha Sorority;

29. The National Pan-Hellenic Council Incorporated License Plate - such plates shall be designed and issued to any person wishing to demonstrate support to any of the nine sororities and fraternities recognized by the National Pan-Hellenic Council Incorporated. The license plates shall be designed in consultation with the Oklahoma Chapter of the National Pan-Hellenic Council Incorporated;

30. Organ, Eye and Tissue License Plate - such plates shall be designed and issued to persons wishing to demonstrate support and increase awareness for organ, eye and tissue donation. The license plates shall be designed in consultation with the Oklahoma Organ Donor Education and Awareness Program Advisory Council;

31. Central Oklahoma Habitat for Humanity License Plate - such plates shall be designed and issued to persons wishing to demonstrate support and increase awareness for Habitat for Humanity. The license plate shall be designed in consultation with Central Oklahoma Habitat for Humanity;

32. Family Career and Community Leaders of America Incorporated License Plate - such plates shall be designed and issued to persons wishing to demonstrate support for Family Career and Community Leaders of America Incorporated. The license plates shall be designed in consultation with Family Career and Community Leaders of America Incorporated;

33. Delta Sigma Theta License Plate - such plates shall be designed and issued to any person who is a member of Delta Sigma Theta Sorority. The license plates shall be designed in consultation with the Oklahoma Chapter of Delta Sigma Theta Sorority Incorporated;

34. Omega Psi Phi License Plate - such plates shall be designed and issued to any person who is a member of Omega Psi Phi Fraternity. The license plates shall be designed in consultation with the Oklahoma Chapter of Omega Psi Phi Fraternity Incorporated;

35. Alpha Phi Alpha License Plate - such plates shall be designed and issued to any person who is a member of Alpha Phi Alpha Fraternity. The license plates shall be designed in consultation with the Oklahoma Chapter of Alpha Phi Alpha Fraternity Incorporated;

36. 50th Anniversary of the Interstate System of Highways License Plate - such plates shall be designed and issued to persons wishing to commemorate the 50th Anniversary of the Interstate System of Highways. The license plates shall be designed in consultation with the American Association of State Highway and Transportation Officials;

37. Kappa Alpha Psi License Plate - such plates shall be designed and issued to any person who is a member of Kappa Alpha Psi Fraternity. The license plates shall be designed in consultation with the Oklahoma Chapter of Kappa Alpha Psi Fraternity Incorporated;

38. Zeta Phi Beta License Plate - such plates shall be designed and issued to any person who is a member of Zeta Phi Beta Sorority. The license plates shall be designed in consultation with the Oklahoma Chapter of Zeta Phi Beta Sorority Incorporated;

39. Sigma Gamma Rho License Plate - such plates shall be designed and issued to any person who is a member of Sigma Gamma Rho Sorority. The license plates shall be designed in consultation with the Oklahoma Chapter of Sigma Gamma Rho Sorority Incorporated;

40. Phi Beta Sigma License Plate - such plates shall be designed and issued to any person who is a member of Phi Beta Sigma Fraternity. The license plates shall be designed in consultation with the Oklahoma Chapter of Phi Beta Sigma Fraternity Incorporated;

41. Multiple Sclerosis License Plate - such plates shall be designed and issued to persons wishing to demonstrate support for and increase awareness of multiple sclerosis. The license plates shall be designed in consultation with the Oklahoma Chapter of the National Multiple Sclerosis Society; ~~and~~

42. Frederick Douglass High School License Plates - such plates shall be designed and issued to any person wishing to demonstrate support for Frederick Douglass High School located in Oklahoma City. The plates shall be designed in consultation with representatives of Frederick Douglass High School National Alumni Association; and

43. United States Air Force Academy License Plates - such plates shall be designed and issued to any person wishing to demonstrate support for the United States Air Force Academy.

C. The fee for such plates shall be Fifteen Dollars (\$15.00) and shall be in addition to all other registration fees provided by the Oklahoma Vehicle License and Registration Act. Unless otherwise provided in this section, the fee shall be apportioned as follows: Eight Dollars (\$8.00) of the special license plate fee shall be deposited in the Oklahoma Tax Commission Reimbursement Fund to be used for the administration of the Oklahoma Vehicle License and Registration Act and the remaining Seven Dollars (\$7.00) of the special license plate fee shall be apportioned as provided in Section 1104 of this title.

SECTION 36. REPEALER Section 12, Chapter 504, O.S.L. 2004, as last amended by Section 2, Chapter 275, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1135.3), is hereby repealed.

SECTION 37. AMENDATORY 47 O.S. 2001, Section 1151, as last amended by Section 26, Chapter 311, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1151), is amended to read as follows:

Section 1151. A. It shall be unlawful for any person to commit any of the following acts:

1. To lend or to sell to, or knowingly permit the use of by, one not entitled thereto any certificate of title, license plate or decal issued to or in the custody of the person so lending or permitting the use thereof;

2. To alter or in any manner change a certificate of title, registration certificate, license plate or decal issued under the laws of this or any other state;

3. To procure from another state or country, or display upon any vehicle owned by such person within this state, except as otherwise provided in the Oklahoma Vehicle License and Registration Act, any license plate issued by any state or country other than this state, unless there shall be displayed upon such vehicle at all times the current license plate and decal assigned to it by the Oklahoma Tax Commission or the Corporation Commission or the vehicle shall display evidence that the vehicle is registered as a nonresident vehicle pursuant to rules promulgated by the Tax

Commission, with the concurrence of the Department of Public Safety. A violation of the provisions of this paragraph shall be presumed to have occurred if a person who is the holder of an Oklahoma driver license operates a vehicle owned by such person on the public roads or highways of this state and there is not displayed on the vehicle a current Oklahoma license plate and decal, unless the vehicle is owned by a member of the Armed Forces of the United States assigned to duty in this state in compliance with official military or naval orders or the spouse of such a member of the Armed Forces;

4. To drive, operate or move, or for the owner to cause or permit to be driven or moved, upon the roads, streets or highways of this state, any vehicle loaded in excess of its registered laden weight, or which is licensed for a capacity less than the manufacturer's rated capacity as provided for in the Oklahoma Vehicle License and Registration Act;

5. To operate a vehicle without proper license plate or decal or on which all taxes due the state have not been paid;

6. To buy, sell or dispose of, or possess for sale, use or storage, any secondhand or used vehicle on which the registration or license fee has not been paid, as required by law, and on which vehicle the person neglects, fails or refuses to display at all times the license plate or decal assigned to it;

7. To give a fictitious name or fictitious address or make any misstatement of facts in application for certificate of title and registration of a vehicle;

8. To purchase a license plate on an assigned certificate of title. This particular paragraph shall be applicable to all persons except a bona fide registered dealer in used cars who are holders of a current and valid used car dealer license;

9. To operate a vehicle upon the highways of this state after the registration deadline for that vehicle without a proper license plate, as prescribed by the Oklahoma Vehicle License and Registration Act, for the current year;

10. For any owner of a vehicle registered on the basis of laden weight to fail or refuse to weigh or reweigh it when requested to do so by any enforcement officer charged with the duty of enforcing this law;

11. To operate or possess any vehicle which bears a motor number or serial number other than the original number placed thereon by the factory except a number duly assigned and authorized by the state;

12. For any motor license agent to release a license plate, a manufactured home registration receipt, decal or excise tax receipt to any unauthorized person or source, including any dealer in new or used motor vehicles. Violation of this paragraph shall constitute sufficient grounds for discharge of a motor license agent by the Tax Commission;

13. To operate any vehicle registered as a commercial vehicle without the lettering requirements of Section 1102 of this title; or

14. To operate any vehicle in violation of the provisions of Sections 7-600 through 7-606 of this title while displaying a yearly decal issued to the owner who has filed an affidavit with the appropriate motor license agent in accordance with Section 7-607 of this title.

Any person convicted of violating any provision of this subsection, other than paragraph 3 of this subsection, shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine not to exceed Five Hundred Dollars (\$500.00). Any person convicted of violating the provisions of paragraph 3 of this subsection shall be deemed guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not less than One Hundred Dollars (\$100.00) and not more than Five Hundred Dollars (\$500.00) and shall be required to obtain an Oklahoma license plate. Employees of the Corporation Commission may be authorized by the Corporation Commission to issue citations to motor carriers or operators of commercial motor vehicles, pursuant to the jurisdiction of the Corporation Commission, for a violation of ~~paragraph 5 of~~ this subsection. If a person convicted of violating the provisions of ~~paragraph 5 of~~ this subsection was issued a citation by a duly authorized employee of the Corporation Commission, the fine herein levied shall be apportioned as provided in Section ~~1161~~ 1167 of this title.

B. Except as otherwise authorized by law, it shall be unlawful to:

1. Lend or sell to, or knowingly permit the use of by, one not entitled thereto any certificate of title issued for a manufactured

home, manufactured home registration receipt, manufactured home registration decal or excise tax receipt;

2. Alter or in any manner change a certificate of title issued for a manufactured home under the laws of this state or any other state;

3. Remove or alter a manufactured home registration receipt, manufactured home registration decal or excise tax receipt attached to a certificate of title or attach such receipts to a certificate of title with the intent to misrepresent the payment of the required excise tax and registration fees;

4. Buy, sell, or dispose of, or possess for sale, use or storage any used manufactured home on which the registration fees or excise taxes have not been paid as required by law; or

5. Purchase identification, manufactured home registration receipt, manufactured home registration decal or excise tax receipt on an assigned certificate of title.

Anyone violating the provisions of this subsection, upon conviction, shall be guilty of a felony.

C. In the event a new vehicle is not registered within thirty (30) days from date of purchase, the penalty for the failure of the owner of the vehicle to register the vehicle within thirty (30) days shall be Twenty-five Dollars (\$25.00); provided, that in no event shall the penalty exceed an amount equal to the license fee. The penalty for new commercial vehicles shall be equal to the license fee for such vehicles.

If a used vehicle is brought into Oklahoma by a resident of this state and is not registered within thirty (30) days, a penalty of twenty-five cents (\$0.25) per day shall be charged from the date of entry to the date of registration, such penalty to accrue for thirty (30) days, upon failure to register, at the end of which time the penalty shall be Twenty-five Dollars (\$25.00); provided, that in no event shall the penalty exceed an amount equal to the license fee. The penalty for used commercial vehicles shall be equal to the license fee for such vehicles.

D. Any owner who knowingly makes or causes to be made any false statement of a fact required in this section to be shown in an application for the registration of one or more vehicles shall be

deemed guilty of a misdemeanor and, upon conviction, shall be fined not more than One Thousand Dollars (\$1,000.00), or shall be imprisoned in the county jail for not more than one (1) year, or by both such fine and imprisonment.

E. The following self-propelled or motor-driven and operated vehicles shall not be registered under the provisions of the Oklahoma Vehicle License and Registration Act or, except as provided for in Section 11-1116 of this title, be permitted to be operated on the streets or highways of this state:

1. Vehicles known and commonly referred to as "minibikes" and other similar trade names; provided, minibikes may be registered and operated in this state by food vendor services upon streets having a speed limit of thirty (30) miles per hour or less;

2. Golf carts;

3. Go-carts; and

4. Other motor vehicles, except motorcycles, which are manufactured principally for use off the streets and highways.

Transfers and sales of such vehicles shall be subject to sales tax and not motor vehicle excise taxes.

F. Any person violating paragraph 3 or 6 of subsection A of this section, in addition to the penal provisions provided in this section, shall pay as additional penalty a sum equal to the amount of license fees due on such vehicle or registration fees due on a manufactured home known to be in violation and such amount is hereby declared to be a lien upon the vehicle as provided in the Oklahoma Vehicle License and Registration Act. In addition to the penalty provisions provided in this section, any person violating paragraph 3 of subsection A of this section shall be deemed guilty of a misdemeanor and shall, upon conviction, be punished by a fine of One Hundred Dollars (\$100.00).

G. Each violation of any provision of the Oklahoma Vehicle License and Registration Act for each and every day such violation has occurred shall constitute a separate offense.

H. Anyone violating any of the provisions heretofore enumerated in this section shall be guilty of a misdemeanor and upon conviction

shall be fined not less than Ten Dollars (\$10.00) and not to exceed Three Hundred Dollars (\$300.00).

I. Any violation of any portion of the Oklahoma Vehicle License and Registration Act where a specific penalty has not been imposed shall constitute a misdemeanor and upon conviction thereof the person having violated it shall be fined not less than Ten Dollars (\$10.00) and not to exceed Three Hundred Dollars (\$300.00).

J. Any provision of Section 1101 et seq. of this title providing for proportional registration under reciprocal agreements and the International Registration Plan that relates to the promulgation of rules and regulations shall not be subject to the provisions of this section.

SECTION 38. REPEALER 47 O.S. 2001, Section 1151, as last amended by Section 9, Chapter 238, O.S.L. 2006 (47 O.S. Supp. 2006, Section 1151), is hereby repealed.

SECTION 39. AMENDATORY 57 O.S. 2001, Section 549.1, as last amended by Section 1, Chapter 267, O.S.L. 2006 (57 O.S. Supp. 2006, Section 549.1), is amended to read as follows:

Section 549.1 A. The Department of Corrections is authorized to purchase in the manner prescribed by law, facilities, equipment, raw materials and supplies, and to engage the supervisory personnel necessary to establish and maintain for this state at the penal institutions, now or hereafter under the control of the State Board of Corrections, industries and agricultural programs for the utilization of services of prisoners in the manufacture or production of the articles or products as may be needed for the construction, operation, maintenance or use of any office, department, institution or agency supported in whole or in part by this state and the political subdivisions thereof. Upon the request of the Oklahoma Historical Society or the Oklahoma Tourism and Recreation Department, the Department of Corrections shall provide labor for and shall produce or manufacture articles, products or materials needed for the repair, construction and maintenance of historical sites and state parks including, but not limited to, the production of materials and products needed for the reconstruction of historic forts in the state.

B. All articles and services provided by the Department of Corrections in the state correctional institutions, and not required for use therein, shall be purchased as required by all offices,

departments, institutions, agencies, counties, schools, colleges, universities, or political subdivisions or any agency thereof of this state which are supported in whole or in part by this state, if such article or service is the lowest and best bid, and no such article or product may be purchased by any such office, department, institution, agency, county, school, college, university, or political subdivisions or agency thereof from any other source unless excepted from the provisions as hereinafter provided. Purchases made by the above-described state agencies may be made by submitting the proper requisition through the Department of Central Services or by direct order to the prison industries program of the Department of Corrections.

C. If a requisition is received by the Department of Central Services or a direct order is received by the Prison Industries Program of the Department of Corrections from a state agency for any product or service provided by the Department of Corrections and such product or service is also available from a severely handicapped person or a qualified nonprofit agency for the severely handicapped as provided in Section 3001 et seq. of Title 74 of the Oklahoma Statutes at a comparable price, then the product or service shall be purchased from such severely handicapped person or qualified nonprofit agency for the severely handicapped. If the product or service is not available within the time period required by the purchasing state agency, then such product or service shall be purchased from the Department of Corrections under the provisions of this section.

D. All offices, departments, institutions, agencies, counties, cities, districts or political subdivisions, schools, colleges, or universities, or any agency thereof, or any agencies of the state, which are supported in whole or in part by this state, may purchase the goods or services produced by the prison industries of the Department of Corrections through their properly authorized purchasing authority, or they may place a direct order without competitive bid, with the prison industries of the Department of Corrections.

E. Not-for-profit corporations or charitable agencies chartered in Oklahoma or other states may purchase such goods and services. Units of the federal government and units of government in other states may also purchase such goods and services. All entities which contract with the state, its political units, its agencies, its public institutions, not-for-profit corporations or charitable agencies chartered in Oklahoma may purchase goods or services from

the Department of Corrections which are used in the performance of such contracts. Any church located in the State of Oklahoma may also purchase goods and services produced by the prison industries of the Department of Corrections. Any community action agency or council of governments within this state may purchase housing components produced by the prison industries of the Department of Corrections. Nothing shall prohibit the Department from bidding on portions of a state contract which are subcontracted by the primary contractor.

F. Others are prohibited from purchasing such goods and services, with the exception that all surplus agricultural products may be sold on the open market or bartered and exchanged for other food, feed or seed products of comparable value. The Department of Corrections shall keep complete and accurate records of any such barter or exchanges in such form and manner as the Department of Central Services may prescribe. A copy of such records shall be filed with the Department of Central Services no later than March 1 of each year for all barter or exchanges occurring in the previous calendar year.

G. Products manufactured by the Department of Corrections shall be of styles, patterns, designs and quantities specified by the Department of Corrections except where the same have been or may be specified by the Department of Central Services. Products shall be provided at a fair market price for comparable quality.

H. State agencies shall make maximum utilization of such products and no similar products shall be purchased by state agencies from any other source than the Department of Corrections except as provided in subsection C of this section, unless the Department of Corrections certifies to the State Purchasing Director that it is not able to provide products, and no claim therefor shall be paid without such certification.

I. Exceptions from the mandatory provisions hereof may be made in any case where, in the opinion of the Department of Central Services, the article or product does not meet the reasonable requirements of or for such offices, departments, institutions or agencies, or in any case where the requisitions made cannot be reasonably complied with. No such offices, departments, institutions or agencies, shall be allowed to evade the intent and meaning of this section by slight variations from standards adopted by the Department of Central Services, when the articles, services or products produced or manufactured by the Department of

Corrections, in accordance with established standards, are reasonably adapted to the actual needs of such offices, departments, institutions or agencies.

J. In the event of disagreement between the Department of Corrections and the State Purchasing Director on fairness of price, ability to comply to specifications, reasonableness of specifications and timeliness of delivery of products the matter will be resolved by the Central Purchasing Director of Central Services.

K. The Department of Central Services shall cooperate with the Department of Corrections in seeking to promote for use in state agencies and by all other eligible customers, the products manufactured and services provided by the prison industries.

L. The Department of Corrections shall prepare catalogs containing the description of all goods and services provided, with the pricing of each item. Copies of such catalog shall be sent by the Department of Corrections to all offices, departments, institutions and agencies of this state, and shall be available for distribution to all other eligible customers.

SECTION 40. REPEALER 57 O.S. 2001, Section 549.1, as last amended by Section 9, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2006, Section 549.1), is hereby repealed.

SECTION 41. AMENDATORY 57 O.S. 2001, Section 583, as last amended by Section 8, Chapter 284, O.S.L. 2006 (57 O.S. Supp. 2006, Section 583), is amended to read as follows:

Section 583. A. Any person who becomes subject to the provisions of the Sex Offenders Registration Act on or after November 1, 1989, shall be registered as follows:

1. With the Department of Corrections within three (3) business days of being convicted or receiving a suspended sentence or any probationary term, including a deferred sentence imposed in violation of subsection G of Section 991c of Title 22 of the Oklahoma Statutes, if the person is not incarcerated, or within three (3) business days of release of the person from a correctional institution, except as provided in subsection B of this section;

2. With the local law enforcement authority having jurisdiction in the area where the person resides or intends to reside for seven

(7) consecutive days or longer, calculated beginning with the first day. The registration is required within three (3) days after entering the jurisdiction of the law enforcement authority; and

3. With the Department of Corrections and the local law enforcement authority no less than three (3) business days prior to abandoning or moving from the address of the previous registration.

For purposes of this section, "local law enforcement authority" means:

- a. the municipal police department, if the person resides or intends to reside or stay within the jurisdiction of any municipality of this state, or
- b. the county sheriff, if the person resides or intends to reside or stay at any place outside the jurisdiction of any municipality within this state, and
- c. the police or security department of any institution of higher learning within this state if the person:
 - (1) enrolls as a full-time or part-time student,
 - (2) is a full-time or part-time employee at an institution of higher learning, or
 - (3) resides or intends to reside or stay on any property owned or controlled by the institution of higher learning.

B. Any person who has been convicted of an offense or received a deferred judgment for an offense ~~on or after November 1, 1989,~~ in another jurisdiction, which offense if committed or attempted in this state, would have been punishable as one or more of the offenses listed in Section 582 of this title and who enters this state on or after November 1, 1989, shall be registered as follows:

1. With the Department of Corrections when the person enters and intends to be in the state for any purpose for five (5) consecutive days or longer, calculated beginning with the first day, has any type of full-time or part-time employment, with or without compensation for more than five (5) cumulative days in any sixty-day period, or is enrolled as a full-time or part-time student within

this state. Such registration is required within two (2) days after entering the state;

2. With the local law enforcement authority having jurisdiction in the area where the person intends to reside or to stay for five (5) consecutive days or longer, calculated beginning with the first day, has any type of full-time or part-time employment, with or without compensation for more than five (5) cumulative days in any sixty-day period, or is enrolled as a full-time or part-time student within this state. The registration is required with local law enforcement within two (2) days after entering the jurisdiction of the law enforcement authority;

3. With the Department of Corrections and the local law enforcement authority no less than three (3) business days prior to abandoning or moving from the address of the previous registration; and

4. For persons convicted of an offense or receiving a deferred judgment in another jurisdiction requiring registration, which offense if committed or attempted in this state, would have been punishable as one or more of the offenses listed in Section 582 of this title, shall maintain the registration for a period of ten (10) years from the date the person was initially required to register in Oklahoma, unless the person was convicted of a crime that would be classified as an habitual or aggravated sex offender within the State of Oklahoma, at which time registration shall continue at all times.

C. When a person has been convicted or received probation within the State of Oklahoma and the person is not classified as an habitual or aggravated sex offender, the person shall be required to register for a period of ten (10) years from the date of the completion of the sentence and the information received pursuant to the registration with the Department of Corrections required by this section shall be maintained by the Department of Corrections for at least ten (10) years from the date of the last registration.

D. When a person has been convicted or received probation within the State of Oklahoma and the person is not classified as an habitual or aggravated sex offender, the person shall be required to register for a period of ten (10) years from the date of completion of the sentence and the information received pursuant to the registration with the local law enforcement authority required by

this section shall be maintained by such authority for at least ten (10) years from the date of the last registration.

E. When registering an offender as provided in this section the Department of Corrections or the local law enforcement agency having jurisdiction shall:

1. Inform the offender of the duty to register and obtain the information required for registration as described in this section;

2. Inform the offender that if the offender changes address, the offender shall give notice of the move and the new address to the Department of Corrections and to the local law enforcement authority in the location in which the offender previously resided in writing no later than three (3) days before the offender establishes residence or is temporarily domiciled at the new address;

3. Inform the offender that if the offender changes address to another state, the offender shall give notice of the move and shall register the new address with the Department of Corrections and with a designated law enforcement agency in the new state not later than ten (10) days before the offender establishes residency or is temporarily domiciled in the new state, if the new state has a registration requirement;

4. Inform the offender that if the offender participates in any full-time or part-time employment, in another state, with or without compensation for more than fourteen (14) cumulative days in any sixty-day period or an aggregate period exceeding thirty (30) days in a calendar year, then the offender has a duty to register as a sex offender in that state;

5. Inform the offender that if the offender enrolls in any type of school in another state as a full-time or part-time student then the offender has a duty to register as a sex offender in that state;

6. Inform the offender that if the offender enrolls in any school within this state as a full-time or part-time student, then the offender has a duty to register as a sex offender with the Department of Corrections and the local law enforcement authority;

7. Inform the offender that if the offender participates in any full-time or part-time employment at any school, with or without compensation, or participates in any vocational course or occupation

at any school in this state, then the offender has a duty to notify the Department of Corrections and the local law enforcement authority in writing of such employment or participation at least three (3) days before commencing or upon terminating such employment or participation;

8. Inform the offender that if the offender graduates, transfers, drops, terminates or otherwise changes enrollment or employment at any school in this state, then the offender shall notify the Department of Corrections and the local law enforcement authority in writing of such change in enrollment or employment within three (3) days of the change; and

9. Require the offender to read and sign a form stating that the duty of the person to register under the Sex Offenders Registration Act has been explained.

F. For the purpose of this section, the "date of the completion of the sentence" means the day an offender completes all incarceration, probation and parole pertaining to the sentence.

G. Any person who resides in another state and who has been convicted of an offense or received a deferred judgment for an offense in this state, or in another jurisdiction, which offense if committed or attempted in this state would have been punishable as one or more of the offenses listed in Section 582 of this title, and who is the spouse of a person living in this state shall be registered as follows:

1. With the Department of Corrections when the person enters and intends to be in the state for any purpose for five (5) consecutive days or longer, calculated beginning with the first day or an aggregate period of five (5) days or longer in a calendar year. Such registration is required within two (2) days after entering the state; and

2. With the local law enforcement authority having jurisdiction in the area where the person intends to reside or to stay within this state for two (2) consecutive days or longer, calculated beginning with the first day. The registration is required with local law enforcement within two (2) days after entering the jurisdiction of the law enforcement authority.

SECTION 42. REPEALER 57 O.S. 2001, Section 583, as last amended by Section 12, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2006, Section 583), is hereby repealed.

SECTION 43. REPEALER Section 1, Chapter 223, O.S.L. 2003, as amended by Section 13, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2006, Section 590), is hereby repealed.

SECTION 44. REPEALER 59 O.S. 2001, Section 328.3, as last amended by Section 1, Chapter 21, O.S.L. 2006 (59 O.S. Supp. 2006, Section 328.3), is hereby repealed.

SECTION 45. AMENDATORY 60 O.S. 2001, Section 180.1, as last amended by Section 2, Chapter 325, O.S.L. 2006 (60 O.S. Supp. 2006, Section 180.1), is amended to read as follows:

Section 180.1 A. The trustees of every trust created for the benefit and furtherance of any public function with the State of Oklahoma or any county or municipality as the beneficiary or beneficiaries thereof must cause an audit to be made of the financial statements of the trust, such audit to be ordered within thirty (30) days of the close of each fiscal year of the trust. The audit shall be filed in accordance with the requirements set forth for financial statement audits in Section 212A of Title 74 of the Oklahoma Statutes.

B. The trustees of a trust which has more than Fifty Thousand Dollars (\$50,000.00) in revenues or assets, and for whom an annual financial statement audit is not required by another law, regulation, or contract, shall cause to be conducted, by an independent licensed public accountant or a certified public accountant, an annual audit of the trust's financial statements in accordance with auditing standards generally accepted in the United States and Government Auditing Standards as issued by the Comptroller General of the United States or an agreed-upon-procedures engagement over certain financial information and compliance requirements to be performed in accordance with the applicable attestation standards of The American Institute of Certified Public Accountants, and the fieldwork and reporting standards in Government Auditing Standards. The specific procedures to be performed are:

1. Prepare a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund and determine

compliance with any applicable trust or other prohibitions for creating fund balance deficits;

2. Agree material bank account balances to bank statements, and trace significant reconciling items to subsequent clearance;

3. Compare uninsured deposits to fair value of pledged collateral;

4. Compare use of material-restricted revenues and resources to their restrictions;

5. Determine compliance with requirements for separate funds; and

6. Determine compliance with reserve account and debt service coverage requirements of bond indentures.

Such engagement shall be ordered within thirty (30) days of the close of each fiscal year of the trust. Copies of the annual audit or agreed-upon-procedures report shall be filed with the State Auditor and Inspector within six (6) months after the close of the fiscal year and with the trustees and governing body of the beneficiaries.

C. Public trusts which have less than Fifty Thousand Dollars (\$50,000.00) in revenue and less than Fifty Thousand Dollars (\$50,000.00) in assets, and for whom an annual financial statement audit is not required by another law, regulation, or contract and any public trust which did not have financial activity exceeding Fifty Thousand Dollars (\$50,000.00) since its last audit may apply to the State Auditor and Inspector for a waiver of the requirements of subsections A and B of this section.

SECTION 46. REPEALER 60 O.S. 2001, Section 180.1, as last amended by Section 6, Chapter 314, O.S.L. 2006 (60 O.S. Supp. 2006, Section 180.1), is hereby repealed.

SECTION 47. AMENDATORY 62 O.S. 2001, Section 275.1, as last amended by Section 4, Chapter 233, O.S.L. 2006 (62 O.S. Supp. 2006, Section 275.1), is amended to read as follows:

Section 275.1 All warrants or checks issued by the ~~Oklahoma Public Welfare~~ Commission for Human Services and the State Treasurer, in payment of assistance to the needy, aged persons,

blind or dependent children, shall be microfilmed or duplicated in a manner acceptable to the Archives and Records Commission, ~~by the Department of Human Services,~~ provided further that the Department of Human Services is hereby authorized and directed to destroy said warrants, by burning, shredding, chemical process or any other method which will insure the complete destruction thereof, after microfilm or other copies are made thereof. ~~Permanent microfilm or other copies of the warrants shall be maintained by the Department of Human Services.~~ Any redeemed warrant or check that has been microfilmed, imaged or duplicated in a manner acceptable to the Archives and Records Commission shall be destroyed after a period of time consistent with banking industry standards for checks. The Archives and Records Commission, with the assistance of the State Treasurer, shall survey financial institutions to determine the industry standard for retention of paper checks after they have been duplicated in a manner consistent with federal law and industry practice. Such survey shall include the industry standard or federal law for retention of duplicated checks.

SECTION 48. REPEALER 62 O.S. 2001, Section 275.1, as last amended by Section 1, Chapter 20, O.S.L. 2006 (62 O.S. Supp. 2006, Section 275.1), is hereby repealed.

SECTION 49. AMENDATORY 63 O.S. 2001, Section 1-2503, as last amended by Section 1, Chapter 171, O.S.L. 2006 (63 O.S. Supp. 2006, Section 1-2503), is amended to read as follows:

Section 1-2503. As used in the Oklahoma Emergency Response Systems Development Act:

1. "Ambulance" means any ground, air or water vehicle which is or should be approved by the Commissioner of Health, designed and equipped to transport a patient or patients and to provide appropriate on-scene and en route patient stabilization and care as required. Vehicles used as ambulances shall meet such standards as may be required by the State Board of Health for approval, and shall display evidence of such approval at all times;

2. "Ambulance authority" means any public trust or nonprofit corporation established by the state or any unit of local government or combination of units of government for the express purpose of providing, directly or by contract, emergency medical services in a specified area of the state;

3. "Ambulance patient" or "patient" means any person who is or will be transported in a reclining position to or from a health care facility in an ambulance;

4. "Ambulance service" means any private firm or governmental agency which is or should be licensed by the State Department of Health to provide levels of medical care based on certification standards promulgated by the Board;

5. "Ambulance service district" means any county, group of counties or parts of counties formed together to provide, operate and finance emergency medical services as provided by Section 9C of Article X of the Oklahoma Constitution or Sections 1201 through 1221 of Title 19 of the Oklahoma Statutes;

6. "Board" means the State Board of Health;

7. "Classification" means an inclusive standardized identification of stabilizing and definitive emergency services provided by each hospital that treats emergency patients;

8. "Commissioner" means the State Commissioner of Health;

9. "Council" means the Oklahoma Emergency Response Systems Development Advisory Council;

10. "Department" means the State Department of Health;

11. "Emergency medical services system" means a system which provides for the organization and appropriate designation of personnel, facilities and equipment for the effective and coordinated local, regional and statewide delivery of health care services primarily under emergency conditions;

12. "Emergency Medical Technician/Basic, Emergency Medical Technician/Intermediate, Emergency Medical Technician/Advanced Cardiac, or Emergency Medical Technician/Paramedic" means an individual licensed by the Department to perform emergency medical services in accordance with the Oklahoma Emergency Response Systems Development Act and in accordance with the rules and standards promulgated by the Board;

13. "First responder" means an individual certified by the Department to perform emergency medical services in accordance with

the Oklahoma Emergency Response Systems Development Act and in accordance with the rules and standards promulgated by the Board;

14. "First response agency" means an organization of any type certified by the Department to provide emergency medical care, but not transport. First response agencies may utilize certified first responders or licensed emergency medical technicians; provided, however, that all personnel so utilized shall function under the direction of and consistent with guidelines for medical control;

15. "Licensure" means the licensing of emergency medical care providers and ambulance services pursuant to rules and standards promulgated by the Board at one or more of the following levels:

- a. Basic life support,
- b. Intermediate life support,
- c. Paramedic life support,
- d. Stretcher aid van, and
- e. Specialized Mobile Intensive Care, which shall be used solely for inter-hospital transport of patients requiring specialized en route medical monitoring and advanced life support which exceed the capabilities of the equipment and personnel provided by paramedic life support.

Requirements for each level of care shall be established by the Board. Licensure at any level of care includes a license to operate at any lower level, with the exception of licensure for Specialized Mobile Intensive Care; provided, however, that the highest level of care offered by an ambulance service shall be available twenty-four (24) hours each day, three hundred sixty-five (365) days per year.

Licensure shall be granted or renewed for such periods and under such terms and conditions as may be promulgated by the State Board;

16. "Medical control" means local, regional or statewide medical direction and quality assurance of health care delivery in an emergency medical service system. On-line medical control is the medical direction given to emergency medical personnel and stretcher aid van personnel by a physician via radio or telephone. Off-line medical control is the establishment and monitoring of all medical

components of an emergency medical service system, which is to include stretcher aid van service including, but not limited to, protocols, standing orders, educational programs, and the quality and delivery of on-line control;

17. "Medical director" means a physician, fully licensed without restriction, who acts as a paid or volunteer medical advisor to a licensed ambulance service and who monitors and directs the care so provided. Such physicians shall meet such qualifications and requirements as may be promulgated by the Board;

18. "Region" or "emergency medical service region" means two or more municipalities, counties, ambulance districts or other political subdivisions exercising joint control over one or more providers of emergency medical services and stretcher aid van service through common ordinances, authorities, boards or other means;

19. "Regional emergency medical services system" means a network of organizations, individuals, facilities and equipment which serves a region, subject to a unified set of regional rules and standards which may exceed, but may not be in contravention of, those required by the state, which is under the medical direction of a single regional medical director, and which participates directly in the delivery of the following services:

- a. medical call-taking and emergency medical services dispatching, emergency and routine, including priority dispatching of first response agencies, stretcher aid van and ambulances,
- b. first response services provided by first response agencies,
- c. ambulance services, both emergency, routine and stretcher aid van including, but not limited to, the transport of patients in accordance with transport protocols approved by the regional medical director, and
- d. directions given by physicians directly via radio or telephone, or by written protocol, to first response agencies, stretcher aid van or ambulance personnel at the scene of an emergency or while en route to a hospital;

20. "Regional medical director" means a licensed physician, who meets or exceeds the qualifications of a medical director as defined by the Oklahoma Emergency Response Systems Development Act, chosen by an emergency medical service region to provide external medical oversight, quality control and related services to that region;

21. "Registration" means the listing of an ambulance service in a registry maintained by the Department; provided, however, registration shall not be deemed to be a license;

22. "Stretcher aid van" means any ground vehicle which is or should be approved by the State Commissioner of Health, which is designed and equipped to transport individuals on a stretcher or gurney type apparatus. Vehicles used as stretcher aid vans shall meet such standards as may be required by the State Board of Health for approval and shall display evidence of such approval at all times. Stretcher aid van services shall only be permitted and approved by the Commissioner in emergency medical service regions, ambulance service districts, or counties with populations in excess of 300,000 people. Notwithstanding the provisions of this paragraph, stretcher aid van transports may be made to and from any ~~Oklahoma Veterans Center~~ federal or state veterans facility;

23. "Stretcher aid van patient" means any person who is or will be transported in a reclining position on a stretcher or gurney, who is medically stable, non-emergent and does not require any medical monitoring equipment or assistance during transport; and

24. "Transport protocol" means the written instructions governing decision-making at the scene of a medical emergency by ambulance personnel regarding the selection of the hospital to which the patient shall be transported. Transport protocols shall be developed by the regional medical director for a regional emergency medical services system or by the Department if no regional emergency medical services system has been established. Such transport protocols shall adhere to, at a minimum, the following guidelines:

- a. nonemergency, routine transport shall be to the facility of the patient's choice,
- b. urgent or emergency transport not involving life-threatening medical illness or injury shall be to the nearest facility, or, subject to transport

availability and system area coverage, to the facility of the patient's choice, and

- c. life-threatening medical illness or injury shall require transport to the nearest health care facility appropriate to the needs of the patient as established by regional or state guidelines.

SECTION 50. REPEALER 63 O.S. 2001, Section 1-2503, as last amended by Section 1, Chapter 155, O.S.L. 2006 (63 O.S. Supp. 2006, Section 1-2503), is hereby repealed.

SECTION 51. AMENDATORY 63 O.S. 2001, Section 2-103, as last amended by Section 5, Chapter 79, 2nd Extraordinary Session, O.S.L. 2006 (63 O.S. Supp. 2006, Section 2-103), is amended to read as follows:

Section 2-103. A. The Director shall be appointed by the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control Commission. The Director of Narcotics and Dangerous Drugs Control on January 1, 1984, shall be initially appointed as Director. The succeeding Director shall, at the time of the appointment, have a Bachelor's Degree from an accredited college or university and at least five (5) years' experience in drug law enforcement. The Director may appoint necessary assistants, agents, and other personnel to perform the work of the office and may prescribe their titles and duties and fix their compensation, other than the salaries established in subsection A of Section 2-103a of this title, pursuant to Merit System rules. The Director may appoint employees to the positions of Public Information/Education Officer, Training Officer, Program Administrator, Grants Administrator, Criminal Analysts, and Typist Clerk/Spanish Transcriptionists. Said positions shall be unclassified and exempt from the rules and procedures of the Office of Personnel Management, except leave regulations. The office of the Director shall be located at a suitable place in Oklahoma City, Oklahoma.

B. 1. Agents appointed by the Director shall have the powers of peace officers generally; provided, the Director may appoint special agents, who shall be unclassified employees of the state, to meet specific investigatory need. Special agents shall not be required to meet the age and educational requirements as specified in this section.

2. Agents appointed on and after November 1, 1998, shall be at least twenty-one (21) years of age and shall have a Bachelor's Degree from an accredited college or university.

3. Each entering agent, with the exception of special agents, shall be required to serve one (1) year in a probationary status as a prerequisite to being placed on permanent status.

C. Agents appointed pursuant to the provisions of this section shall have the responsibility of investigating alleged violations and shall have the authority to arrest those suspected of having violated the provisions of the Uniform Controlled Dangerous Substances Act.

D. A commissioned employee of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control shall be entitled to receive upon retirement by reason of length of service, the continued custody and possession of the sidearm and badge carried by such employee immediately prior to retirement.

E. A commissioned employee of the Bureau may be entitled to receive, upon retirement by reason of disability, the continued custody and possession of the sidearm and badge carried by such employee immediately prior to retirement upon written approval of the Director.

F. Custody and possession of the sidearm and badge of a commissioned employee killed in the line of duty may be awarded by the Director to the spouse or next of kin of the deceased employee.

G. Custody and possession of the sidearm and badge of a commissioned employee who dies while employed at the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control may be awarded by the Director to the spouse or next of kin of the deceased employee.

H. Any Director appointed on or after July 1, 2003, shall be eligible to participate in either the Oklahoma Public Employees Retirement System or in the Oklahoma Law Enforcement Retirement System and shall make an irrevocable election in writing to participate in one of the two retirement systems.

SECTION 52. REPEALER 63 O.S. 2001, Section 2-103, as last amended by Section 7, Chapter 83, 2nd Extraordinary Session, O.S.L. 2006 (63 O.S. Supp. 2006, Section 2-103), is hereby repealed.

SECTION 53. REPEALER 63 O.S. 2001, Section 91, as amended by Section 1, Chapter 54, O.S.L. 2006 (63 O.S. Supp. 2006, Section 91), is hereby repealed.

SECTION 54. REPEALER 63 O.S. 2001, Section 4021, as last amended by Section 48, Chapter 16, O.S.L. 2006 (63 O.S. Supp. 2006, Section 4021), is hereby repealed.

SECTION 55. AMENDATORY 68 O.S. 2001, Section 1004, as last amended by Section 1, Chapter 43, 2nd Extraordinary Session, O.S.L. 2006 (68 O.S. Supp. 2006, Section 1004), is amended to read as follows:

Section 1004. Beginning July 1, 2002, the gross production tax provided for in Section 1001 of this title is hereby levied and shall be collected and apportioned as follows:

1. For all monies collected from the tax levied on asphalt or ores bearing uranium, lead, zinc, jack, gold, silver or copper:
 - a. eighty-five and seventy-two one-hundredths percent (85.72%) shall be paid to the State Treasurer of the state to be placed in the General Revenue Fund of the state and used for the general expense of state government, to be paid out pursuant to direct appropriation by the Legislature,
 - b. seven and fourteen one-hundredths percent (7.14%) of the sum collected from natural gas and/or casinghead gas or asphalt or ores bearing uranium, lead, zinc, jack, gold, silver or copper shall be paid to the various county treasurers to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and
 - c. seven and fourteen one-hundredths percent (7.14%) shall be allocated to each county as provided for in subparagraph b of this paragraph and shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction to the school districts of the county where such pupils attend

school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction;

2. For all monies collected from the tax levied on natural gas and/or casinghead gas at a tax rate of seven percent (7%) pursuant to the provisions of subsection B of Section 1001 of this title:

- a. eighty-five and seventy-two one-hundredths percent (85.72%) shall be paid to the State Treasurer of the state to be placed in the General Revenue Fund of the state and used for the general expense of state government, to be paid out pursuant to direct appropriation by the Legislature,
- b. seven and fourteen one-hundredths percent (7.14%) of the sum collected from natural gas and/or casinghead gas shall be paid to the various county treasurers to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and
- c. seven and fourteen one-hundredths percent (7.14%) shall be allocated to each county as provided for in subparagraph b of this paragraph and shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction;

3. For all monies collected from the tax levied on natural gas and/or casinghead gas at a tax rate of four percent (4%) pursuant to the provisions of subsection B of Section 1001 of this title:

- a. seventy-five percent (75%) shall be paid to the State Treasurer of the state to be placed in the General Revenue Fund of the state and used for the general

expense of state government, to be paid out pursuant to direct appropriation by the Legislature,

- b. twelve and one-half percent (12.5%) of the sum collected from natural gas and/or casinghead gas shall be paid to the various county treasurers to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and
- c. twelve and one-half percent (12.5%) shall be allocated to each county as provided for in subparagraph b of this paragraph and shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction;

4. For all monies collected from the tax levied on natural gas and/or casinghead gas at a tax rate of one percent (1%) pursuant to the provisions of subsection B of Section 1001 of this title:

- a. fifty percent (50%) of the sum collected from natural gas and/or casinghead gas shall be paid to the various county treasurers to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and
- b. fifty percent (50%) shall be allocated to each county as provided for in subparagraph a of this paragraph and shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax

levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction;

5. For all monies collected from the tax levied on oil at a tax rate of seven percent (7%) pursuant to the provisions of subsection B of Section 1001 of this title:

- a. twenty-five and seventy-two one-hundredths percent (25.72%) shall be paid to the State Treasurer to be placed in the Common Education Technology Revolving Fund created in Section 41.29c of Title 62 of the Oklahoma Statutes,
- b. twenty-five and seventy-two one-hundredths percent (25.72%) shall be paid to the State Treasurer to be placed in the Higher Education Capital Revolving Fund created in Section 41.29d of Title 62 of the Oklahoma Statutes,
- c. twenty-five and seventy-two one-hundredths percent (25.72%) shall be paid to the State Treasurer to be placed in the Oklahoma Tuition Scholarship Revolving Fund created in Section 41.29e of Title 62 of the Oklahoma Statutes,
- d. four and twenty-eight one-hundredths percent (4.28%) shall be paid to the State Treasurer to be apportioned to the County Bridge and Road Improvement Fund of the State Treasury,
- e. four and twenty-eight one-hundredths percent (4.28%) shall be paid to the State Treasurer to be apportioned to:
 - (1) the following sources and in the following amounts for the fiscal year ending June 30, 2007, through the fiscal year ending June 30, 2011:
 - (a) thirty-three and one-third percent (33 1/3%) to the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund created pursuant to Section 2 of this act,

- (b) thirty-three and one-third percent (33 1/3%) to the Oklahoma Conservation Commission Infrastructure Revolving Fund created pursuant to Section 3 of this act, and
 - (c) thirty-three and one-third percent (33 1/3%) to the Community Water Infrastructure Development Revolving Fund created pursuant to Section 4 of this act, and
- (2) the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund for the fiscal year ending June 30, 2012, and for each fiscal year thereafter,
- f. seven and fourteen one-hundredths percent (7.14%) of the sum collected from oil shall be paid to the various county treasurers, to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and
 - g. seven and fourteen one-hundredths percent (7.14%) shall be allocated to each county as provided in subparagraph f of this paragraph and shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction, to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction;

6. For all monies collected from the tax levied on oil at a tax rate of four percent (4%) pursuant to the provisions of subsection B of Section 1001 of this title:

- a. twenty-two and one-half percent (22.5%) shall be paid to the State Treasurer to be placed in the Common Education Technology Revolving Fund created in Section 41.29c of Title 62 of the Oklahoma Statutes,

- b. twenty-two and one-half percent (22.5%) shall be paid to the State Treasurer to be placed in the Higher Education Capital Revolving Fund created in Section 41.29d of Title 62 of the Oklahoma Statutes,
- c. twenty-two and one-half percent (22.5%) shall be paid to the State Treasurer to be placed in the Oklahoma Tuition Scholarship Revolving Fund created in Section 41.29e of Title 62 of the Oklahoma Statutes,
- d. three and seventy-five one-hundredths percent (3.75%) shall be paid to the State Treasurer to be apportioned to the County Bridge and Road Improvement Fund of the State Treasury,
- e. three and seventy-five one-hundredths percent (3.75%) shall be paid to the State Treasurer to be apportioned to:
 - (1) the following sources and in the following amounts for the fiscal year ending June 30, 2007, through the fiscal year ending June 30, 2011:
 - (a) thirty-three and one-third percent (33 1/3%) to the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund created pursuant to Section 2 of this act,
 - (b) thirty-three and one-third percent (33 1/3%) to the Oklahoma Conservation Commission Infrastructure Revolving Fund created pursuant to Section 3 of this act, and
 - (c) thirty-three and one-third percent (33 1/3%) to the Community Water Infrastructure Development Revolving Fund created pursuant to Section 4 of this act, and
 - (2) the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund for the fiscal year ending June 30, 2012, and for each fiscal year thereafter,

- f. twelve and one-half percent (12.5%) of the sum collected from oil shall be paid to the various county treasurers, to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and
- g. twelve and one-half percent (12.5%) shall be allocated to each county as provided in subparagraph f of this paragraph and shall be apportioned on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction, to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction; and

7. For all monies collected from the tax levied on oil at a tax rate of one percent (1%) pursuant to the provisions of subsection B of Section 1001 of this title:

- a. fifty percent (50%) of the sum collected shall be paid to the various county treasurers, to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and
- b. fifty percent (50%) shall be allocated to each county as provided for in subparagraph a of this paragraph and shall be apportioned on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction, to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction.

Provided, notwithstanding any other provision of this section, the total amounts deposited to the Common Education Technology Revolving Fund, the Higher Education Capital Revolving Fund, the

Oklahoma Tuition Scholarship Revolving Fund, ~~the County Bridge and Road Improvement Fund~~, the Rural Economic Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund, the Oklahoma Conservation Commission Infrastructure Revolving Fund and the Community Water Infrastructure Development Revolving Fund pursuant to paragraphs 5 and 6 of this section shall not exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any fiscal year. All sums in excess of One Hundred Fifty Million Dollars (\$150,000,000.00) in any fiscal year which would otherwise be deposited in such funds shall be placed by the State Treasurer in the General Revenue Fund of the state.

SECTION 56. REPEALER 68 O.S. 2001, Section 1004, as last amended by Section 5, Chapter 45, 2nd Extraordinary Session, O.S.L. 2006 (68 O.S. Supp. 2006, Section 1004), is hereby repealed.

SECTION 57. AMENDATORY 68 O.S. 2001, Section 2358, as last amended by Section 21, Chapter 44, 2nd Extraordinary Session, O.S.L. 2006 (68 O.S. Supp. 2006, Section 2358), is amended to read as follows:

Section 2358. For all tax years beginning after December 31, 1981, taxable income and adjusted gross income shall be adjusted to arrive at Oklahoma taxable income and Oklahoma adjusted gross income as required by this section.

A. The taxable income of any taxpayer shall be adjusted to arrive at Oklahoma taxable income for corporations and Oklahoma adjusted gross income for individuals, as follows:

1. There shall be added interest income on obligations of any state or political subdivision thereto which is not otherwise exempted pursuant to other laws of this state, to the extent that such interest is not included in taxable income and adjusted gross income.

2. There shall be deducted amounts included in such income that the state is prohibited from taxing because of the provisions of the Federal Constitution, the State Constitution, federal laws or laws of Oklahoma.

3. The amount of any federal net operating loss deduction shall be adjusted as follows:

- a. For carryovers and carrybacks to taxable years beginning before January 1, 1981, the amount of any net operating loss deduction allowed to a taxpayer for federal income tax purposes shall be reduced to an amount which is the same portion thereof as the loss from sources within this state, as determined pursuant to this section and Section 2362 of this title, for the taxable year in which such loss is sustained is of the total loss for such year;
- b. For carryovers and carrybacks to taxable years beginning after December 31, 1980, the amount of any net operating loss deduction allowed for the taxable year shall be an amount equal to the aggregate of the Oklahoma net operating loss carryovers and carrybacks to such year. Oklahoma net operating losses shall be separately determined by reference to Section 172 of the Internal Revenue Code, 26 U.S.C., Section 172, as modified by the Oklahoma Income Tax Act, Section 2351 et seq. of this title, and shall be allowed without regard to the existence of a federal net operating loss. For tax years beginning after December 31, 2000, the years to which such losses may be carried shall be determined solely by reference to Section 172 of the Internal Revenue Code, 26 U.S.C., Section 172, with the exception that the terms "net operating loss" and "taxable income" shall be replaced with "Oklahoma net operating loss" and "Oklahoma taxable income".

4. Items of the following nature shall be allocated as indicated. Allowable deductions attributable to items separately allocable in subparagraphs a, b and c of this paragraph, whether or not such items of income were actually received, shall be allocated on the same basis as those items:

- a. Income from real and tangible personal property, such as rents, oil and mining production or royalties, and gains or losses from sales of such property, shall be allocated in accordance with the situs of such property;
- b. Income from intangible personal property, such as interest, dividends, patent or copyright royalties, and gains or losses from sales of such property, shall

be allocated in accordance with the domiciliary situs of the taxpayer, except that:

- (1) where such property has acquired a nonunitary business or commercial situs apart from the domicile of the taxpayer such income shall be allocated in accordance with such business or commercial situs; interest income from investments held to generate working capital for a unitary business enterprise shall be included in apportionable income; a resident trust or resident estate shall be treated as having a separate commercial or business situs insofar as undistributed income is concerned, but shall not be treated as having a separate commercial or business situs insofar as distributed income is concerned,
- (2) for taxable years beginning after December 31, 2003, capital or ordinary gains or losses from the sale of an ownership interest in a publicly traded partnership, as defined by Section 7704(b) of the Internal Revenue Code of 1986, as amended, shall be allocated to this state in the ratio of the original cost of such partnership's tangible property in this state to the original cost of such partnership's tangible property everywhere, as determined at the time of the sale; if more than fifty percent (50%) of the value of the partnership's assets consists of intangible assets, capital or ordinary gains or losses from the sale of an ownership interest in the partnership shall be allocated to this state in accordance with the sales factor of the partnership for its first full tax period immediately preceding its tax period during which the ownership interest in the partnership was sold; the provisions of this division shall only apply if the capital or ordinary gains or losses from the sale of an ownership interest in a partnership do not constitute qualifying gain receiving capital treatment as defined in subparagraph a of paragraph 2 of subsection F of this section,

- (3) income from such property which is required to be allocated pursuant to the provisions of paragraph 5 of this subsection shall be allocated as herein provided;
- c. Net income or loss from a business activity which is not a part of business carried on within or without the state of a unitary character shall be separately allocated to the state in which such activity is conducted;
 - d. In the case of a manufacturing or processing enterprise the business of which in Oklahoma consists solely of marketing its products by:
 - (1) sales having a situs without this state, shipped directly to a point from without the state to a purchaser within the state, commonly known as interstate sales,
 - (2) sales of the product stored in public warehouses within the state pursuant to "in transit" tariffs, as prescribed and allowed by the Interstate Commerce Commission, to a purchaser within the state,
 - (3) sales of the product stored in public warehouses within the state where the shipment to such warehouses is not covered by "in transit" tariffs, as prescribed and allowed by the Interstate Commerce Commission, to a purchaser within or without the state,

the Oklahoma net income shall, at the option of the taxpayer, be that portion of the total net income of the taxpayer for federal income tax purposes derived from the manufacture and/or processing and sales everywhere as determined by the ratio of the sales defined in this section made to the purchaser within the state to the total sales everywhere. The term "public warehouse" as used in this subparagraph means a licensed public warehouse, the principal business of which is warehousing merchandise for the public;

- e. In the case of insurance companies, Oklahoma taxable income shall be taxable income of the taxpayer for federal tax purposes, as adjusted for the adjustments provided pursuant to the provisions of paragraphs 1 and 2 of this subsection, apportioned as follows:
- (1) except as otherwise provided by division (2) of this subparagraph, taxable income of an insurance company for a taxable year shall be apportioned to this state by multiplying such income by a fraction, the numerator of which is the direct premiums written for insurance on property or risks in this state, and the denominator of which is the direct premiums written for insurance on property or risks everywhere. For purposes of this subsection, the term "direct premiums written" means the total amount of direct premiums written, assessments and annuity considerations as reported for the taxable year on the annual statement filed by the company with the Insurance Commissioner in the form approved by the National Association of Insurance Commissioners, or such other form as may be prescribed in lieu thereof,
 - (2) if the principal source of premiums written by an insurance company consists of premiums for reinsurance accepted by it, the taxable income of such company shall be apportioned to this state by multiplying such income by a fraction, the numerator of which is the sum of (a) direct premiums written for insurance on property or risks in this state, plus (b) premiums written for reinsurance accepted in respect of property or risks in this state, and the denominator of which is the sum of (c) direct premiums written for insurance on property or risks everywhere, plus (d) premiums written for reinsurance accepted in respect of property or risks everywhere. For purposes of this paragraph, premiums written for reinsurance accepted in respect of property or risks in this state, whether or not otherwise determinable, may at the election of the company be determined on the basis of the proportion which premiums written

for insurance accepted from companies commercially domiciled in Oklahoma bears to premiums written for reinsurance accepted from all sources, or alternatively in the proportion which the sum of the direct premiums written for insurance on property or risks in this state by each ceding company from which reinsurance is accepted bears to the sum of the total direct premiums written by each such ceding company for the taxable year.

5. The net income or loss remaining after the separate allocation in paragraph 4 of this subsection, being that which is derived from a unitary business enterprise, shall be apportioned to this state on the basis of the arithmetical average of three factors consisting of property, payroll and sales or gross revenue enumerated as subparagraphs a, b and c of this paragraph. Net income or loss as used in this paragraph includes that derived from patent or copyright royalties, purchase discounts, and interest on accounts receivable relating to or arising from a business activity, the income from which is apportioned pursuant to this subsection, including the sale or other disposition of such property and any other property used in the unitary enterprise. Deductions used in computing such net income or loss shall not include taxes based on or measured by income. Provided, for corporations whose property for purposes of the tax imposed by Section 2355 of this title has an initial investment cost equaling or exceeding Two Hundred Million Dollars (\$200,000,000.00) and such investment is made on or after July 1, 1997, or for corporations which expand their property or facilities in this state and such expansion has an investment cost equaling or exceeding Two Hundred Million Dollars (\$200,000,000.00) over a period not to exceed three (3) years, and such expansion is commenced on or after January 1, 2000, the three factors shall be apportioned with property and payroll, each comprising twenty-five percent (25%) of the apportionment factor and sales comprising fifty percent (50%) of the apportionment factor. The apportionment factors shall be computed as follows:

- a. The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the tax period and the denominator of which is the average value of all the taxpayer's real and tangible personal property everywhere owned or rented and used during the tax period.

- (1) Property, the income from which is separately allocated in paragraph 4 of this subsection, shall not be included in determining this fraction. The numerator of the fraction shall include a portion of the investment in transportation and other equipment having no fixed situs, such as rolling stock, buses, trucks and trailers, including machinery and equipment carried thereon, airplanes, salespersons' automobiles and other similar equipment, in the proportion that miles traveled in Oklahoma by such equipment bears to total miles traveled,
 - (2) Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer, less any annual rental rate received by the taxpayer from subrentals,
 - (3) The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the Oklahoma Tax Commission may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property;
- b. The payroll factor is a fraction, the numerator of which is the total compensation for services rendered in the state during the tax period, and the denominator of which is the total compensation for services rendered everywhere during the tax period. "Compensation", as used in this subsection means those paid-for services to the extent related to the unitary business but does not include officers' salaries, wages and other compensation.
- (1) In the case of a transportation enterprise, the numerator of the fraction shall include a portion of such expenditure in connection with employees operating equipment over a fixed route, such as railroad employees, airline pilots, or bus

drivers, in this state only a part of the time, in the proportion that mileage traveled in Oklahoma bears to total mileage traveled by such employees,

- (2) In any case the numerator of the fraction shall include a portion of such expenditures in connection with itinerant employees, such as traveling salespersons, in this state only a part of the time, in the proportion that time spent in Oklahoma bears to total time spent in furtherance of the enterprise by such employees;

c. The sales factor is a fraction, the numerator of which is the total sales or gross revenue of the taxpayer in this state during the tax period, and the denominator of which is the total sales or gross revenue of the taxpayer everywhere during the tax period. "Sales", as used in this subsection does not include sales or gross revenue which are separately allocated in paragraph 4 of this subsection.

- (1) Sales of tangible personal property have a situs in this state if the property is delivered or shipped to a purchaser other than the United States government, within this state regardless of the FOB point or other conditions of the sale; or the property is shipped from an office, store, warehouse, factory or other place of storage in this state and (a) the purchaser is the United States government or (b) the taxpayer is not doing business in the state of the destination of the shipment.
- (2) In the case of a railroad or interurban railway enterprise, the numerator of the fraction shall not be less than the allocation of revenues to this state as shown in its annual report to the Corporation Commission.
- (3) In the case of an airline, truck or bus enterprise or freight car, tank car, refrigerator car or other railroad equipment enterprise, the numerator of the fraction shall include a portion of revenue from interstate transportation in the

proportion that interstate mileage traveled in Oklahoma bears to total interstate mileage traveled.

- (4) In the case of an oil, gasoline or gas pipeline enterprise, the numerator of the fraction shall be either the total of traffic units of the enterprise within Oklahoma or the revenue allocated to Oklahoma based upon miles moved, at the option of the taxpayer, and the denominator of which shall be the total of traffic units of the enterprise or the revenue of the enterprise everywhere as appropriate to the numerator. A "traffic unit" is hereby defined as the transportation for a distance of one (1) mile of one (1) barrel of oil, one (1) gallon of gasoline or one thousand (1,000) cubic feet of natural or casinghead gas, as the case may be.
- (5) In the case of a telephone or telegraph or other communication enterprise, the numerator of the fraction shall include that portion of the interstate revenue as is allocated pursuant to the accounting procedures prescribed by the Federal Communications Commission; provided that in respect to each corporation or business entity required by the Federal Communications Commission to keep its books and records in accordance with a uniform system of accounts prescribed by such Commission, the intrastate net income shall be determined separately in the manner provided by such uniform system of accounts and only the interstate income shall be subject to allocation pursuant to the provisions of this subsection. Provided further, that the gross revenue factors shall be those as are determined pursuant to the accounting procedures prescribed by the Federal Communications Commission.

In any case where the apportionment of the three factors prescribed in this paragraph attributes to Oklahoma a portion of net income of the enterprise out of all appropriate proportion to the property owned and/or business transacted within this state, because of the fact that one or more of the factors so prescribed are not employed to any appreciable extent in furtherance of the enterprise; or

because one or more factors not so prescribed are employed to a considerable extent in furtherance of the enterprise; or because of other reasons, the Tax Commission is empowered to permit, after a showing by taxpayer that an excessive portion of net income has been attributed to Oklahoma, or require, when in its judgment an insufficient portion of net income has been attributed to Oklahoma, the elimination, substitution, or use of additional factors, or reduction or increase in the weight of such prescribed factors. Provided, however, that any such variance from such prescribed factors which has the effect of increasing the portion of net income attributable to Oklahoma must not be inherently arbitrary, and application of the recomputed final apportionment to the net income of the enterprise must attribute to Oklahoma only a reasonable portion thereof.

6. For calendar years 1997 and 1998, the owner of a new or expanded agricultural commodity processing facility in this state may exclude from Oklahoma taxable income, or in the case of an individual, the Oklahoma adjusted gross income, fifteen percent (15%) of the investment by the owner in the new or expanded agricultural commodity processing facility. For calendar year 1999, and all subsequent years, the percentage, not to exceed fifteen percent (15%), available to the owner of a new or expanded agricultural commodity processing facility in this state claiming the exemption shall be adjusted annually so that the total estimated reduction in tax liability does not exceed One Million Dollars (\$1,000,000.00) annually. The Tax Commission shall promulgate rules for determining the percentage of the investment which each eligible taxpayer may exclude. The exclusion provided by this paragraph shall be taken in the taxable year when the investment is made. In the event the total reduction in tax liability authorized by this paragraph exceeds One Million Dollars (\$1,000,000.00) in any calendar year, the Tax Commission shall permit any excess over One Million Dollars (\$1,000,000.00) and shall factor such excess into the percentage for subsequent years. Any amount of the exemption permitted to be excluded pursuant to the provisions of this paragraph but not used in any year may be carried forward as an exemption from income pursuant to the provisions of this paragraph for a period not exceeding six (6) years following the year in which the investment was originally made.

For purposes of this paragraph:

- a. "Agricultural commodity processing facility" means building, structures, fixtures and improvements used

or operated primarily for the processing or production of marketable products from agricultural commodities. The term shall also mean a dairy operation that requires a depreciable investment of at least Two Hundred Fifty Thousand Dollars (\$250,000.00) and which produces milk from dairy cows. The term does not include a facility that provides only, and nothing more than, storage, cleaning, drying or transportation of agricultural commodities, and

- b. "Facility" means each part of the facility which is used in a process primarily for:
 - (1) the processing of agricultural commodities, including receiving or storing agricultural commodities, or the production of milk at a dairy operation,
 - (2) transporting the agricultural commodities or product before, during or after the processing, or
 - (3) packaging or otherwise preparing the product for sale or shipment.

7. Despite any provision to the contrary in paragraph 3 of this subsection, for taxable years beginning after December 31, 1999, in the case of a taxpayer which has a farming loss, such farming loss shall be considered a net operating loss carryback in accordance with and to the extent of the Internal Revenue Code, 26 U.S.C., Section 172(b)(G). However, the amount of the net operating loss carryback shall not exceed the lesser of:

- a. Sixty Thousand Dollars (\$60,000.00), or
- b. the loss properly shown on Schedule F of the Internal Revenue Service Form 1040 reduced by one-half (1/2) of the income from all other sources other than reflected on Schedule F.

8. In taxable years beginning after December 31, 1995, all qualified wages equal to the federal income tax credit set forth in 26 U.S.C.A., Section 45A, shall be deducted from taxable income. The deduction allowed pursuant to this paragraph shall only be permitted for the tax years in which the federal tax credit pursuant

to 26 U.S.C.A., Section 45A, is allowed. For purposes of this paragraph, "qualified wages" means those wages used to calculate the federal credit pursuant to 26 U.S.C.A., Section 45A.

9. In taxable years beginning after December 31, 2005, an employer that is eligible for and utilizes the Safety Pays OSHA Consultation Service provided by the Oklahoma Department of Labor shall receive an exemption from taxable income in the amount of One Thousand Dollars (\$1,000.00) for the tax year that the service is utilized.

B. The taxable income of any corporation shall be further adjusted to arrive at Oklahoma taxable income, except those corporations electing treatment as provided in subchapter S of the Internal Revenue Code, 26 U.S.C., Section 1361 et seq., and Section 2365 of this title, deductions pursuant to the provisions of the Accelerated Cost Recovery System as defined and allowed in the Economic Recovery Tax Act of 1981, Public Law 97-34, 26 U.S.C., Section 168, for depreciation of assets placed into service after December 31, 1981, shall not be allowed in calculating Oklahoma taxable income. Such corporations shall be allowed a deduction for depreciation of assets placed into service after December 31, 1981, in accordance with provisions of the Internal Revenue Code, 26 U.S.C., Section 1 et seq., in effect immediately prior to the enactment of the Accelerated Cost Recovery System. The Oklahoma tax basis for all such assets placed into service after December 31, 1981, calculated in this section shall be retained and utilized for all Oklahoma income tax purposes through the final disposition of such assets.

Notwithstanding any other provisions of the Oklahoma Income Tax Act, Section 2351 et seq. of this title, or of the Internal Revenue Code to the contrary, this subsection shall control calculation of depreciation of assets placed into service after December 31, 1981, and before January 1, 1983.

For assets placed in service and held by a corporation in which accelerated cost recovery system was previously disallowed, an adjustment to taxable income is required in the first taxable year beginning after December 31, 1982, to reconcile the basis of such assets to the basis allowed in the Internal Revenue Code. The purpose of this adjustment is to equalize the basis and allowance for depreciation accounts between that reported to the Internal Revenue Service and that reported to Oklahoma.

C. 1. For taxable years beginning after December 31, 1987, the taxable income of any corporation shall be further adjusted to arrive at Oklahoma taxable income for transfers of technology to qualified small businesses located in Oklahoma. Such transferor corporation shall be allowed an exemption from taxable income of an amount equal to the amount of royalty payment received as a result of such transfer; provided, however, such amount shall not exceed ten percent (10%) of the amount of gross proceeds received by such transferor corporation as a result of the technology transfer. Such exemption shall be allowed for a period not to exceed ten (10) years from the date of receipt of the first royalty payment accruing from such transfer. No exemption may be claimed for transfers of technology to qualified small businesses made prior to January 1, 1988.

2. For purposes of this subsection:

- a. "Qualified small business" means an entity, whether organized as a corporation, partnership, or proprietorship, organized for profit with its principal place of business located within this state and which meets the following criteria:
 - (1) Capitalization of not more than Two Hundred Fifty Thousand Dollars (\$250,000.00),
 - (2) Having at least fifty percent (50%) of its employees and assets located in Oklahoma at the time of the transfer, and
 - (3) Not a subsidiary or affiliate of the transferor corporation;
- b. "Technology" means a proprietary process, formula, pattern, device or compilation of scientific or technical information which is not in the public domain;
- c. "Transferor corporation" means a corporation which is the exclusive and undisputed owner of the technology at the time the transfer is made; and
- d. "Gross proceeds" means the total amount of consideration for the transfer of technology, whether the consideration is in money or otherwise.

D. 1. For taxable years beginning after December 31, 2005, the taxable income of any corporation, estate or trust, shall be further adjusted for qualifying gains receiving capital treatment. Such corporations, estates or trusts shall be allowed a deduction from Oklahoma taxable income for the amount of qualifying gains receiving capital treatment earned by the corporation, estate or trust during the taxable year and included in the federal taxable income of such corporation, estate or trust.

2. As used in this subsection:

a. "qualifying gains receiving capital treatment" means the amount of net capital gains, as defined in Section 1222(11) of the Internal Revenue Code, included in the federal income tax return of the corporation, estate or trust that was:

(1) earned by the corporation, estate or trust on real or tangible personal property located within Oklahoma that has been directly or indirectly owned by the corporation, estate or trust for a holding period of at least five (5) years prior to the date of the transaction from which such net capital gains arise, or

(2) earned on the sale of stock or on the sale of an ownership interest in an Oklahoma company, limited liability company, or partnership where such stock or ownership interest has been directly or indirectly owned by the corporation, estate or trust for a holding period of at least three (3) years prior to the date of the transaction from which the net capital gains arise,

b. "holding period" means an uninterrupted period of time,

c. "Oklahoma company", "limited liability company", or "partnership" means an entity whose primary headquarters have been located in Oklahoma for at least three (3) uninterrupted years prior to the date of the transaction from which the net capital gains arise,

d. "direct" means the taxpayer directly owns the asset, and

e. "indirect" means the taxpayer owns an interest in a pass-through entity (or chain of pass-through entities) that sells the asset that gives rise to the qualifying gains receiving capital treatment.

(1) With respect to sales of real or personal property located within Oklahoma, the deduction described in this subsection shall not apply unless the pass-through entity that makes the sale has held the property for not less than five (5) uninterrupted years prior to the date of the transaction that created the capital gain, and each pass-through entity included in the chain of ownership has been a member, partner, or shareholder of the pass-through entity in the tier immediately below it for an uninterrupted period of not less than five (5) years.

(2) With respect to sales of stock or ownership interest in an Oklahoma company, limited liability company, or partnership, the deduction described in this subsection shall not apply unless the pass-through entity that makes the sale has held the stock or ownership interest for not less than three (3) uninterrupted years prior to the date of the transaction that created the capital gain, and each pass-through entity included in the chain of ownership has been a member, partner or shareholder of the pass-through entity in the tier immediately below it for an uninterrupted period of not less than three (3) years.

E. The Oklahoma adjusted gross income of any individual taxpayer shall be further adjusted as follows to arrive at Oklahoma taxable income:

1. a. In the case of individuals, there shall be added or deducted, as the case may be, the difference necessary to allow personal exemptions of One Thousand Dollars

(\$1,000.00) in lieu of the personal exemptions allowed by the Internal Revenue Code.

- b. There shall be allowed an additional exemption of One Thousand Dollars (\$1,000.00) for each taxpayer or spouse who is blind at the close of the tax year. For purposes of this subparagraph, an individual is blind only if the central visual acuity of the individual does not exceed 20/200 in the better eye with correcting lenses, or if the visual acuity of the individual is greater than 20/200, but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than twenty (20) degrees.

- c. There shall be allowed an additional exemption of One Thousand Dollars (\$1,000.00) for each taxpayer or spouse who is sixty-five (65) years of age or older at the close of the tax year based upon the filing status and federal adjusted gross income of the taxpayer. Taxpayers with the following filing status may claim this exemption if the federal adjusted gross income does not exceed:
 - (1) Twenty-five Thousand Dollars (\$25,000.00) if married and filing jointly;
 - (2) Twelve Thousand Five Hundred Dollars (\$12,500.00) if married and filing separately;
 - (3) Fifteen Thousand Dollars (\$15,000.00) if single; and
 - (4) Nineteen Thousand Dollars (\$19,000.00) if a qualifying head of household.

Provided, for taxable years beginning after December 31, 1999, amounts included in the calculation of federal adjusted gross income pursuant to the conversion of a traditional individual retirement account to a Roth individual retirement account shall be excluded from federal adjusted gross income for purposes of the income thresholds provided in this subparagraph.

- d. For taxable years beginning after December 31, 1990, and beginning before January 1, 1992, there shall be allowed a one-time additional exemption of Four Hundred Dollars (\$400.00) for each taxpayer or spouse who is a member of the National Guard or any reserve unit of the Armed Forces of the United States and who was at any time during such taxable year deployed in active service during a time of war or conflict with an enemy of the United States.
- 2. a. For taxable years beginning on or before December 31, 2005, in the case of individuals who use the standard deduction in determining taxable income, there shall be added or deducted, as the case may be, the difference necessary to allow a standard deduction in lieu of the standard deduction allowed by the Internal Revenue Code, in an amount equal to the larger of fifteen percent (15%) of the Oklahoma adjusted gross income or One Thousand Dollars (\$1,000.00), but not to exceed Two Thousand Dollars (\$2,000.00), except that in the case of a married individual filing a separate return such deduction shall be the larger of fifteen percent (15%) of such Oklahoma adjusted gross income or Five Hundred Dollars (\$500.00), but not to exceed the maximum amount of One Thousand Dollars (\$1,000.00),
 - b. For taxable years beginning on or after January 1, 2006, and before January 1, 2007, in the case of individuals who use the standard deduction in determining taxable income, there shall be added or deducted, as the case may be, the difference necessary to allow a standard deduction in lieu of the standard deduction allowed by the Internal Revenue Code, in an amount equal to:
 - (1) Three Thousand Dollars (\$3,000.00), if the filing status is married filing joint, head of household or qualifying widow; or
 - (2) Two Thousand Dollars (\$2,000.00), if the filing status is single or married filing separate.
 - c. For the taxable years year beginning on ~~or after~~ January 1, 2007, and ending December 31, 2007, in the

case of individuals who use the standard deduction in determining taxable income, there shall be added or deducted, as the case may be, the difference necessary to allow a standard deduction in lieu of the standard deduction allowed by the Internal Revenue Code, in an amount equal to:

- (1) ~~Four Thousand Dollars (\$4,000.00)~~ Five Thousand Five Hundred Dollars (\$5,500.00), if the filing status is married filing joint, ~~head of household~~ or qualifying widow; or
- (2) ~~Two Thousand Dollars (\$2,000.00)~~ Four Thousand One Hundred Twenty-five Dollars (\$4,125.00) for a head of household; or
- (3) Two Thousand Seven Hundred Fifty Dollars (\$2,750.00), if the filing status is single or married filing separate.

d. For the taxable year beginning on January 1, 2008, and ending December 31, 2008, in the case of individuals who use the standard deduction in determining taxable income, there shall be added or deducted, as the case may be, the difference necessary to allow a standard deduction in lieu of the standard deduction allowed by the Internal Revenue Code, in an amount equal to:

- (1) Six Thousand Five Hundred Dollars (\$6,500.00), if the filing status is married filing joint or qualifying widow, or
- (2) Four Thousand Eight Hundred Seventy-five Dollars (\$4,875.00) for a head of household, or
- (3) Three Thousand Two Hundred Fifty Dollars (\$3,250.00), if the filing status is single or married filing separate.

e. For the taxable year beginning on January 1, 2009, and ending December 31, 2009, in the case of individuals who use the standard deduction in determining taxable income, there shall be added or deducted, as the case may be, the difference necessary to allow a standard

deduction in lieu of the standard deduction allowed by the Internal Revenue Code, in an amount equal to:

- (1) Eight Thousand Five Hundred Dollars (\$8,500.00), if the filing status is married filing joint or qualifying widow, or
- (2) Six Thousand Three Hundred Seventy-five Dollars (\$6,375.00) for a head of household, or
- (3) Four Thousand Two Hundred Fifty Dollars (\$4,250.00), if the filing status is single or married filing separate.

f. For taxable years beginning on or after January 1, 2010, in the case of individuals who use the standard deduction in determining taxable income, there shall be added or deducted, as the case may be, the difference necessary to allow a standard deduction equal to the standard deduction allowed by the Internal Revenue Code of 1986, as amended, based upon the amount and filing status prescribed by such Code for purposes of filing federal individual income tax returns.

3. In the case of resident and part-year resident individuals having adjusted gross income from sources both within and without the state, the itemized or standard deductions and personal exemptions shall be reduced to an amount which is the same portion of the total thereof as Oklahoma adjusted gross income is of adjusted gross income. To the extent itemized deductions include allowable moving expense, proration of moving expense shall not be required or permitted but allowable moving expense shall be fully deductible for those taxpayers moving within or into Oklahoma and no part of moving expense shall be deductible for those taxpayers moving without or out of Oklahoma. All other itemized or standard deductions and personal exemptions shall be subject to proration as provided by law.

4. A resident individual with a physical disability constituting a substantial handicap to employment may deduct from Oklahoma adjusted gross income such expenditures to modify a motor vehicle, home or workplace as are necessary to compensate for his or her handicap. A veteran certified by the Veterans Administration of the federal government as having a service-connected disability

shall be conclusively presumed to be an individual with a physical disability constituting a substantial handicap to employment. The Tax Commission shall promulgate rules containing a list of combinations of common disabilities and modifications which may be presumed to qualify for this deduction. The Tax Commission shall prescribe necessary requirements for verification.

5. In any taxable year the first One Thousand Five Hundred Dollars (\$1,500.00) received by any person from the United States as salary or compensation in any form, other than retirement benefits, as a member of any component of the Armed Forces of the United States shall be deducted from taxable income. Whenever the filing of a timely income tax return by a member of the Armed Forces of the United States is made impracticable or impossible of accomplishment by reason of:

- a. absence from the United States, which term includes only the states and the District of Columbia;
- b. absence from the State of Oklahoma while on active duty; or
- c. confinement in a hospital within the United States for treatment of wounds, injuries or disease,

the time for filing a return and paying an income tax shall be and is hereby extended without incurring liability for interest or penalties, to the fifteenth day of the third month following the month in which:

- (1) Such individual shall return to the United States if the extension is granted pursuant to subparagraph a of this paragraph, return to the State of Oklahoma if the extension is granted pursuant to subparagraph b of this paragraph or be discharged from such hospital if the extension is granted pursuant to subparagraph c of this paragraph; or
- (2) An executor, administrator, or conservator of the estate of the taxpayer is appointed, whichever event occurs the earliest.

Provided, that the Tax Commission may, in its discretion, grant any member of the Armed Forces of the United States an extension of time

for filing of income tax returns and payment of income tax without incurring liabilities for interest or penalties. Such extension may be granted only when in the judgment of the Tax Commission a good cause exists therefor and may be for a period in excess of six (6) months. A record of every such extension granted, and the reason therefor, shall be kept.

6. The salary or any other form of compensation, received from the United States by a member of any component of the Armed Forces of the United States, shall be deducted from taxable income during the time in which the person is detained by the enemy in a conflict, is a prisoner of war or is missing in action and not deceased.

7. Notwithstanding anything in the Internal Revenue Code or in the Oklahoma Income Tax Act to the contrary, it is expressly provided that, in the case of resident individuals, amounts received as dividends or distributions of earnings from savings and loan associations or credit unions located in Oklahoma, and interest received on savings accounts and time deposits from such sources or from state and national banks or trust companies located in Oklahoma, shall qualify as dividends for the purpose of the dividend exclusion, and taxable income shall be adjusted accordingly to arrive at Oklahoma taxable income; provided, however, that the dividend, distribution of earnings and/or interest exclusion provided for hereinabove shall not be cumulative to the maximum dividend exclusion allowed by the Internal Revenue Code. Any dividend exclusion already allowed by the Internal Revenue Code and reflected in the taxpayer's Oklahoma taxable income together with exclusion allowed herein shall not exceed the total of One Hundred Dollars (\$100.00) per individual or Two Hundred Dollars (\$200.00) per couple filing a joint return.

8. a. An individual taxpayer, whether resident or nonresident, may deduct an amount equal to the federal income taxes paid by the taxpayer during the taxable year.
- b. Federal taxes as described in subparagraph a of this paragraph shall be deductible by any individual taxpayer, whether resident or nonresident, only to the extent they relate to income subject to taxation pursuant to the provisions of the Oklahoma Income Tax Act. The maximum amount allowable in the preceding paragraph shall be prorated on the ratio of the

Oklahoma adjusted gross income to federal adjusted gross income.

- c. For the purpose of this paragraph, "federal income taxes paid" shall mean federal income taxes, surtaxes imposed on incomes or excess profits taxes, as though the taxpayer was on the accrual basis. In determining the amount of deduction for federal income taxes for tax year 2001, the amount of the deduction shall not be adjusted by the amount of any accelerated ten percent (10%) tax rate bracket credit or advanced refund of the credit received during the tax year provided pursuant to the federal Economic Growth and Tax Relief Reconciliation Act of 2001, P.L. No. 107-16, and the advanced refund of such credit shall not be subject to taxation.
- d. The provisions of this paragraph shall apply to all taxable years ending after December 31, 1978, and beginning before January 1, 2006.

9. Retirement benefits not to exceed Five Thousand Five Hundred Dollars (\$5,500.00) for the 2004 tax year, Seven Thousand Five Hundred Dollars (\$7,500.00) for the 2005 tax year and Ten Thousand Dollars (\$10,000.00) for the 2006 tax year and all subsequent tax years, which are received by an individual from the civil service of the United States, the Oklahoma Public Employees Retirement System, the Teachers' Retirement System of Oklahoma, the Oklahoma Law Enforcement Retirement System, the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, the employee retirement systems created by counties pursuant to Section 951 et seq. of Title 19 of the Oklahoma Statutes, the Uniform Retirement System for Justices and Judges, the Oklahoma Wildlife Conservation Department Retirement Fund, the Oklahoma Employment Security Commission Retirement Plan, or the employee retirement systems created by municipalities pursuant to Section 48-101 et seq. of Title 11 of the Oklahoma Statutes shall be exempt from taxable income.

10. In taxable years beginning after December 31, 1984, Social Security benefits received by an individual shall be exempt from taxable income, to the extent such benefits are included in the federal adjusted gross income pursuant to the provisions of Section 86 of the Internal Revenue Code, 26 U.S.C., Section 86.

11. For taxable years beginning after December 31, 1994, lump-sum distributions from employer plans of deferred compensation, which are not qualified plans within the meaning of Section 401(a) of the Internal Revenue Code, 26 U.S.C., Section 401(a), and which are deposited in and accounted for within a separate bank account or brokerage account in a financial institution within this state, shall be excluded from taxable income in the same manner as a qualifying rollover contribution to an individual retirement account within the meaning of Section 408 of the Internal Revenue Code, 26 U.S.C., Section 408. Amounts withdrawn from such bank or brokerage account, including any earnings thereon, shall be included in taxable income when withdrawn in the same manner as withdrawals from individual retirement accounts within the meaning of Section 408 of the Internal Revenue Code.

12. In taxable years beginning after December 31, 1995, contributions made to and interest received from a medical savings account established pursuant to Sections 2621 through 2623 of Title 63 of the Oklahoma Statutes shall be exempt from taxable income.

13. For taxable years beginning after December 31, 1996, the Oklahoma adjusted gross income of any individual taxpayer who is a swine or poultry producer may be further adjusted for the deduction for depreciation allowed for new construction or expansion costs which may be computed using the same depreciation method elected for federal income tax purposes except that the useful life shall be seven (7) years for purposes of this paragraph. If depreciation is allowed as a deduction in determining the adjusted gross income of an individual, any depreciation calculated and claimed pursuant to this section shall in no event be a duplication of any depreciation allowed or permitted on the federal income tax return of the individual.

14. a. In taxable years beginning after December 31, 2002, nonrecurring adoption expenses paid by a resident individual taxpayer in connection with:

- (1) the adoption of a minor, or
- (2) a proposed adoption of a minor which did not result in a decreed adoption,

may be deducted from the Oklahoma adjusted gross income.

- b. The deductions for adoptions and proposed adoptions authorized by this paragraph shall not exceed Twenty Thousand Dollars (\$20,000.00) per calendar year.
 - c. The Tax Commission shall promulgate rules to implement the provisions of this paragraph which shall contain a specific list of nonrecurring adoption expenses which may be presumed to qualify for the deduction. The Tax Commission shall prescribe necessary requirements for verification.
 - d. "Nonrecurring adoption expenses" means adoption fees, court costs, medical expenses, attorney fees and expenses which are directly related to the legal process of adoption of a child including, but not limited to, costs relating to the adoption study, health and psychological examinations, transportation and reasonable costs of lodging and food for the child or adoptive parents which are incurred to complete the adoption process and are not reimbursed by other sources. The term "nonrecurring adoption expenses" shall not include attorney fees incurred for the purpose of litigating a contested adoption, from and after the point of the initiation of the contest, costs associated with physical remodeling, renovation and alteration of the adoptive parents' home or property, except for a special needs child as authorized by the court.
15. a. In taxable years beginning before January 1, 2005, retirement benefits not to exceed the amounts specified in this paragraph, which are received by an individual sixty-five (65) years of age or older and whose Oklahoma adjusted gross income is Twenty-five Thousand Dollars (\$25,000.00) or less if the filing status is single, head of household, or married filing separate, or Fifty Thousand Dollars (\$50,000.00) or less if the filing status is married filing joint or qualifying widow, shall be exempt from taxable income. In taxable years beginning after December 31, 2004, retirement benefits not to exceed the amounts specified in this paragraph, which are received by an individual whose Oklahoma adjusted gross income is less than the qualifying amount specified in this paragraph, shall be exempt from taxable income.

- b. For purposes of this paragraph, the qualifying amount shall be as follows:
- (1) in taxable years beginning after December 31, 2004, and prior to January 1, 2007, the qualifying amount shall be Thirty-seven Thousand Five Hundred Dollars (\$37,500.00) or less if the filing status is single, head of household, or married filing separate, or Seventy-Five Thousand Dollars (\$75,000.00) or less if the filing status is married filing jointly or qualifying widow,
 - (2) in the taxable year beginning January 1, 2007, the qualifying amount shall be Fifty Thousand Dollars (\$50,000.00) or less if the filing status is single, head of household, or married filing separate, or One Hundred Thousand Dollars (\$100,000.00) or less if the filing status is married filing jointly or qualifying widow,
 - (3) in the taxable year beginning January 1, 2008, the qualifying amount shall be Sixty-two Thousand Five Hundred Dollars (\$62,500.00) or less if the filing status is single, head of household, or married filing separate, or One Hundred Twenty-five Thousand Dollars (\$125,000.00) or less if the filing status is married filing jointly or qualifying widow,
 - (4) in the taxable year beginning January 1, 2009, the qualifying amount shall be One Hundred Thousand Dollars (\$100,000.00) or less if the filing status is single, head of household, or married filing separate, or Two Hundred Thousand Dollars (\$200,000.00) or less if the filing status is married filing jointly or qualifying widow, and
 - (5) in the taxable year beginning January 1, 2010, and subsequent taxable years, there shall be no limitation upon the qualifying amount.

- c. For purposes of this paragraph, "retirement benefits" means the total distributions or withdrawals from the following:
- (1) an employee pension benefit plan which satisfies the requirements of Section 401 of the Internal Revenue Code, 26 U.S.C., Section 401,
 - (2) an eligible deferred compensation plan that satisfies the requirements of Section 457 of the Internal Revenue Code, 26 U.S.C., Section 457,
 - (3) an individual retirement account, annuity or trust or simplified employee pension that satisfies the requirements of Section 408 of the Internal Revenue Code, 26 U.S.C., Section 408,
 - (4) an employee annuity subject to the provisions of Section 403(a) or (b) of the Internal Revenue Code, 26 U.S.C., Section 403(a) or (b),
 - (5) United States Retirement Bonds which satisfy the requirements of Section 86 of the Internal Revenue Code, 26 U.S.C., Section 86, or
 - (6) lump-sum distributions from a retirement plan which satisfies the requirements of Section 402(e) of the Internal Revenue Code, 26 U.S.C., Section 402(e).
- d. The amount of the exemption provided by this paragraph shall be limited to Five Thousand Five Hundred Dollars (\$5,500.00) for the 2004 tax year, Seven Thousand Five Hundred Dollars (\$7,500.00) for the 2005 tax year and Ten Thousand Dollars (\$10,000.00) for the tax year 2006 and for all subsequent tax years. Any individual who claims the exemption provided for in paragraph 9 of this subsection shall not be permitted to claim a combined total exemption pursuant to this paragraph and paragraph 9 of this subsection in an amount exceeding Five Thousand Five Hundred Dollars (\$5,500.00) for the 2004 tax year, Seven Thousand Five Hundred Dollars (\$7,500.00) for the 2005 tax year and Ten Thousand Dollars (\$10,000.00) for the 2006 tax year and all subsequent tax years.

16. In taxable years beginning after December 31, 1999, for an individual engaged in production agriculture who has filed a Schedule F form with the taxpayer's federal income tax return for such taxable year, there shall be excluded from taxable income any amount which was included as federal taxable income or federal adjusted gross income and which consists of the discharge of an obligation by a creditor of the taxpayer incurred to finance the production of agricultural products.

17. In taxable years beginning December 31, 2000, an amount equal to one hundred percent (100%) of the amount of any scholarship or stipend received from participation in the Oklahoma Police Corps Program, as established in Section 2-140.3 of Title 47 of the Oklahoma Statutes shall be exempt from taxable income.

18. a. In taxable years beginning after December 31, 2001, and before January 1, 2005, there shall be allowed a deduction in the amount of contributions to accounts established pursuant to the Oklahoma College Savings Plan Act. The deduction shall equal the amount of contributions to accounts, but in no event shall the deduction for each contributor exceed Two Thousand Five Hundred Dollars (\$2,500.00) each taxable year for each account.
- b. In taxable years beginning after December 31, 2004, each taxpayer shall be allowed a deduction for contributions to accounts established pursuant to the Oklahoma College Savings Plan Act. The maximum annual deduction shall equal the amount of contributions to all such accounts plus any contributions to such accounts by the taxpayer for prior taxable years after December 31, 2004, which were not deducted, but in no event shall the deduction for each tax year exceed Ten Thousand Dollars (\$10,000.00) for each individual taxpayer or Twenty Thousand Dollars (\$20,000.00) for taxpayers filing a joint return. Any amount of a contribution that is not deducted by the taxpayer in the year for which the contribution is made may be carried forward as a deduction from income for the succeeding five (5) years. For taxable years beginning after December 31, 2005, deductions may be taken for contributions and rollovers made during a taxable year and up to April 15 of the succeeding

year, or the due date of a taxpayer's state income tax return, excluding extensions, whichever is later. Provided, a deduction for the same contribution may not be taken for two (2) different taxable years.

19. For taxable years beginning after December 31, 2005, retirement benefits received by an individual from any component of the Armed Forces of the United States in an amount not to exceed the greater of seventy-five percent (75%) of such benefits or Ten Thousand Dollars (\$10,000.00) shall be exempt from taxable income but in no case less than the amount of the exemption provided by paragraph 15 of this subsection.

20. For taxable years beginning after December 31, 2006, retirement benefits received by federal civil service retirees, including survivor annuities, paid in lieu of Social Security benefits shall be exempt from taxable income to the extent such benefits are included in the federal adjusted gross income pursuant to the provisions of Section 86 of the Internal Revenue Code, 26 U.S.C., Section 86, according to the following schedule:

- a. in the taxable year beginning January 1, 2007, twenty percent (20%) of such benefits shall be exempt,
- b. in the taxable year beginning January 1, 2008, forty percent (40%) of such benefits shall be exempt,
- c. in the taxable year beginning January 1, 2009, sixty percent (60%) of such benefits shall be exempt,
- d. in the taxable year beginning January 1, 2010, eighty percent (80%) of such benefits shall be exempt, and
- e. in the taxable year beginning January 1, 2011, and subsequent taxable years, one hundred percent (100%) of such benefits shall be exempt.

F. 1. For taxable years beginning after December 31, 2004, a deduction from the Oklahoma adjusted gross income of any individual taxpayer shall be allowed for qualifying gains receiving capital treatment that are included in the federal adjusted gross income of such individual taxpayer during the taxable year.

2. As used in this subsection:

- a. "qualifying gains receiving capital treatment" means the amount of net capital gains, as defined in Section 1222(11) of the Internal Revenue Code, included in an individual taxpayer's federal income tax return that result from:
- (1) the sale of real or tangible personal property located within Oklahoma that has been directly or indirectly owned by the individual taxpayer for a holding period of at least five (5) years prior to the date of the transaction from which such net capital gains arise, or
 - (2) the sale of stock or the sale of a direct or indirect ownership interest in an Oklahoma company, limited liability company, or partnership where such stock or ownership interest has been directly or indirectly owned by the individual taxpayer for a holding period of at least ~~three (3)~~ two (2) years prior to the date of the transaction from which the net capital gains arise,
- b. "holding period" means an uninterrupted period of time,
- c. "Oklahoma company," "limited liability company," or "partnership" means an entity whose primary headquarters have been located in Oklahoma for at least three (3) uninterrupted years prior to the date of the transaction from which the net capital gains arise,
- d. "direct" means the individual taxpayer directly owns the asset, and
- e. "indirect" means the individual taxpayer owns an interest in a pass-through entity (or chain of pass-through entities) that sells the asset that gives rise to the qualifying gains receiving capital treatment.
- (1) With respect to sales of real or personal property located within Oklahoma, the deduction described in this subsection shall not apply unless the pass-through entity that makes the

sale has held the property for not less than five (5) uninterrupted years prior to the date of the transaction that created the capital gain, and each pass-through entity included in the chain of ownership has been a member, partner, or shareholder of the pass-through entity in the tier immediately below it for an uninterrupted period of not less than five (5) years.

- (2) With respect to sales of stock or ownership interest in an Oklahoma company, limited liability company, or partnership, the deduction described in this subsection shall not apply unless the pass-through entity that makes the sale has held the stock or ownership interest for not less than ~~three (3)~~ two (2) uninterrupted years prior to the date of the transaction that created the capital gain, and each pass-through entity included in the chain of ownership has been a member, partner or shareholder of the pass-through entity in the tier immediately below it for an uninterrupted period of not less than ~~three (3)~~ two (2) years. For purposes of this division, uninterrupted ownership prior to the effective date of this act shall be included in the determination of the required holding period prescribed by this division.

SECTION 58. REPEALER 68 O.S. 2001, Section 2358, as last amended by Section 1, Chapter 178, O.S.L. 2006 (68 O.S. Supp. 2006, Section 2358), is hereby repealed.

SECTION 59. REPEALER 68 O.S. 2001, Section 2358, as last amended by Section 17, Chapter 272, O.S.L. 2006 (68 O.S. Supp. 2006, Section 2358), is hereby repealed.

SECTION 60. REPEALER 68 O.S. 2001, Section 2358, as last amended by Section 5, Chapter 42, 2nd Extraordinary Session, O.S.L. 2006 (68 O.S. Supp. 2006, Section 2358), is hereby repealed.

SECTION 61. AMENDATORY 68 O.S. 2001, Section 3603, as last amended by Section 31, Chapter 281, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3603), is amended to read as follows:

Section 3603. A. As used in Section 3601 et seq. of this title:

1. a. "Basic industry" means:

- (1) those manufacturing activities defined or classified in the NAICS Manual under Industry Sector Nos. 31, 32 and 33, Industry Group No. 5111 or Industry No. 11331,
- (2) those electric power generation, transmission and distribution activities defined or classified in the NAICS Manual under U.S. Industry Nos. 221111 through 221122, if:
 - (a) an establishment engaged therein qualifies as an exempt wholesale generator as defined by 15 U.S.C., Section 79z-5a,
 - (b) the exempt wholesale generator facility consumes from sources located within the state at least ninety percent (90%) of the total energy used to produce the electrical output which qualifies for the specialized treatment provided by the Energy Policy Act of 1992, P.L. 102-486, 106 Stat. 2776, as amended, and federal regulations adopted pursuant thereto,
 - (c) the exempt wholesale generator facility sells to purchasers located outside the state for consumption in activities located outside the state at least ninety percent (90%) of the total electrical energy output which qualifies for the specialized treatment provided by the Energy Policy Act of 1992, P.L. 102-486, 106 Stat. 2776, as amended, and federal regulations adopted pursuant thereto, and
 - (d) the facility is constructed on or after July 1, 1996,
- (3) those administrative and facilities support service activities defined or classified in the

NAICS Manual under Industry Group Nos. 5611 and 5612, Industry Nos. 51821, 518112, 52232, 56142 and 54191 or U.S. Industry Nos. 524291 and 551114,

- (4) those professional, scientific and technical service activities defined or classified in the NAICS Manual under U.S. Industry Nos. 541710 and 541380,
- (5) distribution centers for retail or wholesale businesses defined or classified in the NAICS Manual under Sector No. 42, if forty percent (40%) or more of the inventory processed through such warehouse is shipped out-of-state,
- (6) those adjustment and collection service activities defined or classified in the NAICS Manual under U.S. Industry No. 561440, if seventy-five percent (75%) of the loans to be serviced were made by out-of-state debtors,
- (7) (a) those air transportation activities defined or classified in the NAICS Manual under Industry Group No. 4811, if the following facilities are located in this state:
 - (i) the corporate headquarters of an establishment classified therein, and
 - (ii) a facility or facilities at which reservations for transportation provided by such an establishment are processed, whether such services are performed by employees of the establishment, by employees of a subsidiary of or other entity affiliated with the establishment or by employees of an entity with whom the establishment has contracted for the performance of such services; provided, this provision shall not disqualify an establishment which uses an out-of-state entity or employees for some reservations services, or

- (b) those air transportation activities defined or classified in the NAICS Manual under Industry Group No. 4811, if an establishment classified therein has or will have within one (1) year sales of at least seventy-five percent (75%) of its total sales, as determined by the Incentive Approval Committee pursuant to the provisions of subsection B of this section, to out-of-state customers or buyers, to in-state customers or buyers if the product or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to the federal government,
- (8) flight training services activities defined or classified in the NAICS Manual under U.S. Industry Group No. 611512, which for purposes of this act shall include new direct jobs for which gross payroll existed on or after January 1, 2003, as identified in the NAICS Manual,
- (9) the following, if an establishment classified therein has or will have within one (1) year sales of at least seventy-five percent (75%) of its total sales, as determined by the Incentive Approval Committee pursuant to the provisions of subsection B of this section, to out-of-state customers or buyers, to in-state customers or buyers if the product or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to the federal government:
 - (a) those transportation and warehousing activities defined or classified in the NAICS Manual under Industry Subsector No. 493, if not otherwise listed in this paragraph, Industry Subsector No. 484 and Industry Group Nos. 4884 through 4889,
 - (b) those passenger transportation activities defined or classified in the NAICS Manual under Industry Nos. 561510, 561520 and 561599,

- (c) those freight or cargo transportation activities defined or classified in the NAICS Manual under Industry No. 541614,
- (d) those insurance activities defined or classified in the NAICS Manual under Industry Group No. 5241,
- (e) those mailing, reproduction, commercial art and photography and stenographic service activities defined or classified in the NAICS Manual under U.S. Industry Nos. 541430, 541860, 541922, 561439 and 561492,
- (f) those services to dwellings and other buildings, as defined or classified in the NAICS Manual under Industry Group No. 5617, excluding U.S. Industry No. 561730,
- (g) those equipment rental and leasing activities defined or classified in the NAICS Manual under Industry Group Nos. 5323 and 5324,
- (h) those employment services defined or classified in the NAICS Manual under Industry Group No. 5613,
- (i) those information technology and other computer-related service activities defined or classified in the NAICS Manual under Industry Group Nos. 5112, 5182, 5191 and 5415,
- (j) those business support service activities defined or classified in the NAICS Manual under U.S. Industry Nos. 561410 through 561439, Industry Group No. 5616 and Industry No. 51911,
- (k) those medical and diagnostic laboratory activities defined or classified in the NAICS Manual under Industry Group No. 6215,

- (l) those professional, scientific and technical service activities defined or classified in the NAICS Manual under Industry Group Nos. 5412, 5414, 5415, 5416 and 5417, Industry Nos. 54131, 54133, 54136, 54137 and 54182, and U.S. Industry No. 541990, if not otherwise listed in this paragraph,
 - (m) those communication service activities defined or classified in the NAICS Manual under Industry Nos. 51741 and 51791,
 - (n) those refuse systems activities defined or classified in the NAICS Manual under Industry Group No. 5622, provided that the establishment is primarily engaged in the capture and distribution of methane gas produced within a landfill,
 - (o) general wholesale distribution of groceries, defined or classified in the NAICS Manual under Industry Group Nos. 4244 and 4245,
 - (p) those activities relating to processing of insurance claims, defined or classified in the NAICS Manual under U.S. Industry Nos. 524210 and 524292; provided, activities described in U.S. Industry Nos. 524210 and 524292 in the NAICS Manual other than processing of insurance claims shall not be included for purposes of this subdivision, and
 - (q) those agricultural activities classified in the NAICS Manual under U.S. Industry Nos. 112120 and 112310;
- ~~+9)~~ (10) those activities related to extraction of crude petroleum and natural gas defined or classified in the NAICS Manual under Industry Group No. 2111, subject to the limitations provided in paragraph 2 of this subsection and paragraph 3 of subsection B of this section, or

~~(10)~~ (11) those activities performed by the federal civilian workforce at a facility of the Federal Aviation Administration located in this state if the Director of the Department of Commerce determines or is notified that the federal government is soliciting proposals or otherwise inviting states to compete for additional federal civilian employment or expansion of federal civilian employment at such facilities.

b. An establishment described in subparagraph a of this paragraph shall not be considered to be engaged in a basic industry unless it offers, or will offer within one hundred eighty (180) days of employment, a basic health benefits plan to the individuals it employs in new direct jobs in this state which is determined by the Oklahoma Department of Commerce to consist of the following elements or elements substantially equivalent thereto:

- (1) not more than fifty percent (50%) of the premium shall be paid by the employee,
- (2) coverage for basic hospital care,
- (3) coverage for physician care,
- (4) coverage for mental health care,
- (5) coverage for substance abuse treatment,
- (6) coverage for prescription drugs, and
- (7) coverage for prenatal care;

2. "Change in control event" means the transfer to one or more unrelated establishments or unrelated persons, of either:

- a. beneficial ownership of more than fifty percent (50%) in value and more than fifty percent (50%) in voting power of the outstanding equity securities of the transferred establishment, or
- b. more than fifty percent (50%) in value of the assets of an establishment.

A transferor shall be treated as related to a transferee if more than fifty percent (50%) of the voting interests of the transferor and transferee are owned, directly or indirectly, by the other or are owned, directly or indirectly, by the same person or persons, unless such transferred establishment has an outstanding class of equity securities registered under Sections 12(b) or 15(d) of the Securities Exchange Act of 1934, as amended, in which event the transferor and transferee will be treated as unrelated; provided, an establishment applying for the Oklahoma Quality Jobs Program Act as a result of a change of control event is required to apply within one hundred eighty (180) days of the change in control event to qualify for consideration. An establishment entering the Oklahoma Quality Jobs Program Act as the result of a change of control event shall be required to maintain a level of new direct jobs as agreed to in its contract with the Department of Commerce and to pay new direct jobs an average annualized wage which equals or exceeds one hundred twenty-five percent (125%) of the average county wage as that percentage is determined by the Oklahoma State Data Center based upon the most recent U.S. Department of Commerce data for the county in which the new jobs are located. For purposes of this paragraph, healthcare premiums paid by the applicant for individuals in new direct jobs shall not be included in the annualized wage. Such establishment entering the Quality Jobs Program Act as the result of a change of control event shall be required to retain the contracted average annualized wage and maintain the contracted maintenance level of new direct jobs numbers as certified by the Oklahoma Tax Commission. If the required average annualized wage or the required new direct jobs numbers do not equal or exceed such contracted level during any quarter, the quarterly incentive payments shall not be made and shall not be resumed until such time as such requirements are met. An establishment described in this paragraph shall be required to repay all incentive payments received under the Quality Jobs Program Act if the establishment is determined by the Oklahoma Tax Commission to no longer have business operations in the state within three (3) years from the beginning of the calendar quarter for which the first incentive payment claim is filed.

3. "New direct job":

- a. means full-time-equivalent employment in this state in an establishment which has qualified to receive an incentive payment pursuant to the provisions of Section 3601 et seq. of this title which employment

did not exist in this state prior to the date of approval by the Department of the application of the establishment pursuant to the provisions of Section 3604 of this title; provided, that if an application of an establishment is approved by the Department of Commerce after a change in control event and the Director of the Department of Commerce determines that the jobs located at such establishment are likely to leave the state, "new direct job" shall include employment that existed in this state prior to the date of application which is retained in this state by the new establishment following a change in control event, if such job otherwise qualifies as a new direct job, and

- b. shall include full-time-equivalent employment in this state of employees who are employed by an employment agency or similar entity other than the establishment which has qualified to receive an incentive payment and who are leased or otherwise provided under contract to the qualified establishment, if such job did not exist in this state prior to the date of approval by the Department of the application of the establishment or the job otherwise qualifies as a new direct job following a change in control event. A job shall be deemed to exist in this state prior to approval of an application if the activities and functions for which the particular job exists have been ongoing at any time within six (6) months prior to such approval. With respect to establishments defined in division (10) of subparagraph a of paragraph 1 of this subsection, new direct jobs shall be limited to those jobs directly comprising the corporate headquarters of or directly relating to administrative, financial, engineering, surveying, geological or geophysical services performed by the establishment. Under no circumstances shall employment relating to drilling or field services be considered new direct jobs;

4. "Estimated direct state benefits" means the tax revenues projected by the Department to accrue to the state as a result of new direct jobs;

5. "Estimated direct state costs" means the costs projected by the Department to accrue to the state as a result of new direct jobs. Such costs shall include, but not be limited to:

- a. the costs of education of new state resident children,
- b. the costs of public health, public safety and transportation services to be provided to new state residents,
- c. the costs of other state services to be provided to new state residents, and
- d. the costs of other state services;

6. "Estimated net direct state benefits" means the estimated direct state benefits less the estimated direct state costs;

7. "Net benefit rate" means the estimated net direct state benefits computed as a percentage of gross payroll; provided:

- a. except as otherwise provided in this paragraph, the net benefit rate may be variable and shall not exceed five percent (5%),
- b. the net benefit rate shall not exceed six percent (6%) in connection with an establishment which is owned and operated by an entity which has been awarded a United States Department of Defense contract for which:
 - (1) bids were solicited and accepted by the United States Department of Defense from facilities located outside this state,
 - (2) the term is or is renewable for not less than twenty (20) years, and
 - (3) the average annual salary, excluding benefits which are not subject to Oklahoma income taxes, for new direct jobs created as a direct result of the awarding of the contract is projected by the Department of Commerce to equal or exceed Forty Thousand Dollars (\$40,000.00) within three (3) years of the date of the first incentive payment,

- c. except as otherwise provided in subparagraph d of this paragraph, in no event shall incentive payments, cumulatively, exceed the estimated net direct state benefits,
- d. the net benefit rate shall be five percent (5%) for an establishment locating:
 - (1) in an opportunity zone located in a high-employment county, as such terms are defined in subsection G of Section 3604 of this title, or
 - (2) in a county in which:
 - (a) the per capita personal income, as determined by the Department, is eighty-five percent (85%) or less of the statewide average per capita personal income,
 - (b) the population has decreased over the previous ten (10) years, as determined by the State Data Center based on the most recent U.S. Department of Commerce data, or
 - (c) the unemployment rate exceeds the lesser of five percent (5%) or two percentage points above the state average unemployment rate as certified by the Oklahoma Employment Security Commission, and
- e. the net benefit rate shall not exceed six percent (6%) in connection with an establishment which:
 - (1) is, as of the date of application, receiving incentive payments pursuant to the Oklahoma Quality Jobs Program Act and has been receiving such payments for at least one (1) year prior to the date of application, and
 - (2) expands its operations in this state by creating additional new direct jobs which pay average annualized wages which equal or exceed one hundred fifty percent (150%) of the average annualized wages of new direct jobs on which

incentive payments were received during the preceding calendar year.

Incentive payments made pursuant to the provisions of this subparagraph shall be based upon payroll associated with such new direct jobs. For purposes of this subparagraph, the amount of health insurance premiums or other benefits paid by the establishment shall not be included for purposes of computation of the average annualized wage;

8. "Gross payroll" means wages, as defined in Section 2385.1 of this title for new direct jobs;

9. a. "Establishment" means any business or governmental entity, no matter what legal form, including, but not limited to, a sole proprietorship; partnership; limited liability company; corporation or combination of corporations which have a central parent corporation which makes corporate management decisions such as those involving consolidation, acquisition, merger or expansion; federal agency; political subdivision of the State of Oklahoma; or trust authority; provided, distinct, identifiable subunits of such entities may be determined to be an establishment, for all purposes of Section 3601 et seq. of this title, by the Department subject to the following conditions:

- (1) the entity must have a minimum payroll of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) and the subunit must also have or will have a minimum payroll of Two Million Five Hundred Thousand Dollars (\$2,500,000.00),
- (2) the subunit is engaged in an activity or service or produces a product which is demonstratively independent and separate from the entity's other activities, services or products and could be conducted or produced in the absence of any other activity, service or production of the entity,
- (3) has an accounting system capable of tracking or facilitating an audit of the subunit's payroll, expenses, revenue and production. Limited interunit overlap of administrative and

purchasing functions shall not disqualify a subunit from consideration as an establishment by the Department,

- (4) the entity has not previously had a subunit determined to be an establishment pursuant to this section; provided, the restriction set forth in this division shall not apply to subunits which qualify pursuant to the provisions of subparagraph b of paragraph 6 of this subsection, and
- (5) it is determined by the Department that the entity will have a probable net gain in total employment within the incentive period.

- b. The Department may promulgate rules to further limit the circumstances under which a subunit may be considered an establishment. The Department shall promulgate rules to determine whether a subunit of an entity achieves a net gain in total employment. The Department shall establish criteria for determining the period of time within which such gain must be demonstrated and a method for determining net gain in total employment;

10. "NAICS Manual" means any manual, book or other publication containing the North American Industry Classification System, United States, 1997, promulgated by the Office of Management and Budget of the United States of America, or the latest revised edition;

11. "SIC Manual" means the 1987 revision to the Standard Industrial Classification Manual, promulgated by the Office of Management and Budget of the United States of America;

12. "Start date" means the date on which an establishment may begin accruing benefits for the creation of new direct jobs, which date shall be determined by the Department; and

13. "Effective date" means the date of approval of a contract under which incentive payments will be made pursuant to the Oklahoma Quality Jobs Program Act, which shall be the date the signed and accepted incentive contract is received by the Department; provided, an approved project may have a start date which is different from the effective date.

B. The Incentive Approval Committee is hereby created and shall consist of the Director of State Finance, the Director of the Department and one member of the Oklahoma Tax Commission appointed by the Tax Commission, or a designee from each agency approved by such member. It shall be the duty of the Committee to determine:

1. Upon initial application on a form approved by the Committee, if an establishment is engaged in a basic industry as defined in subdivision (b) of division (7) or in subdivisions (a) through (p) of division ~~(8)~~ (9) of subparagraph a of paragraph 1 of subsection A of this section or as otherwise provided by subsection C of this section;

2. If an establishment would have been defined as a "basic industry" prior to the amendments to this section to convert from SIC Codes to NAICS Codes. If the Committee so determines, the establishment shall be considered as a "basic industry" for purposes of the Oklahoma Quality Jobs Program Act; and

3. If employees of an establishment as defined in division ~~(9)~~ (10) of subparagraph a of paragraph 1 of subsection A of this section meet the requirements to be considered employed in new direct jobs as specified in paragraph 2 of subsection A of this section.

C. For an establishment defined as a "basic industry" pursuant to division (4) of subparagraph a of paragraph 1 of subsection A of this section, the Incentive Approval Committee shall consist of the members provided by subsection B of this section and the Executive Director of the Oklahoma Center for the Advancement of Science and Technology, or a designee from the Center appointed by the Executive Director.

SECTION 62. REPEALER 68 O.S. 2001, Section 3603, as last amended by Section 74, Chapter 16, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3603), is hereby repealed.

SECTION 63. AMENDATORY 68 O.S. 2001, Section 3604, as last amended by Section 1, Chapter 282, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3604), is amended to read as follows:

Section 3604. A. Except as otherwise provided in subsection I of this section, an establishment which meets the qualifications specified in the Oklahoma Quality Jobs Program Act may receive

quarterly incentive payments for a ten-year period from the Oklahoma Tax Commission pursuant to the provisions of the Oklahoma Quality Jobs Program Act in an amount which shall be equal to the net benefit rate multiplied by the actual gross payroll of new direct jobs for a calendar quarter as verified by the Oklahoma Employment Security Commission.

B. In order to receive incentive payments, an establishment shall apply to the Oklahoma Department of Commerce. The application shall be on a form prescribed by the Department and shall contain such information as may be required by the Department to determine if the applicant is qualified. An establishment may apply for an effective date for a project, which shall not be more than twenty-four (24) months from the date the application is submitted to the Department.

C. Except as otherwise provided by subsection D or E of this section, in order to qualify to receive such payments, the establishment applying shall be required to:

1. Be engaged in a basic industry;
2. Have an annual gross payroll for new direct jobs projected by the Department to equal or exceed Two Million Five Hundred Thousand Dollars (\$2,500,000.00) within three (3) years of the start date; and
3. Have a number of full-time-equivalent employees residing in this state and working an annual average of ~~twenty-five (25)~~ thirty (30) or more hours per week in new direct jobs equal to or in excess of eighty percent (80%) of the total number of new direct jobs.

D. In order to qualify to receive incentive payments as authorized by the Oklahoma Quality Jobs Program Act, an establishment engaged in an activity described under:

1. Industry Group Nos. 3111 through 3119 of the NAICS Manual shall be required to:
 - a. have an annual gross payroll for new direct jobs projected by the Department to equal or exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00) within three (3) years of the start date and make, or which will make within one (1) year, at least seventy-five percent (75%) of its total sales, as determined

by the Incentive Approval Committee pursuant to the provisions of subsection B of Section 3603 of this title, to out-of-state customers or buyers, to in-state customers or buyers if the product or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to the federal government, unless the annual gross payroll equals or exceeds Two Million Five Hundred Thousand Dollars (\$2,500,000.00) in which case the requirements for purchase of output provided by this subparagraph shall not apply, and

- b. have a number of full-time-equivalent employees working an average of twenty-five (25) or more hours per week in new direct jobs equal to or in excess of eighty percent (80%) of the total number of new direct jobs; and

2. Division (4) of subparagraph a of paragraph 1 of subsection A of Section 3603 of this title, shall be required to:

- a. have an annual gross payroll for new direct jobs projected by the Department to equal or exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00) within three (3) years of the start date, and
- b. have a number of full-time-equivalent employees working an average of twenty-five (25) or more hours per week in new direct jobs equal to or in excess of eighty percent (80%) of the total number of new direct jobs.

E. 1. An establishment which locates its principal business activity within a site consisting of at least ten (10) acres which:

- a. is a federal Superfund removal site,
- b. is listed on the National Priorities List established under Section 9605 of Title 42 of the United States Code,
- c. has been formally deferred to the state in lieu of listing on the National Priorities List, or
- d. has been determined by the Department of Environmental Quality to be contaminated by any substance regulated

by a federal or state statute governing environmental conditions for real property pursuant to an order of the Department of Environmental Quality,

shall qualify for incentive payments irrespective of its actual gross payroll or the number of full-time-equivalent employees engaged in new direct jobs.

2. In order to qualify for the incentive payments pursuant to this subsection, the establishment shall conduct the activity resulting in at least fifty percent (50%) of its Oklahoma taxable income or adjusted gross income, as determined under Section 2358 of this title, whether from the sale of products or services or both products and services, at the physical location which has been determined not to comply with the federal or state statutes described in this subsection with respect to environmental conditions for real property. The establishment shall be subject to all other requirements of the Oklahoma Quality Jobs Program Act other than the exemptions provided by this subsection.

3. In order to qualify for the incentive payments pursuant to this subsection, the entity shall obtain from the Department of Environmental Quality a letter of concurrence that:

- a. the site designated by the entity does meet one or more of the requirements listed in paragraph 1 of this subsection, and
- b. the site is being or has been remediated to a level which is consistent with the intended use of the property.

In making its determination, the Department of Environmental Quality may rely on existing data and information available to it, but may also require the applying entity to provide additional data and information as necessary.

4. If authorized by the Department of Environmental Quality pursuant to paragraph 3 of this subsection, the entity may utilize a remediated portion of the property for its intended purpose prior to remediation of the remainder of the site, and shall qualify for incentive payments based on employment associated with the portion of the site.

F. Except as otherwise provided by subsection G of this section, for applications submitted on and after the effective date of this act, in order to qualify to receive incentive payments as authorized by the Oklahoma Quality Jobs Program Act, in addition to other qualifications specified herein, an establishment shall be required to pay new direct jobs an average annualized wage which equals or exceeds:

1. One hundred ten percent (110%) of the average county wage as determined by the Oklahoma State Data Center based on the most recent U.S. Department of Commerce data for the county in which the new direct jobs are located. For purposes of this paragraph, ~~healthcare~~ health care premiums paid by the applicant for individuals in new direct jobs shall be included in the annualized wage; or

2. One hundred percent (100%) of the average county wage as that percentage is determined by the Oklahoma State Data Center based upon the most recent U.S. Department of Commerce data for the county in which the new jobs are located. For purposes of this paragraph, ~~healthcare~~ health care premiums paid by the applicant for individuals in new direct jobs shall not be included in the annualized wage.

Provided, no average wage requirement shall exceed Twenty-five Thousand Dollars (\$25,000.00), in any county. This maximum wage threshold shall be indexed and modified from time to time based on the latest Consumer Price Index year-to-date percent change release as of the date of the annual average county wage data release from the Bureau of Economic Analysis of the U.S. Department of Commerce.

G. 1. As used in this subsection, "opportunity zone" means one or more census tracts in which, according to the most recent federal decennial census, at least thirty percent (30%) of the residents have annual gross household incomes from all sources below the poverty guidelines established by the U.S. Department of Health and Human Services. An establishment which is otherwise qualified to receive incentive payments and which locates its principal business activity in an opportunity zone shall not be subject to the requirements of subsection F of this section.

2. As used in this subsection:

a. "negative economic event" means:

- (1) a man-made disaster or natural disaster as defined in Section 683.3 of Title 63 of the Oklahoma Statutes, resulting in the loss of a significant number of jobs within a particular county of this state, or
 - (2) an economic circumstance in which a significant number of jobs within a particular county of this state have been lost due to an establishment changing its structure, consolidating with another establishment, closing or moving all or part of its operations out of this state, and
- b. "significant number of jobs" means full-time-equivalent employment in a county equal to or in excess of three percent (3%) of the total amount of full-time-equivalent employment in that county for the calendar year, or most recent twelve-month period in which employment is measured, preceding the event.

An establishment which is otherwise qualified to receive incentive payments and which locates in a county in which a negative economic event has occurred within the eighteen-month period preceding the start date shall not be subject to the requirements of subsection F of this section; provided, an establishment shall not be eligible to receive incentive payments based upon a negative economic event with respect to jobs that are transferred from one county of this state to another.

H. The Department shall determine if the applicant is qualified to receive incentive payments.

I. If the applicant is determined to be qualified by the Department and is not subject to the provisions of subparagraph d of paragraph 6 of subsection A of Section 3603 of this title, the Department shall conduct a cost/benefit analysis to determine the estimated net direct state benefits and the net benefit rate applicable for a ten-year period and to estimate the amount of gross payroll for a ten-year period. In conducting such cost/benefit analysis, the Department shall consider quantitative factors, such as the anticipated level of new tax revenues to the state along with the added cost to the state of providing services, and such other criteria as deemed appropriate by the Department. In no event shall incentive payments, cumulatively, exceed the estimated net direct state benefits, except for applicants subject to the provisions of

subparagraph d of paragraph 6 of subsection A of Section 3603 of this title.

J. Upon approval of such an application, the Department shall notify the Tax Commission and shall provide it with a copy of the application and the results of the cost/benefit analysis. The Tax Commission may require the qualified establishment to submit such additional information as may be necessary to administer the provisions of the Oklahoma Quality Jobs Program Act. The approved establishment shall report to the Tax Commission periodically to show its continued eligibility for incentive payments, as provided in Section 3606 of this title. The establishment may be audited by the Tax Commission to verify such eligibility. Once the establishment is approved, an agreement shall be deemed to exist between the establishment and the State of Oklahoma, requiring the continued incentive payment to be made as long as the establishment retains its eligibility as defined in and established pursuant to this section and Sections 3603 and 3606 of this title and within the limitations contained in the Oklahoma Quality Jobs Program Act, which existed at the time of such approval.

K. A municipality with a population of less than one hundred thousand (100,000) persons in which an establishment eligible to receive quarterly incentive payments pursuant to the provisions of this section is located may file a claim with the Tax Commission for up to twenty-five percent (25%) of the amount of such payment. The amount of such claim shall not exceed amounts paid by the municipality for direct costs of municipal infrastructure improvements to provide water and sewer service to the establishment. Such claim shall not be approved by the Tax Commission unless the municipality and the establishment have entered into a written agreement for such claims to be filed by the municipality prior to submission of the application of the establishment pursuant to the provisions of this section. If such claim is approved, the amount of the payment to the establishment made pursuant to the provisions of Section 3606 of this title shall be reduced by the amount of the approved claim by the municipality and the Tax Commission shall issue a warrant to the municipality in the amount of the approved claim in the same manner as warrants are issued to qualifying establishments.

SECTION 64. REPEALER 68 O.S. 2001, Section 3604, as last amended by Section 32, Chapter 281, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3604), is hereby repealed.

SECTION 65. AMENDATORY 68 O.S. 2001, Section 3606, as last amended by Section 2, Chapter 282, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3606), is amended to read as follows:

Section 3606. A. As soon as practicable after the end of a calendar quarter for which an establishment has qualified to receive an incentive payment, the establishment shall file a claim for the payment with the Oklahoma Tax Commission and shall specify the actual number and gross payroll of new direct jobs for the establishment for the calendar quarter; provided, in no event shall the first claim for incentive payments be filed later than three (3) years from the start date designated by the Oklahoma Department of Commerce. The Tax Commission shall verify the actual gross payroll for new direct jobs for the establishment for such calendar quarter. If the Tax Commission is not able to provide such verification utilizing all available resources, the Tax Commission may request such additional information from the establishment as may be necessary or may request the establishment to revise its claim.

B. If the actual verified gross payroll for four (4) consecutive calendar quarters does not equal or exceed the applicable total required by Section 3604 of this title within three (3) years of the start date, or does not equal or exceed the applicable total required by Section 3604 of this title at any other time during the ten-year period after the start date, the incentive payments shall not be made and shall not be resumed until such time as the actual verified gross payroll equals or exceeds the amounts specified in Section 3604 of this title.

C. ~~If the average annualized wage required for an establishment locating its principal business activity in a municipality with a population which exceeds sixty thousand (60,000) persons located within a metropolitan statistical area with a population which exceeds seven hundred thousand (700,000) persons, as determined by the Oklahoma State Data Center based on the most recent U.S. Department of Commerce data, the principal seat of government of which is located in a high-employment county subject to the provisions of subsection F of Section 3604 of this title, does not equal or exceed the amount specified in paragraph 1 or 2 of subsection F of Section 3604 of this title within three (3) years of the date of the first incentive payment during any calendar quarter,~~ the incentive payments shall not be made and shall not be resumed until such time as such requirements are met.

D. In no event shall incentive payments, cumulatively, exceed the estimated net direct state benefits, except for establishments subject to the provisions of subparagraph d of paragraph 6 of subsection A of Section 3603 of this title.

E. An establishment that has qualified pursuant to Section 3604 of this title may receive payments only in accordance with the provisions of the law under which it initially applied and was approved. If an establishment that is receiving incentive payments expands, it may apply for additional incentive payments based on the gross payroll anticipated from the expansion only, pursuant to Section 3604 of this title. Provided, an establishment which has suffered an extraordinary adverse business circumstance, as certified by the Incentive Review Committee, may be allowed to voluntarily withdraw from the Oklahoma Quality Jobs Program, repay to the Oklahoma Tax Commission the total amount of incentive payments received pursuant to the provisions of this section, plus interest at the rate specified in Section 727.1 of Title 12 of the Oklahoma Statutes, and reapply to the Department for a new incentive contract if the establishment qualifies pursuant to the provisions of the Oklahoma Quality Jobs Program Act. Any funds received by the Tax Commission pursuant to the provisions of this subsection shall be apportioned in the manner that income tax revenues are apportioned.

F. An establishment that is receiving incentive payments may not apply for additional incentive payments for any new projects until twelve (12) quarters after receipt of the first incentive payment, or until the establishment's actual verified gross payroll for new direct jobs equals or exceeds Two Million Five Hundred Thousand Dollars (\$2,500,000.00) during any four consecutive-calendar-quarter period, whichever comes first. After meeting the requirements of this subsection, an establishment may apply for additional incentive payments based upon the gross payroll anticipated from an expansion only.

G. As soon as practicable after verification of the actual gross payroll as required by this section and except as otherwise provided by subsection L of Section 3604 of this title, the Tax Commission shall issue a warrant to the establishment in the amount of the net benefit rate multiplied by the actual gross payroll as determined pursuant to subsection A of this section for the calendar quarter.

SECTION 66. REPEALER 68 O.S. 2001, Section 3606, as last amended by Section 33, Chapter 281, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3606), is hereby repealed.

SECTION 67. AMENDATORY 68 O.S. 2001, Section 3904, as last amended by Section 1, Chapter 256, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3904), is amended to read as follows:

Section 3904. A. An establishment which meets the qualifications specified in the Small Employer Quality Jobs Incentive Act may receive quarterly incentive payments for a seven-year period from the Oklahoma Tax Commission pursuant to the provisions of the Small Employer Quality Jobs Incentive Act in an amount equal to the net benefit rate multiplied by the actual gross taxable payroll of new direct jobs as verified by the Tax Commission.

B. In order to receive incentive payments, an establishment shall apply to the Oklahoma Department of Commerce. The application shall be on a form prescribed by the Department and shall contain such information as may be required by the Department to determine if the applicant is qualified. The establishment may apply for ~~payments to begin on a date certain specified in the application~~ an effective date for a project, which shall not be more than ~~twenty-four (24)~~ twelve (12) months from the date the application is submitted to the Department.

C. Before approving an application for incentive payments, the Department must first determine that the applicant meets the following requirements:

1. Be engaged in a basic industry;
2. Has no more than ninety full-time employees in this state on the date of application nor an average of more than ninety full-time employees in this state during the four calendar quarters immediately preceding the date of application;
3. Has a projected minimum employment, as determined by the Department, of new direct jobs within twelve (12) months of the date of application as follows:
 - a. if the establishment is located in a municipality with a population less than three thousand five hundred (3,500) persons, as determined by the Oklahoma State

Data Center based on the most recent U.S. Department of Commerce data, or if the establishment is located in an unincorporated area and the largest municipality within twenty (20) miles of the establishment is such a municipality, five new direct jobs,

- b. if the establishment is located in a municipality with a population of three thousand five hundred (3,500) persons or more but less than seven thousand (7,000) persons, as determined by the Oklahoma State Data Center based on the most recent U.S. Department of Commerce data, or if the establishment is located in an unincorporated area and the largest municipality within twenty (20) miles of the establishment is such a municipality, ten new direct jobs, and
- c. if the establishment is located in a municipality with a population of seven thousand (7,000) persons or more, as determined by the Oklahoma State Data Center based on the most recent U.S. Department of Commerce data, or if the establishment is located in an unincorporated area and the largest municipality within twenty (20) miles of the establishment is such a municipality, fifteen new direct jobs.

Provided, for an establishment engaged in software publishing as defined or classified in the NAICS Manual under Industry Group No. 5112, data processing, hosting and related services as defined or classified in the NAICS Manual under Industry Group No. 5182, computer systems design and related services as defined or classified in the NAICS Manual under Industry Group No. 5415, scientific research and development services as defined or classified in the NAICS Manual under Industry Group No. 5417, medical and diagnostic laboratories as defined or classified in the NAICS Manual under Industry Group No. 6215 or testing laboratories as defined or classified in the NAICS Manual under U.S. Industry No. 541380, the projected minimum employment requirements of this paragraph must be achieved within thirty-six (36) months of the date of application;

4. Has or will have within twelve (12) months of the date of application, as determined by the Department, sales of at least seventy-five percent (75%) of its total sales to out-of-state customers or buyers, to in-state customers or buyers if the product

or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to the federal government, except that:

- a. those establishments in the NAICS Manual under the U.S. Industry No. 541710 or 541380 are excused from the seventy-five percent (75%) out-of-state sales requirement,
- b. warehouses that serve as distribution centers for retail or wholesale businesses shall be required to distribute forty percent (40%) of inventory to out-of-state locations, and
- c. adjustment and collection services activities defined or classified in the NAICS Manual under U.S. Industry No. 561440 shall be required to have seventy-five percent (75%) of loans to be serviced made by out-of-state debtors;

5. Will pay the individuals it employs in new direct jobs an average annualized wage which equals or exceeds:

- a. one hundred twenty-five percent (125%) of the average county wage as that percentage is determined by the Oklahoma State Data Center based on the most recent U.S. Department of Commerce data for the county in which the new direct jobs are located. For purposes of this subparagraph, health care premiums paid by the applicant for individuals in new direct jobs shall be included in the annualized wage, or
- b. one hundred ten percent (110%) of the average county wage as that percentage is determined by the Oklahoma State Data Center based upon the most recent U.S. Department of Commerce data for the county in which the new direct jobs are located. For purposes of this subparagraph, health care premiums paid by the applicant for individuals in new direct jobs shall not be included in the annualized wage; or
- c. one hundred percent (100%) of the average county wage, excluding health care premiums paid by the applicant for individuals in new direct jobs if the county in which the new jobs are located has:

- (1) according to the most recent determination by the Oklahoma Employment Security Commission, a county unemployment rate more than ten percent (10%) higher than the state unemployment rate, and
- (2) according to the most recent Federal Decennial Census, a county median household income fifteen percent (15%) or more below the federal poverty level;

6. Has a basic health benefit plan which, as determined by the Department, meets the elements established under divisions (1) through (7) of subparagraph b of paragraph 1 of subsection A of Section 3603 of this title and which will be offered to individuals within twelve (12) months of employment in a new direct job;

7. Has not received incentive payments under the Oklahoma Quality Jobs Program Act, the Saving Quality Jobs Act, or the Former Military Facility Development Act; and

8. Is not qualified for approval of an application for incentive payments under the Oklahoma Quality Jobs Program Act, the Saving Quality Jobs Act, or the Former Military Facility Development Act.

D. The Oklahoma Department of Commerce shall determine if an applicant is qualified to receive the incentive payment. Upon qualifying the applicant, the Department shall notify the Tax Commission and shall provide it with a copy of the application, and approval which shall provide the number of persons employed by the applicant upon the date of approval and the maximum total incentives which may be paid to the applicant during the seven-year period. The Tax Commission may require the qualified establishment to submit additional information as may be necessary to administer the provisions of the Small Employer Quality Jobs Incentive Act. The approved establishment shall report to the Tax Commission quarterly to show its continued eligibility for incentive payments, as provided in Section 3905 of this title. Establishments may be audited by the Tax Commission to verify such eligibility. Once the establishment is approved, an agreement shall be deemed to exist between the establishment and the State of Oklahoma, requiring incentive payments to be made for a seven-year period as long as the establishment retains its eligibility and within the limitations of the Small Employer Quality Jobs Incentive Act which existed at the time of such approval. Any establishment which has been approved

for incentive payments prior to July 1, 2002, shall continue to receive such payments pursuant to the laws as they existed prior to July 1, 2002, for any period of time of the original five-year period for such payments remaining after July 1, 2002.

SECTION 68. REPEALER 68 O.S. 2001, Section 3904, as last amended by Section 35, Chapter 281, O.S.L. 2006 (68 O.S. Supp. 2006, Section 3904), is hereby repealed.

SECTION 69. AMENDATORY 70 O.S. 2001, Section 6-194, as last amended by Section 3, Chapter 227, O.S.L. 2006 (70 O.S. Supp. 2006, Section 6-194), is amended to read as follows:

Section 6-194. A. The district boards of education of this state shall establish professional development programs for the certified and licensed teachers and administrators of the district. Programs shall be adopted by each board based upon recommendations of a professional development committee appointed by the board of education for the district.

B. Each professional development committee shall include classroom teachers, administrators and parents, guardians or custodians of children in the school district and shall consult with a higher education faculty. A majority of the members of the professional development committee shall be composed of classroom teachers. The teacher members shall be selected by a designated administrator of the school district from a list of names submitted by the teachers in the school district. The members selected shall be subject to the approval of a majority vote of the teachers in the district. At a minimum, once every four (4) years the committee shall include at least one school counselor in its membership.

C. In developing program recommendations, each professional development committee shall annually utilize a data-driven approach to analyze student data and determine district and school professional development needs. The professional development programs adopted shall be directed toward development of competencies and instructional strategies in the core curriculum areas for the following goals:

1. Increasing the academic performance index scores for the district and each school site;

2. Closing achievement gaps among student subgroups;

3. Increasing student achievement as demonstrated on state-mandated tests and the ACT;

4. Increasing high school graduation rates; and

5. Decreasing college remediation rates.

Each program shall also include components on classroom management and student discipline strategies, outreach to parents, guardians or custodians of students, special education, and racial and ethnic education, which all personnel defined as teachers in Section 1-116 of this title shall be required to complete on a periodic basis. The State Board of Education shall provide guidelines to assist school districts in developing and implementing racial and ethnic education components into professional development programs. At least once a year a program shall be offered which includes a component of teacher training on recognition and reporting of child abuse and neglect which all teachers shall be required to complete. Each adopted program shall allow school counselors to receive at least one-third (1/3) of the hours or credit required each year through programs or courses specifically designed for school counselors.

Districts are authorized to utilize any means for professional development that is not prohibited by law including, but not limited to, professional development provided by the district, any state agency, institution of higher education, or any private entity.

D. Each licensed or certified teacher in this state shall be required by the district board of education to meet the professional development requirements established by the board, or established through the negotiation process. Provided, the professional development requirements established by each board of education shall require every teacher to annually complete a minimum number of the total number of points required to maintain employment. Failure of any teacher to meet district board of education professional development requirements may be grounds for nonrenewal of such teacher's contract by the board. Such failure may also be grounds for nonconsideration of salary increments affecting the teacher.

E. Each district shall annually submit a report to the State Department of Education on the district level professional development needs, activities completed, expenditures, and results achieved for each school year by each goal as provided in subsection C of this section.

F. Subject to the availability of funds, the Department shall develop an online system for reporting as required in subsection E of this section. The Department shall also make such information available on its website.

SECTION 70. REPEALER 70 O.S. 2001, Section 6-194, as last amended by Section 1, Chapter 192, O.S.L. 2006 (70 O.S. Supp. 2006, Section 6-194), is hereby repealed.

SECTION 71. REPEALER 70 O.S. 2001, Section 6-194, as last amended by Section 3, Chapter 278, O.S.L. 2006 (70 O.S. Supp. 2006, Section 6-194), is hereby repealed.

SECTION 72. AMENDATORY 70 O.S. 2001, Section 17-108.1, as amended by Section 4, Chapter 46, 2nd Extraordinary Session, O.S.L. 2006 (70 O.S. Supp. 2006, Section 17-108.1), is amended to read as follows:

Section 17-108.1 A. The employer of any member of the Teachers' Retirement System of Oklahoma shall make the following contributions to the System:

1. Beginning July 1, 1998, through June 30, 1999, eleven and one-half percent (11 1/2%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member;
2. Beginning July 1, 1999, through June 30, 2000, four and eight-tenths percent (4.8%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member;
3. Beginning July 1, 2000, through June 30, 2001, five and eight-tenths percent (5.8%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member;
4. Beginning July 1, 2001, through June 30, 2002, six and eight-tenths percent (6.8%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member;
5. Beginning July 1, 2002, through December 31, 2006, seven and five-hundredths percent (7.05%) of the regular annual compensation

of the member not in excess of any applicable maximum compensation level of the member;

6. Beginning January 1, 2007, through June 30, 2007, seven and six-tenths percent (7.6%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member;

7. Beginning July 1, 2007, through June 30, 2008, seven and eighty-five hundredths percent (7.85%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member; and

8. Beginning July 1, 2008, through June 30, 2009, and for each fiscal year thereafter, eight percent (8.0%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member. The employer contribution rate increase that would otherwise be effective as provided by paragraphs 6, 7 and 8 of this subsection, shall not become effective as law unless appropriation levels to each of the affected participating employers within the Oklahoma Teachers' Retirement System are increased so that the additional employer contribution obligation is funded through such appropriation levels instead of requiring the additional employer contribution to be paid for from existing budgetary resources of such participating employers. The participating employers shall use any monies specifically appropriated for purposes of making employer contributions for such purpose and to the extent of the funds appropriated for that purpose. Beginning January 1, 2007, through June 30, 2007, and for each fiscal year thereafter, a participating employer that employs an employee of a comprehensive university or a regional institution offering a four-year degree program as designated or authorized by the Oklahoma State Regents for Higher Education shall make contributions to the System with respect to such employees at the rate of seven and five-hundredths percent (7.05%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level.

Any employer contribution paid to the System pursuant to this subsection shall not be considered as salary, fringe benefit, or total compensation due to members for the purpose of meeting any legislative or contractual obligation of the employer.

B. For entities or institutions within The Oklahoma State System of Higher Education, the contributions to the retirement

system specified in subsection A of this section shall be made on regular annual compensation of a member who is an employee of such entity or institution not to exceed the maximum compensation level in effect for the member as prescribed by law.

C. Employers paying contributions to the Retirement System pursuant to subsection A or B of this section shall receive credit for that portion of the gross production tax on natural gas and/or casinghead gas apportioned to the Retirement System pursuant to subsection 2 of Section 1004 of Title 68 of the Oklahoma Statutes in meeting the total required employer contribution. On an annual basis, the Board of Trustees shall estimate the net additional cost required to be paid by the contributing employers in order to meet the total employer contribution as provided in subsection A or B of this section. The Board of Trustees shall approve the amount of the additional contribution required to be paid by contributing employers as a percentage of total member salaries and fringe benefits for each fiscal year ending June 30, no later than April 1 of the previous fiscal year. In no event shall the additional contribution required to be paid by the contributing employer under this subsection be less than the contribution required under this subsection in the prior year. In the event actual contributions do not equal the required total contribution as provided in subsection A or B of this section, the net difference between the actual contributions and the required total contributions shall be determined and shall be included in the amount of the additional contribution required to be paid by contributing employers for the next fiscal year. All contributing employers shall pay the same percentage of total member salaries and fringe benefits during each fiscal year. The provisions of this subsection shall terminate June 30, 1999.

D. Any school district, state college or university, State Board of Education, State Board of Career and Technology Education, or other state agency may, for and on behalf of any member of the Teachers' Retirement System, pay all or any portion of the contribution required by Section 17-108 of this title. Provided, the contribution so paid by any school district, state college or university, State Board of Education, State Board of Career and Technology Education, or other state agency shall be and remain subject to the withdrawal provisions set forth under the Teachers' Retirement System. Wherever the term "contribution" is used, it shall be deemed to include contributions paid for and on behalf of a member by a school district, state college or university, State

Board of Education, State Board of Career and Technology Education, or other state agency.

E. All participating employers shall provide a complete record of the total compensation paid to each employee, including any person who is a retired member of the retirement system, whether or not employer and employee contributions are made with respect to such compensation. The employer shall provide the report required by this subsection on a monthly basis on a form or using such method as the Teachers' Retirement System of Oklahoma may require.

SECTION 73. REPEALER 70 O.S. 2001, Section 17-108.1, as amended by Section 32, Chapter 46, 2nd Extraordinary Session, O.S.L. 2006 (70 O.S. Supp. 2006, Section 17-108.1), is hereby repealed.

SECTION 74. AMENDATORY 70 O.S. 2001, Section 3311, as last amended by Section 1, Chapter 225, O.S.L. 2006 (70 O.S. Supp. 2006, Section 3311), is amended to read as follows:

Section 3311. A. There is hereby re-created a Council on Law Enforcement Education and Training which shall be, and is hereby declared to be, a governmental agency of the State of Oklahoma, body politic and corporate, with powers of government and with the authority to exercise the rights, privileges and functions specified by Sections 3311 through 3311.10 of this title. The Council shall be composed of nine (9) members, the Director of the Oklahoma State Bureau of Investigation, one member appointed by the Governor who may be a lay person, and seven police or peace officers, one selected by each of the following: the Court of Criminal Appeals, the Commissioner of Public Safety, the Board of Directors of the Oklahoma Sheriffs and Peace Officers Association, the Oklahoma Association of Police Chiefs, the Board of Directors of the Oklahoma Sheriffs' Association, the Board of Directors of the Fraternal Order of Police and the Governor. The Director selected by the Council shall be an ex officio member of the Council and shall act as Secretary. The Council on Law Enforcement Education and Training shall select a chair and vice-chair from among its members. Members of the Council on Law Enforcement Education and Training shall not receive a salary for duties performed as members of the Council, but shall be reimbursed for their actual and necessary expenses incurred in the performance of Council duties pursuant to the provisions of the State Travel Reimbursement Act.

B. The Council on Law Enforcement Education and Training is hereby authorized and directed to:

1. Appoint a larger Advisory Council to discuss problems and hear recommendations concerning necessary research, minimum standards, educational needs, and other matters imperative to upgrading Oklahoma law enforcement to professional status;

2. Promulgate rules with respect to such matters as certification, revocation, suspension, withdrawal and reinstatement of certification, minimum courses of study, testing and test scores, attendance requirements, equipment and facilities, minimum qualifications for instructors, minimum standards for basic and advanced in-service courses, and seminars for Oklahoma police and peace officers;

3. Authorize research, basic and advanced courses, and seminars to assist in program planning directly and through subcommittees;

4. Authorize additional staff and services necessary for program expansion;

5. Recommend legislation necessary to upgrade Oklahoma law enforcement to professional status;

6. Establish policies and regulations concerning the number, geographic and police unit distribution, and admission requirements of those receiving tuition or scholarship aid available through the Council. Such waiver of costs shall be limited to duly appointed members of legally constituted local, county, and state law enforcement agencies on the basis of educational and financial need;

7. Appoint a Director and an Assistant Director to direct the staff, inform the Council of compliance with the provisions of this section and perform such other duties imposed on the Council by law;

8. Enter into contracts and agreements for the payment of classroom space, food, and lodging expenses as may be necessary for law enforcement officers attending any official course of instruction approved or conducted by the Council. Such expenses may be paid directly to the contracting agency or business establishment. The food and lodging expenses for each law enforcement officer shall not exceed the authorized rates as provided for in the State Travel Reimbursement Act; provided, however, the Council may provide food and lodging to law enforcement officials attending any official course of instruction approved or conducted by the Council rather than paying for the provision of

such food and lodging by an outside contracting agency or business establishment;

9. a. Certify canine teams, consisting of a dog and a handler working together as a team, trained to detect:
 - (1) controlled dangerous substances, or
 - (2) explosives, explosive materials, explosive devices, or materials which could be used to construct an explosive device;

provided, the dog of a certified canine team shall not be certified at any time as both a drug dog and a bomb dog, and any dog of a certified canine team who has been previously certified as either a drug dog or a bomb dog shall not be eligible at any time to be certified in the other category.

- b. Upon retiring the dog from the service it was certified to perform, the law enforcement department that handled the dog shall retain possession of the dog. The handler shall have first option of adopting the dog. If that option is not exercised, the law enforcement department shall provide for its adoption. Once adopted the dog shall not be placed back into active service;

10. Enter into a lease, loan or other agreement with the Oklahoma Development Finance Authority or a local public trust for the purpose of facilitating the financing of a new facility for its operations and use and pledge, to the extent authorized by law, all or a portion of its receipts of the assessment penalty herein referenced for the payment of its obligations under such lease, loan or other agreement. It is the intent of the Legislature to increase the assessment penalty to such a level or appropriate sufficient monies to the Council on Law Enforcement Education and Training to make payments on the lease, loan or other agreement for the purpose of retiring the bonds to be issued by the Oklahoma Development Finance Authority or local public trust. Such lease, loan or other agreement and the bonds issued to finance such facilities shall not constitute an indebtedness of the State of Oklahoma or be backed by the full faith and credit of the State of Oklahoma, and the lease, loan or other agreement and the bonds shall contain a statement to such effect;

11. Accept gifts, bequests, devises, contributions and grants, public or private, of real or personal property;

12. Appoint an advisory committee composed of representatives from security guard and private investigative agencies to advise the Council concerning necessary research, minimum standards for licensure, education, and other matters related to licensure of security guards, security guard agencies, private investigators, and private investigative agencies; and

13. Enter into agreements with agencies and business entities for the temporary use of facilities of the Council, whereby contracting agencies and business entities shall pay a fee to be determined by the Council by rule. All fees collected pursuant to these agreements shall be deposited to the credit of the C.L.E.E.T. Training Center Revolving Fund created pursuant to Section 3311.6 of this title. The Council is authorized to promulgate emergency rules to effectuate the provisions of this paragraph;

14. Promulgate rules to establish a state firearms requalification standard for active peace officers and meet any requirements of the federal Law Enforcement Officers Safety Act of 2004 for peace officers to carry concealed weapons nationwide; and

15. Set minimal criteria relating to qualifications for chief of police administrative training pursuant to Section 34-102 of Title 11 of the Oklahoma Statutes, assist in developing a course of training for a Police Chief Administrative School, and approve all police chief administrative training offered in this state.

C. 1. Payment of any fee provided for in this section may be made by a nationally recognized credit or debit card issued to the applicant. The Council may publicly post and collect a fee for the acceptance of the nationally recognized credit or debit card not to exceed five percent (5%) of the amount of the payment. For purposes of this subsection, "nationally recognized credit card" means any instrument or device, whether known as a credit card, credit plate, charge plate, or by any other name, issued with or without fee by an issuer for the use of the cardholder in obtaining goods, services, or anything else of value and which is accepted by over one thousand merchants in this state. "Debit card" means an identification card or device issued to a person by a business organization which permits such person to obtain access to or activate a consumer banking electronic facility. The Council shall determine which

nationally recognized credit or debit cards will be accepted as payment for fees.

2. Payment for any fee provided for in this title may be made by a business check. The Council may:

- a. add an amount equal to the amount of the service charge incurred, not to exceed three percent (3%) of the amount of the check as a service charge for the acceptance and verification of the check, or
- b. add an amount of no more than Five Dollars (\$5.00) as a service charge for the acceptance and verification of a check. For purposes of this subsection, "business check" shall not mean a money order, cashier's check, or bank certified check.

D. Failure of the Legislature to appropriate necessary funds to provide for expenses and operations of the Council on Law Enforcement Education and Training shall not invalidate other provisions of this section relating to the creation and duties of the Council.

E. 1. No person shall be eligible to complete a basic police course approved by the Council until the Oklahoma State Bureau of Investigation and the Federal Bureau of Investigation have reported to the submitting agency that such person has no felony record, and the employing agency has reported to the Council that such person has undergone psychological testing as provided for in paragraph 2 of this subsection, and the applicant has certified the completion of a high school diploma or a GED equivalency certificate and that the applicant is not participating in a deferred sentence agreement for a felony or a crime involving moral turpitude or is not currently subject to an order of the Council revoking, suspending, or accepting a voluntary surrender of peace officer certification and that the applicant is not currently undergoing treatment for a mental illness, condition, or disorder. For purposes of this subsection, "currently undergoing treatment for mental illness, condition, or disorder" means the person has been diagnosed by a licensed physician or psychologist as being afflicted with a substantial disorder of thought, mood, perception, psychological orientation, or memory that significantly impairs judgment, behavior, capacity to recognize reality, or ability to meet the ordinary demands of life and such condition continues to exist.

2. No person shall be certified as a police or peace officer in this state unless the employing agency has reported to the Council that:

- a. the Oklahoma State Bureau of Investigation and the Federal Bureau of Investigation have reported that such person has no record of a conviction of a felony or crime involving moral turpitude,
- b. such person has undergone psychological evaluation such as the Minnesota Multiphasic Personality Inventory, the California Psychological Inventory (CPI), or other psychological instrument approved by the Council on Law Enforcement Education and Training. The psychological instrument utilized shall be evaluated by a psychologist licensed by the State of Oklahoma, and the employing agency shall certify to the Council that the evaluation was conducted in accordance with this provision and that the employee/applicant is suitable to serve as a peace officer in the State of Oklahoma. Nothing herein shall preclude a psychologist licensed in the state from employing additional psychological techniques to assist the employing agency's determination of the employee/applicant's suitability to serve as a peace officer in the State of Oklahoma. Any person found not to be suitable for employment or certification by the Council shall not be employed, retained in employment as a peace officer, or certified by the Council for at least one (1) year, at which time the employee/applicant may be reevaluated by a psychologist licensed by the State of Oklahoma. This section shall also be applicable to all reserve peace officers in the State of Oklahoma. Any person who is certified by CLEET and has undergone the psychological evaluation required by this subparagraph and has been found to be suitable as a peace officer shall not be required to be reevaluated for any subsequent employment as a peace officer following retirement or any break in service as a peace officer,
- c. such person possesses a high school diploma or a GED equivalency certificate, provided this requirement shall not affect those persons who are already

employed as a police or peace officer prior to November 1, 1985,

- d. such person is not participating in a deferred sentence agreement for a felony or a crime involving moral turpitude,
- e. such person has attained twenty-one (21) years of age prior to certification as a peace officer,
- f. such person has provided proof of United States citizenship or resident alien status, pursuant to an employment eligibility verification form from the United States Immigration and Naturalization Service, and
- g. the name, gender, date of birth, and address of such person have been presented to the Department of Mental Health and Substance Abuse Services by the Council. The Department of Mental Health and Substance Abuse Services shall respond to the Council within ten (10) days whether the computerized records of the Department indicate the applicant has ever been involuntarily committed to an Oklahoma state mental institution. In the event that the Department of Mental Health and Substance Abuse Services reports to the Council that the applicant has been involuntarily committed, the Council shall immediately inform the employing agency,

and the Council has determined that such person has satisfactorily completed a basic police course of not less than one hundred sixty (160) hours of accredited instruction for reserve police officers and reserve deputies and not less than three hundred (300) hours for full-time salaried police or peace officers from the Council or curriculum or course of study approved by the Council; provided, the Council may increase the number of hours for the completion of a basic police course by requiring independent study. Beginning January 1, 2003, the basic police course for full-time-salaried police or peace officers shall be increased to not less than three hundred two (302) hours. Subject to the availability of money, beginning July 1, 2005, the basic police course for full-time-salaried police or peace officers shall be increased to not less than three hundred eighty (380) hours. Said training shall include training in crime and drug prevention, crisis intervention, and

youth and family intervention techniques and recognizing, investigating and preventing abuse and exploitation of elderly persons.

3. Every person who has not been certified as a police or peace officer and is duly appointed or elected as a police or peace officer shall hold such position on a temporary basis only, and shall, within one (1) year from the date of appointment or taking office, qualify as required in this subsection or forfeit such position; provided, however, effective November 1, 2004, every person who has not been certified as a police or peace officer and is duly appointed or elected as a police or peace officer shall hold such position on a temporary basis only, and shall, within six (6) months from the date of appointment or taking office, qualify as required in this subsection or forfeit such position. In computing the time for qualification, all service shall be cumulative from date of first appointment or taking office as a police or peace officer with any department in this state. The Council may extend the time requirement specified in this paragraph for good cause as determined by the Council. An elected police or peace officer shall be eligible to enroll in a basic police course in accordance with this subsection upon being elected. A duty is hereby imposed upon the employing agency to withhold payment of the compensation or wage of said unqualified officer. If the police or peace officer fails to forfeit the position or the employing agency fails to require the officer to forfeit the position, the district attorney shall file the proper action to cause the forfeiting of such position. The district court of the county where the officer is employed shall have jurisdiction to hear the case.

4. The Council may certify officers who have completed a course of study in another state deemed by the Council to meet standards for Oklahoma peace officers providing the officer's certification in the other state has not been revoked or voluntarily surrendered and is not currently under suspension.

5. For purposes of this section, a police or peace officer is defined as a full-time duly appointed or elected officer who is paid for working more than twenty-five (25) hours per week and whose duties are to preserve the public peace, protect life and property, prevent crime, serve warrants, and enforce laws and ordinances of this state, or any political subdivision thereof; provided, elected sheriffs and their deputies and elected, appointed, or acting chiefs of police shall meet the requirements of this subsection within the first six (6) months after assuming the duties of the office to

which they are elected or appointed or for which they are an acting chief; provided further, that this section shall not apply to persons designated by the Director of the Department of Corrections as peace officers pursuant to Section 510 of Title 57 of the Oklahoma Statutes.

F. No person shall be certified as a police or peace officer by the Council or be employed by the state, a county, a city, or any political subdivision thereof, who is currently subject to an order of the Council revoking, suspending, or accepting a voluntary surrender of peace officer certification or who has been convicted of a felony or a crime involving moral turpitude, unless a full pardon has been granted by the proper agency; however, any person who has been trained and certified by the Council on Law Enforcement Education and Training and is actively employed as a full-time peace officer as of November 1, 1985, shall not be subject to the provisions of this subsection for convictions occurring prior to November 1, 1985.

G. Every person employed as a police or peace officer in this state shall be fingerprinted by the employing law enforcement agency. One set of fingerprint impressions shall be mailed to the Oklahoma State Bureau of Investigation and one set to the Federal Bureau of Investigation, Washington, D.C., within ten (10) days from the initial date of employment.

H. 1. The Council is hereby authorized to provide to any employing agency the following information regarding a person who is or has applied for employment as a police or peace officer of such employing agency:

- a. Oklahoma State Bureau of Investigation and Federal Bureau of Investigation reports,
- b. administration of the psychological tests provided for herein,
- c. performance in the course of study or other basis of certification,
- d. previous certifications issued, and
- e. any administrative or judicial determination denying certification.

2. An employing agency shall not be liable in any action arising out of the release of contents of personnel information relevant to the qualifications or ability of a person to perform the duties of a police or peace officer when such information is released pursuant to written authorization for release of information signed by such person and is provided to another employing agency which has employed or has received an application for employment from such person.

3. As used in this subsection, "employing agency" means a political subdivision or law enforcement agency which either has employed or received an employment application from a person who, if employed, would be subject to this section.

I. 1. A law enforcement agency employing police or peace officers in this state shall report the hiring, resignation, or termination for any reason of a police or peace officer to the Council at a time established by the Council. Failure to comply with the provisions of this subsection may disqualify a law enforcement agency from participating in training programs sponsored by the Council.

2. A tribal law enforcement agency that has peace officers commissioned by an Oklahoma law enforcement agency pursuant to a cross-deputization agreement with the State of Oklahoma or any political subdivision of the State of Oklahoma pursuant to the provisions of Section 1221 of Title 74 of the Oklahoma Statutes shall report the commissioning, resignation, or termination of commission for any reason of a cross-deputized tribal police or peace officer to CLEET within ten (10) days of the commissioning, resignation, or termination. Failure to comply with the provisions of this subsection may disqualify a tribal law enforcement agency from participating in training programs sponsored by the Council.

J. It is unlawful for any person to willfully make any statement in an application to CLEET knowing the statement is false or intentionally commit fraud in any application to the Council for attendance in any CLEET-conducted or CLEET-approved peace officer academy or Collegiate Officer Program or for the purpose of obtaining peace officer certification or reinstatement. It is unlawful for any person to willfully submit false or fraudulent documents relating to continuing education rosters, transcripts or certificates, or any canine license application. Any person convicted of a violation of this subsection shall be guilty of a felony punishable by imprisonment in the Department of Corrections

for a term of not less than two (2) years nor more than five (5) years, or by a fine not exceeding Two Thousand Dollars (\$2,000.00), or by both such fine and imprisonment.

K. 1. A police or peace officer shall be subject to disciplinary action to include a denial, suspension, revocation or acceptance of voluntary surrender of peace officer certification upon a showing of clear and convincing evidence for the following:

- a. conviction of a felony or a crime of domestic violence,
- b. conviction of a misdemeanor involving moral turpitude; provided, if the conviction is a single isolated incident that occurred more than five (5) years ago and the Council is satisfied that the person has been sufficiently rehabilitated, the Council may certify such person providing that all other statutory requirements have been met,
- c. a verdict of guilt or entry of a plea of guilty or nolo contendere for a deferred sentence for a felony offense, a crime of moral turpitude, or a crime of domestic violence,
- d. falsification or a willful misrepresentation of information in an employment application or application to the Council on Law Enforcement Education and Training, records of evidence, or in testimony under oath,
- e. revocation or voluntary surrender of police or peace officer certification in another state for a violation of any law or rule or in settlement of any disciplinary action in such state, or
- f. involuntary commitment of a police or peace officer in a mental institution or licensed private mental health facility for any mental illness, condition or disorder that is diagnosed by a licensed physician or psychologist as a substantial disorder of thought, mood, perception, psychological orientation, or memory that significantly impairs judgment, behavior, capacity to recognize reality, or ability to meet the ordinary demands of life. Provided, the peace officer

certification may be reinstated upon the Council receiving notification of a psychological evaluation conducted by a licensed physician or psychologist which attests and states by affidavit that the officer and the evaluation test data of the officer have been examined and that, in the professional opinion of the physician or psychologist, the officer is psychologically suitable to return to duty as a peace officer.

2. Disciplinary proceedings shall be commenced by filing a complaint with the Council on a form approved by the Council and verified by the complainant. Any employing agency or other person having information may submit such information to the Council for consideration as provided in this subsection.

3. Upon the filing of the verified complaint, a preliminary investigation shall be conducted to determine whether:

- a. there is reason to believe the person has violated any provision of this subsection or any other provision of law or rule, or
- b. there is reason to believe the person has been convicted of a felony, a crime involving moral turpitude or a domestic violence offense or is currently participating in a deferred sentence for such offenses.

4. When the investigation of a complaint does not find the person has violated any of the provisions of this subsection, or finds that the person is sufficiently rehabilitated as provided in subparagraph b or f of paragraph 1 of this subsection, no disciplinary action shall be required and the person shall remain certified as a police or peace officer. When the investigation of a complaint finds that the person has violated any of the provisions of this subsection, the matter shall be referred for disciplinary proceedings. The disciplinary proceedings shall be in accordance with Articles I and II of the Administrative Procedures Act.

5. The Council shall revoke the certification of any person upon determining that such person has been convicted of a felony or a crime involving moral turpitude or a domestic violence offense; provided, that if the conviction has been reversed, vacated or otherwise invalidated by an appellate court, such conviction shall

not be the basis for revocation of certification; provided further, that any person who has been trained and certified by the Council on Law Enforcement Education and Training and is actively employed as a full-time peace officer as of November 1, 1985, shall not be subject to the provisions of this subsection for convictions occurring prior to November 1, 1985. The sole issue to be determined at the hearing shall be whether the person has been convicted of a felony, a crime involving moral turpitude or a domestic violence offense.

6. The Council shall revoke the certification of any person upon determining that such person has received a deferred sentence for a felony, a crime involving moral turpitude or a domestic violence offense.

7. The Council may suspend the certification of any person upon a determination that such person has been involuntarily committed to a mental institution or mental health facility for a mental illness, condition or disorder as provided in subparagraph f of paragraph 1 of this subsection.

8. For all other violations of this subsection, the hearing examiner shall take into consideration the severity of the violation, any mitigating circumstances offered by the person subject to disciplinary action, and any other evidence relevant to the person's character to determine the appropriate disciplinary action.

9. a. A police or peace officer may voluntarily surrender and relinquish the peace officer certification to CLEET. Pursuant to such surrender or relinquishment, the person surrendering the certification shall be prohibited from applying to CLEET for reinstatement within five (5) years of the date of the surrender or relinquishment, unless otherwise provided by law for reinstatement.
- b. No person who has had a police or peace officer certification from another state revoked or voluntarily surrendered shall be considered for certification by CLEET within five (5) years of the effective date of any such revocation or voluntary surrender of certification.
- c. Any person seeking reinstatement of police or peace officer certification which has been suspended,

revoked, or voluntarily surrendered may apply for reinstatement pursuant to promulgated CLEET rules governing reinstatement.

10. A duty is hereby imposed upon the district attorney who, on behalf of the State of Oklahoma, prosecutes a person holding police or peace officer certification for a felony or crime involving moral turpitude or domestic violence in which a plea of guilty, nolo contendere, or other finding of guilt is entered by, against or on behalf of a certified police or peace officer to report such plea, agreement, or other finding of guilt to the Council on Law Enforcement Education and Training within ten (10) days of such plea agreement or the finding of guilt.

11. Any person or agency required or authorized to submit information pursuant to this section to the Council shall be immune from liability arising from the submission of the information as long as the information was submitted in good faith and without malice.

L. 1. Every canine team in the state trained to detect controlled dangerous substances shall be certified, by test, in the detection of such controlled dangerous substances and shall be recertified annually so long as the canine is used for such detection purposes. The certification test and annual recertification test provisions of this subsection shall not be applicable to canines that are owned by a law enforcement agency and that are certified and annually recertified in the detection of controlled dangerous substances by the United States Customs Service.

2. The Council shall appoint a Drug Dog Advisory Council to make recommendations concerning minimum standards, educational needs, and other matters imperative to the certification of canines and canine teams trained to detect controlled dangerous substances. The Council shall promulgate rules based upon the recommendations of the Advisory Council. Members of the Advisory Council shall include, but need not be limited to, a commissioned officer with practical knowledge of such canines and canine teams from each of the following:

- a. the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control,
- b. the Department of Public Safety,

- c. a police department,
- d. a sheriff's office, and
- e. a university or college campus police department.

3. The fee for the certification test shall be Two Hundred Dollars (\$200.00) and the annual recertification test fee shall be One Hundred Dollars (\$100.00) per canine team. A retest fee of Fifty Dollars (\$50.00) will be charged if the team fails the test. No such fee shall be charged to any local, state or federal government agency. The fees provided for in this paragraph shall be deposited to the credit of the C.L.E.E.T. Fund created pursuant to Section 1313.2 of Title 20 of the Oklahoma Statutes.

M. 1. Every canine team in the state trained to detect explosives, explosive materials, explosive devices, and materials which could be used to construct an explosive device shall be certified, by test, in the detection of such explosives and materials and shall be recertified annually so long as the canine is used for such detection purposes. The certification test and annual recertification test provisions of this subsection shall not be applicable to canines that are owned by a law enforcement agency if such canines are certified and annually recertified in the detection of explosives and materials by the United States Department of Defense.

2. The Council shall appoint a Bomb Dog Advisory Council to make recommendations concerning minimum standards, educational needs, and other matters imperative to the certification of canines and canine teams trained to detect explosives, explosive materials, explosive devices and materials which could be used to construct an explosive device. The Council shall promulgate rules based upon the recommendations of the Advisory Council. Members of the Advisory Council shall include, but need not be limited to, a commissioned officer with practical knowledge of such canines and canine teams from each of the following:

- a. the Department of Public Safety,
- b. a police department,
- c. a sheriff's office, and

d. a university or college campus police department.

3. The fee for the certification test shall be Two Hundred Dollars (\$200.00) and the annual recertification test fee shall be One Hundred Dollars (\$100.00) per canine team. A retest fee of Fifty Dollars (\$50.00) will be charged if the team fails the test. No such fee shall be charged to any local, state or federal government agency. The fees provided for in this paragraph shall be deposited to the credit of the C.L.E.E.T. Fund created pursuant to Section 1313.2 of Title 20 of the Oklahoma Statutes.

N. All tribal police officers of any Indian tribe or nation who have been commissioned by an Oklahoma law enforcement agency pursuant to a cross-deputization agreement with the State of Oklahoma or any political subdivision of the State of Oklahoma pursuant to the provisions of Section 1221 of Title 74 of the Oklahoma Statutes shall be eligible for peace officer certification under the same terms and conditions required of members of the law enforcement agencies of the State of Oklahoma and its political subdivisions, except that a fee of Three Dollars and sixteen cents (\$3.16) per hour of training shall be charged for all basic police course training provided pursuant to this subsection. Such fees shall be deposited to the credit of the C.L.E.E.T. Fund created pursuant to Section 1313.2 of Title 20 of the Oklahoma Statutes. CLEET shall issue peace officer certification to tribal police officers who, as of July 1, 2003, are commissioned by an Oklahoma law enforcement agency pursuant to a cross-deputization agreement with the State of Oklahoma or any political subdivision of the State of Oklahoma pursuant to the provisions of Section 1221 of Title 74 of the Oklahoma Statutes and have met the training and qualification requirements of this section.

O. If an employing law enforcement agency in this state has paid the salary of a person while that person is completing in this state a basic police course approved by the Council and if within one (1) year after certification that person resigns and is hired by another law enforcement agency in this state, the second agency or the person receiving the training shall reimburse the original employing agency for the salary paid to the person while completing the basic police course by the original employing agency.

SECTION 75. REPEALER 70 O.S. 2001, Section 3311, as last amended by Section 1, Chapter 26, O.S.L. 2006 (70 O.S. Supp. 2006, Section 3311), is hereby repealed.

SECTION 76. REPEALER 70 O.S. 2001, Section 3311, as last amended by Section 2, Chapter 33, O.S.L. 2006 (70 O.S. Supp. 2006, Section 3311), is hereby repealed.

SECTION 77. AMENDATORY 74 O.S. 2001, Section 85.12, as last amended by Section 17, Chapter 320, O.S.L. 2006 (74 O.S. Supp. 2006, Section 85.12), is amended to read as follows:

Section 85.12 A. The provisions of this section shall not be construed to affect any law relating to fiscal or accounting procedure except as they may be directly in conflict herewith; and all claims, warrants, and bonds shall be examined, inspected, and approved as now provided by law.

B. Except as otherwise provided by this section, the acquisitions specified in this subsection shall be made in compliance with Section 85.39 of this title but are not subject to other provisions of ~~the~~ The Oklahoma Central Purchasing Act:

1. Food and other products produced by state institutions and agencies;

2. The printing or duplication of publications or forms of whatsoever kind or character by state agencies if the work is performed upon their own equipment by their own employees. Pursuant to this paragraph, the state agency may only use equipment owned or leased by the agency and may only utilize that equipment for printing services required by the agency in performing duties imposed upon the agency or functions authorized to be performed by the agency. Any use of the equipment by the agency pursuant to an agreement or contract with any other entity resulting in delivery of intermediate or finished products to the entity purchasing or using the products shall be subject to the provisions of ~~the~~ The Oklahoma Central Purchasing Act;

3. Department of Transportation and Transportation Commission contractual services or right-of-way purchases; contracts awarded pursuant to bids let by the Transportation Commission for the maintenance or construction of streets, roads, highways, bridges, underpasses, or any other transportation facilities under the control of the Department of Transportation, the acquisitions of equipment or materials accruing to the Department of Transportation required in Federal-Aid contracts; and contracts for public service type announcements initiated by the Department of Transportation;

but not contractual services for advertising or public relations or employment services;

4. Utility services where rates therefor are regulated by a state or federal regulatory commission, or by municipal ordinance, or by an Indian Tribal Council for use by the Department of Corrections only;

5. Acquisitions by the University Hospitals Authority. The Authority shall develop standards for the acquisition of products and services and may elect to utilize the Purchasing Division. The standards shall foster economy and short response time and shall include appropriate safeguards and record-keeping requirements to ensure appropriate competition and economical and efficient purchasing;

6. Contracts for custom harvesting by the Department of Corrections for the Department or its institutions;

7. Contracts with private prison contractors which are subject to the contracting procedures of Section 561 of Title 57 of the Oklahoma Statutes;

8. Acquisitions by the Oklahoma Municipal Power Authority;

9. Acquisitions by the Grand River Dam Authority;

10. Acquisitions by rural water, sewer, gas, or solid waste management districts created pursuant to the Rural Water, Sewer, Gas and Solid Waste Management Districts Act;

11. Acquisitions by the Oklahoma Ordnance Works Authority, the Northeast Oklahoma Public Facilities Authority, or the Midwestern Oklahoma Development Authority;

12. Contracts entered into by the Oklahoma Industrial Finance Authority for the services of an appraiser or for acquisition of insurance when the Authority's Board of Directors determines that an emergency exists, and contracts for the services of legal counsel when approved by the Attorney General;

13. Expenditure of monies appropriated to the State Board of Education for Local and State Supported Financial Support of Public Schools, except monies allocated therefrom for the Administrative and Support Functions of the State Department of Education;

14. Expenditure of monies appropriated to the State Department of Rehabilitation Services for educational programs or educational materials for the Oklahoma School for the Blind and the Oklahoma School for the Deaf;

15. Contracts entered into by the Oklahoma Department of Career and Technology Education for the development, revision, or updating of vocational curriculum materials, and contracts entered into by the Oklahoma Department of Career and Technology Education for training and supportive services that address the needs of new or expanding industries;

16. Contracts entered into by the Oklahoma Center for the Advancement of Science and Technology for professional services;

17. Contracts entered into by the Oklahoma Department of Commerce pursuant to the provisions of Section 5066.4 of this title;

18. Acquisitions made by the Oklahoma Historical Society from monies used to administer the White Hair Memorial;

19. Acquisitions available to an agency through a General Services Administration (GSA) contract or other federal contract if the acquisition is on current statewide contract and the terms of the GSA or other federal contract, as determined by the State Purchasing Director, are more favorable to the agency than the terms of a statewide contract for the same products;

20. Purchases of pharmaceuticals available through a multistate or multigovernmental contract if such pharmaceuticals are or have been on state contract within the last fiscal year, and the terms of such contract are more favorable to the state or agency than the terms of a state contract for the same products, as determined by the State Purchasing Director. The state entity designated by law, as specified in Section 1010.3 of Title 56 of the Oklahoma Statutes, shall participate in the purchase of pharmaceuticals available through such contracts;

21. Contracts for managed health care services entered into by the state entity designated by law or the Department of Human Services, as specified in paragraph 1 of subsection A of Section 1010.3 of Title 56 of the Oklahoma Statutes;

22. Acquisitions by the Forestry Service of the Oklahoma Department of Agriculture, Food, and Forestry as authorized by the federal General Services Administration through a General Services Administration contract or other federal contract if the acquisitions are not on current statewide contract or the terms of the federal contract are more favorable to the agency than the terms of a statewide contract for the same products;

23. Acquisitions of clothing for clients of the Department of Human Services and acquisitions of food for group homes operated by the Department of Human Services;

24. Acquisitions by the Oklahoma Energy Resources Board;

25. Acquisitions of clothing for juveniles in the custody of the Office of Juvenile Affairs and acquisitions of food for group homes operated by the Office of Juvenile Affairs;

26. State contracts for flexible benefits plans pursuant to the Oklahoma State Employees Benefits Act, Section 1361 et seq. of this title;

27. Acquisitions by the Department of Securities to investigate, initiate, or pursue administrative, civil, or criminal proceedings involving potential violations of the acts under the Department's jurisdiction;

28. Acquisitions by the Native America Cultural and Educational Authority and acquisitions by the Oklahoma Department of Commerce to assist the Native American Cultural and Educational Authority pursuant to Section 5017 of this title;

29. Acquisitions for resale in and through canteens operated pursuant to Section 537 of Title 57 of the Oklahoma Statutes;

30. Acquisitions by the Oklahoma Boll Weevil Eradication Organization for employment and personnel services, and for acquiring sprayers, blowers, traps, and attractants related to the eradication of boll weevils in this state or as part of a national or regional boll weevil eradication program;

31. Contracts entered into by the Oklahoma Indigent Defense System for expert services pursuant to the provisions of subsection D of Section 1355.4 of Title 22 of the Oklahoma Statutes;

32. Acquisitions by the Oklahoma Correctional Industries and the Agri-Services programs of the ~~Oklahoma~~ Department of Corrections of raw materials, component parts and other products, any equipment excluding vehicles, and any services excluding computer consultant services used to produce goods or services for resale and for the production of agricultural products;

33. Contracts entered into by the Department of Human Services for provision of supported living services to members of the plaintiff class in Homeward Bound, Inc., et. al., v. The Hisson Memorial Center, et. al., Case Number 85-C-437-E, United States District Court for the Northern District of Oklahoma; and

34. Contracts negotiated by the Office of Juvenile Affairs with designated Youth Services Agencies and the Oklahoma Association of Youth Services, or another Oklahoma nonprofit corporation whose membership consists solely of Youth Services Agencies and of whom at least a majority of Youth Services Agencies are members, pursuant to the provisions of Section 7302-3.6a of Title 10 of the Oklahoma Statutes.

C. Pursuant to the terms of a contract the State Purchasing Director enters into or awards, a state agency, common school, municipality, rural fire protection district, county officer, or any program contract, purchase, acquisition or expenditure that is not subject to the provisions of ~~the~~ The Oklahoma Central Purchasing Act, may, unless acting pursuant to a contract with the state that specifies otherwise, make use of statewide contracts and the services of the Purchasing Division and the State Purchasing Director. Any political subdivision or rural fire protection district may designate the State Purchasing Director as its agent for any acquisition from a statewide contract or otherwise available to the state.

D. The State Purchasing Director shall make periodic audits of the purchasing procedures of the Oklahoma Ordnance Works Authority, the Northeast Oklahoma Public Facilities Authority, the University Hospitals Authority, and the Midwestern Oklahoma Development Authority to ensure that the procedures are being followed.

SECTION 78. REPEALER 74 O.S. 2001, Section 85.12, as last amended by Section 1, Chapter 80, O.S.L. 2006 (74 O.S. Supp. 2006, Section 85.12), is hereby repealed.

SECTION 79. AMENDATORY 74 O.S. 2001, Section 5060.4, as last amended by Section 2, Chapter 263, O.S.L. 2006 (74 O.S. Supp. 2006, Section 5060.4), is amended to read as follows:

Section 5060.4 As used in the Oklahoma Science and Technology Research and Development Act:

1. "COEAT" means Center of Excellence for Aerospace Technology, an initiative within the Oklahoma Aerospace Institute that undertakes applied research, development and technology transfer that has long-term potential for commercial development;

2. "CASQ" means Center of Aerospace Supplier Quality, an initiative within the Oklahoma Aerospace Institute that serves as a conduit between Oklahoma's military installations and the aerospace industry;

3. "Applied research" means those research activities occurring at institutions of higher education, nonprofit research foundations, and in private enterprises which have potential commercial application;

4. "Basic research" means any original investigation for the advancement of scientific knowledge not having a specific commercial objective, but having potential long-range value to commercial interests;

5. "Board" means the Oklahoma Science and Technology Research and Development Board;

6. "Center" or "OCAST" means the Oklahoma Center for the Advancement of Science and Technology;

7. "Enterprise" means a firm with its principal place of business in Oklahoma;

8. "Health research project" means a specific examination, experimentation or investigation, or initiative to provide research resources oriented principally toward basic, applied, and developmental scientific inquiry related to the causes, diagnosis, prevention, and treatment of human diseases and disabilities and mental health and emotional disorders, and the rehabilitation of persons afflicted with such diseases, disabilities, and disorders; new knowledge, better understanding, and innovative methods to improve the processes by which health care services are made

available and how they may be provided more efficiently, more effectively and at a lower cost, for all the citizens of this state; and the development of new products and services which shall form the basis of new high-technology health research and care industry for this state;

9. "Industrial Extension System" means a coordinated network of public and private manufacturing modernization resources, the purpose of which is to stimulate the competitiveness of Oklahoma small and medium-sized manufacturing firms;

10. "Institute" means the Oklahoma Institute of Technology;

11. "Institutional Review Board" means a committee composed of investigators, lay representatives, and legal counsel, which is established at each institution of higher learning and each nonprofit research institution receiving funds from a health research project, for the express purpose of determining the appropriateness of any research involving human subjects;

12. "Institutions of higher education" means public and private colleges and universities in the state;

13. "Investigator" means a person who proposes research projects and is primarily responsible for the execution of the proposed projects and is employed by or affiliated with an institution of higher education, a nonprofit research institution in this state, or a private enterprise;

14. "Nanotechnology" means technology development at the molecular range (1nm to 100nm) to create and use structures, devices, and systems that have novel properties because of their small size;

15. "New technology" means methods, products, processes and procedures developed through science or research;

16. "Nonprofit research institution" means any not-for-profit public or private facility in this state which has the capabilities for research projects and which is not a subsidiary of any corporation, partnership, or association organized for profit, nor is its stock or assets owned or controlled by a corporation, partnership, or association organized for profit;

17. "OAI" means Oklahoma Aerospace Institute, a strategic partnership that will focus available resources to promote cooperation and collaboration among Oklahoma businesses, manufacturers, military installations, commercial aviation, higher education institutions, nonprofit research institutions, and state government;

18. "OAME" means the Oklahoma Alliance for Manufacturing Excellence, Inc., a corporation to be formed pursuant to the provisions of Title 18 of the Oklahoma Statutes and Section 5060.26 of this title;

19. "ONAP" means the Oklahoma Nanotechnology Applications Project;

20. "OSTRaD" means the Oklahoma Science and Technology Research and Development Act;

21. "Person" means any individual, partnership, corporation or joint venture carrying on business or proposing to carry on business within the state;

~~21.~~ 22. "Plant science research" means those research activities occurring at institutions of higher education, nonprofit research institutions, and in private enterprises, which have potential commercial application and concern plant productivity, renewable biomass, plant-based environmental applications and chemical platforms, plant-based solutions to improve nutrition, human and/or animal health or performance, process applications, and seed management and the development of new products and services that shall form the basis of new, high-technology plant science/agriculture industry for this state;

23. "Product" means any outcome, device, technique or process, which is or may be developed or marketed commercially and which has advanced beyond the theoretical stage and is in a prototype or practice stage;

~~22.~~ 24. "Professional service contract" means a written agreement providing funds for the performance of a research project; for salaries and fringe benefits of personnel associated with research programs; for research equipment; for operating expenses associated with a research program; or for services provided in connection with the evaluation of applications submitted to the Center;

~~23.~~ 25. "Qualified security" means any public or private financial arrangement, involving any note, security, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, preorganization certificate or subscription, transferable security, investment contract, certificate of deposit for a security, certificate of interest or participation in a patent or application therefor, or in royalty or other payments under such a patent or application, or, in general, any interest or instrument commonly known as a "security" or any certificate for, receipt for, guarantee of, or option, warrant or right to subscribe to or purchase any of the foregoing to the extent allowed by law;

~~24.~~ 26. "Seed-capital" means financing that is provided for the development, refinement and commercialization of a product, process or innovation, whether for the startup of a new firm or the expansion or the restructuring of a small firm; and

~~25.~~ 27. "Technology transfer" means a two-way process by which ideas or inventions for processes or products (developed in research programs usually on a laboratory or pilot-plant scale) are converted to commercial use.

SECTION 80. REPEALER 74 O.S. 2001, Section 5060.4, as last amended by Section 1, Chapter 297, O.S.L. 2006 (74 O.S. Supp. 2006, Section 5060.4), is hereby repealed.

SECTION 81. Sections 31, 32, 33, 34, 55, 56, 57, 58, 59, and 60 of this act shall become effective July 1, 2007.

SECTION 82. 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 House of Representatives the 8th day of February,
2007.

Presiding Officer of the House of
Representatives

Passed the Senate the 21st day of February, 2007.

Presiding Officer of the Senate