

ENROLLED SENATE
BILL NO. 1830

By: Williamson and Lerblance of
the Senate

and

Duncan of the House

An Act relating to duplicate sections; amending, merging, consolidating, and repealing multiple versions of statutes; amending 2 O.S. 2001, Section 9-204.1, as renumbered by Section 25, Chapter 292, O.S.L. 2005, and as amended by Section 1, Chapter 64, O.S.L. 2007 (2 O.S. Supp. 2007, Section 20-6); repealing 2 O.S. 2001, Section 9-204.1, as renumbered by Section 25, Chapter 292, O.S.L. 2005, and as amended by Section 6, Chapter 31, O.S.L. 2007 (2 O.S. Supp. 2007, Section 20-6); amending Section 14, Chapter 58, O.S.L. 2003, as last amended by Section 1, Chapter 336, O.S.L. 2007 (3A O.S. Supp. 2007, Section 713); repealing Section 14, Chapter 58, O.S.L. 2003, as last amended by Section 3, Chapter 355, O.S.L. 2007 (3A O.S. Supp. 2007, Section 713); amending 10 O.S. 2001, Section 7115, as last amended by Section 1, Chapter 325, O.S.L. 2007 (10 O.S. Supp. 2007, Section 7115); repealing 10 O.S. 2001, Section 7115, as last amended by Section 1, Chapter 261, O.S.L. 2007 (10 O.S. Supp. 2007, Section 7115); repealing 10 O.S. 2001, Section 7307-1.5, as amended by Section 3, Chapter 176, O.S.L. 2007 (10 O.S. Supp. 2007, Section 7307-1.5); repealing 11 O.S. 2001, Section 41-108, as amended by Section 1, Chapter 100, O.S.L. 2007 (11 O.S. Supp. 2007, Section 41-108); repealing 19 O.S. 2001, Section 347, as amended by Section 3, Chapter 132, O.S.L. 2007 (19 O.S. Supp. 2007, Section 347); repealing 19 O.S. 2001, Section 1501, as last amended by Section 4, Chapter 100, O.S.L. 2007 (19 O.S. Supp. 2007, Section 1501);

repealing 19 O.S. 2001, Section 1505, as last amended by Section 5, Chapter 100, O.S.L. 2007 (19 O.S. Supp. 2007, Section 1505); amending 21 O.S. 2001, Section 1021, as last amended by Section 11, Chapter 261, O.S.L. 2007 (21 O.S. Supp. 2007, Section 1021); repealing 21 O.S. 2001, Section 1021, as last amended by Section 2, Chapter 325, O.S.L. 2007 (21 O.S. Supp. 2007, Section 1021); amending 21 O.S. 2001, Section 1123, as last amended by Section 19, Chapter 261, O.S.L. 2007 (21 O.S. Supp. 2007, Section 1123); repealing 21 O.S. 2001, Section 1123, as last amended by Section 3, Chapter 325, O.S.L. 2007 (21 O.S. Supp. 2007, Section 1123); amending 21 O.S. 2001, Section 1290.5, as last amended by Section 1, Chapter 92, O.S.L. 2007 (21 O.S. Supp. 2007, Section 1290.5); repealing 21 O.S. 2001, Section 1290.5, as last amended by Section 3, Chapter 128, O.S.L. 2007 (21 O.S. Supp. 2007, Section 1290.5); repealing 22 O.S. 2001, Section 114, as last amended by Section 2, Chapter 199, O.S.L. 2007 (22 O.S. Supp. 2007, Section 114); amending 22 O.S. 2001, Section 991a, as last amended by Section 1, Chapter 182, O.S.L. 2007 (22 O.S. Supp. 2007, Section 991a); repealing 22 O.S. 2001, Section 991a, as last amended by Section 21, Chapter 261, O.S.L. 2007 (22 O.S. Supp. 2007, Section 991a); amending 28 O.S. 2001, Section 153, as last amended by Section 3, Chapter 247, O.S.L. 2007 (28 O.S. Supp. 2007, Section 153); repealing 28 O.S. 2001, Section 153, as last amended by Section 3, Chapter 199, O.S.L. 2007 (28 O.S. Supp. 2007, Section 153); repealing 42 O.S. 2001, Section 147.1, as last amended by Section 7, Chapter 132, O.S.L. 2007 (42 O.S. Supp. 2007, Section 147.1); amending 47 O.S. 2001, Section 6-111, as last amended by Section 2, Chapter 328, O.S.L. 2007 (47 O.S. Supp. 2007, Section 6-111); repealing 47 O.S. 2001, Section 6-111, as last amended by Section 7, Chapter 326, O.S.L. 2007 (47 O.S. Supp. 2007, Section 6-111); repealing 47 O.S. 2001, Section 151, as amended by Section 2, Chapter 151, O.S.L. 2007 (47 O.S. Supp. 2007, Section 151); amending 56 O.S. 2001, Section 1010.1, as last amended by Section 1, Chapter 230, O.S.L. 2007 (56

O.S. Supp. 2007, Section 1010.1); repealing 56 O.S. 2001, Section 1010.1, as last amended by Section 3, Chapter 318, O.S.L. 2007 (56 O.S. Supp. 2007, Section 1010.1); amending 57 O.S. 2001, Section 571, as amended by Section 10, Chapter 358, O.S.L. 2007 (57 O.S. Supp. 2007, Section 571); repealing 57 O.S. 2001, Section 571, as amended by Section 1, Chapter 166, O.S.L. 2007 (57 O.S. Supp. 2007, Section 571); repealing Section 3, Chapter 207, O.S.L. 2006, as amended by Section 1, Chapter 38, O.S.L. 2007 (59 O.S. Supp. 2007, Section 3022); amending Section 3, Chapter 292, O.S.L. 2006, as amended by Section 3, Chapter 367, O.S.L. 2007 (62 O.S. Supp. 2007, Section 3103); repealing Section 3, Chapter 292, O.S.L. 2006, as amended by Section 2, Chapter 186, O.S.L. 2007 (62 O.S. Supp. 2007, Section 3103); amending 68 O.S. 2001, Section 1353, as last amended by Section 3, Chapter 366, O.S.L. 2007 (68 O.S. Supp. 2007, Section 1353); repealing 68 O.S. 2001, Section 1353, as last amended by Section 2, Chapter 136, O.S.L. 2007 (68 O.S. Supp. 2007, Section 1353); repealing Section 1, Chapter 287, O.S.L. 2005, as amended by Section 3, Chapter 267, O.S.L. 2007 (68 O.S. Supp. 2007, Section 2357.67); amending 68 O.S. 2001, Section 2358, as last amended by Section 3, Chapter 346, O.S.L. 2007 (68 O.S. Supp. 2007, Section 2358); repealing 68 O.S. 2001, Section 2358, as last amended by Section 10, Chapter 353, O.S.L. 2007 (68 O.S. Supp. 2007, Section 2358); amending 68 O.S. 2001, Section 2817, as last amended by Section 1, Chapter 250, O.S.L. 2007 (68 O.S. Supp. 2007, Section 2817); repealing 68 O.S. 2001, Section 2817, as last amended by Section 1, Chapter 329, O.S.L. 2007 (68 O.S. Supp. 2007, Section 2817); amending 70 O.S. 2001, Section 2603, as last amended by Section 6, Chapter 355, O.S.L. 2007 (70 O.S. Supp. 2007, Section 2603); repealing 70 O.S. 2001, Section 2603, as last amended by Section 1, Chapter 262, O.S.L. 2007 (70 O.S. Supp. 2007, Section 2603); amending 70 O.S. 2001, Section 2605, as last amended by Section 7, Chapter 355, O.S.L. 2007 (70 O.S. Supp. 2007, Section 2605); repealing 70 O.S. 2001, Section 2605, as last amended by Section 2,

Chapter 262, O.S.L. 2007 (70 O.S. Supp. 2007, Section 2605); amending 70 O.S. 2001, Section 3311.5, as amended by Section 8, Chapter 360, O.S.L. 2007 (70 O.S. Supp. 2007, Section 3311.5); repealing 70 O.S. 2001, Section 3311.5, as amended by Section 1, Chapter 179, O.S.L. 2007 (70 O.S. Supp. 2007, Section 3311.5); amending 70 O.S. 2001, Section 4423, as amended by Section 1, Chapter 72, O.S.L. 2007 (70 O.S. Supp. 2007, Section 4423); repealing 70 O.S. 2001, Section 4423, as amended by Section 10, Chapter 276, O.S.L. 1996; amending 74 O.S. 2001, Section 840-5.5, as last amended by Section 3, Chapter 208, O.S.L. 2007 (74 O.S. Supp. 2007, Section 840-5.5); repealing 74 O.S. 2001, Section 840-5.5, as last amended by Section 21, Chapter 326, O.S.L. 2007 (74 O.S. Supp. 2007, Section 840-5.5); and declaring an emergency.

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

SECTION 1. AMENDATORY 2 O.S. 2001, Section 9-204.1, as renumbered by Section 25, Chapter 292, O.S.L. 2005, and as amended by Section 1, Chapter 64, O.S.L. 2007 (2 O.S. Supp. 2007, Section 20-6), is amended to read as follows:

Section 20-6. A. 1. Any ~~animal~~ swine feeding operation meeting the criteria defining a concentrated ~~animal~~ swine feeding operation shall be required to obtain a license to operate pursuant to the Oklahoma ~~Concentrated Animal~~ Swine Feeding Operations Act and rules promulgated pursuant thereto.

2. No ~~animal~~ swine feeding operation which voluntarily obtains a license pursuant to the ~~Concentrated Animal~~ Oklahoma Swine Feeding Operations Act shall be considered to be a concentrated ~~animal~~ swine feeding operation unless the operation meets the definition of concentrated ~~animal~~ swine feeding operation.

3. Any ~~animal~~ other swine feeding operation ~~other than a concentrated animal feeding operation~~, regardless of the number of

~~animals~~ swine, shall only be required to be licensed pursuant to the provisions of the Oklahoma ~~Concentrated Animal Swine Feeding~~ Operations Act and rules promulgated pursuant thereto if the State Board of Agriculture determines the operation to be a significant contributor of pollution to waters of the state ~~pursuant to subsection D of this section.~~

B. 1. Two or more ~~animal~~ swine feeding operations under common ownership are considered, for the purposes of licensure, to be a single ~~animal~~ swine feeding operation if they adjoin each other or if they use a common area or system for the disposal of wastes.

2. A licensed managed feeding operation shall be required to seek a modification of its license for any increase in excess of five percent (5%) of the original facility's licensed capacity.

C. Expanding operations shall be required to seek a modification of its license prior to expansion. ~~Change in species or ratio of species mix alone shall not be defined as an expanding operation as long as the increase in animal unit capacity does not exceed five percent (5%).~~

D. 1. The ~~State Board of Agriculture~~ may make a case-by-case designation of concentrated ~~animal~~ swine feeding operations pursuant to this section. Any ~~animal~~ swine feeding operation may be designated as a concentrated ~~animal~~ swine feeding operation if it is determined to be a significant contributor of pollution to the waters of the state. In making this designation, the Board shall consider the following factors:

- a. the size of the ~~animal~~ swine feeding operation and the amount of wastes reaching waters of the state,
- b. the location of the ~~animal~~ swine feeding operation relative to waters of the state,
- c. the means of conveyance of ~~animal~~ swine waste and wastewater into waters of the state,
- d. the method of disposal for ~~animal~~ swine waste and process wastewater disposal,

- e. the slope, vegetation, rainfall and other factors affecting the likelihood or frequency of discharge of ~~animal~~ swine wastes and process wastewaters into waters of the state, and
- f. other ~~such~~ factors relative to the significance of the pollution problem sought to be regulated.

2. In no case shall an application for a license be required from ~~an animal~~ a swine feeding operation pursuant to this subsection until there has been an on-site inspection of the operation and a determination by the ~~State~~ Oklahoma Department of Agriculture, Food, and Forestry that the operation is a concentrated ~~animal~~ swine feeding operation. Should the Department determine that the operation is a concentrated ~~animal~~ swine feeding operation, the Department shall notify the operation of ~~such~~ the determination and of an opportunity for the owner or operator of the facility to request an administrative hearing on the issue.

3. Process wastewater in the overflow may be discharged to navigable waters whenever rainfall events, either chronic or catastrophic, cause an overflow of process wastewater from a retention structure properly designed, constructed and operated to contain all process wastewaters plus the runoff from a twenty-five-year, twenty-four-hour rainfall event for the location of the point source. There shall be no effluent limitations on discharges from a waste facility constructed and properly maintained to contain the twenty-five-year, twenty-four-hour storm event; provided the proper design, construction and operation of the retention structure shall include but not be limited to one (1) foot of free board.

E. No new concentrated ~~animal~~ swine feeding operation or expansion of a concentrated ~~animal~~ swine feeding operation requiring a license pursuant to the Oklahoma ~~Concentrated Animal Swine~~ Feeding Operations Act shall be constructed or placed in operation unless final design plans, specifications and a Pollution Prevention Plan developed pursuant to Section 20-9 of this title have been approved by the Department.

F. No new licensed managed feeding operation or expanding operation shall be constructed until a building permit for such facility or expansion has been issued by the Department. No new

licensed managed ~~animal~~ feeding operation or expanding operation shall be placed in operation until a license for ~~such~~ the facility or a modification for an existing license has been issued by the Department.

G. When requesting a modification of a license, a licensed managed feeding operation shall comply with all notice and hearing requirements as specified by this section and rules promulgated by the State Board of Agriculture. In its request for a modification of a license, a licensed managed feeding operation shall provide all information specified in subsection G of Section 20-7 of this title.

H. Any hearings regarding modification of a license shall focus on the modifications being proposed by the licensed managed feeding operation.

I. A decision to deny modification of a license shall have no impact on the original license.

SECTION 2. REPEALER 2 O.S. 2001, Section 9-204.1, as renumbered by Section 25, Chapter 292, O.S.L. 2005, and as amended by Section 6, Chapter 31, O.S.L. 2007 (2 O.S. Supp. 2007, Section 20-6), is hereby repealed.

SECTION 3. AMENDATORY Section 14, Chapter 58, O.S.L. 2003, as last amended by Section 1, Chapter 336, O.S.L. 2007 (3A O.S. Supp. 2007, Section 713), is amended to read as follows:

Section 713. A. All gross proceeds shall be the property of the Oklahoma Lottery Commission. From its gross proceeds, the Commission shall pay the operating expenses of the Commission. At least forty-five percent (45%) of gross proceeds shall be made available as prize money. However, the provisions of this subsection shall be deemed not to create any lien, entitlement, cause of action, or other private right, and any rights of holders of tickets or shares shall be determined by the Commission in setting the terms of its lottery or lotteries. For each fiscal year, net proceeds shall equal at least thirty-five percent (35%) of the gross proceeds. However, for the purpose of repaying indebtedness issued pursuant to Section 732 of this title, for the first two (2) full fiscal years and any partial first fiscal year of the Commission, net proceeds need only equal at least thirty percent

(30%) of the gross proceeds. All of the net proceeds shall be transferred to the Oklahoma Education Lottery Trust Fund as provided in subsection B of this section.

B. There is hereby created in the State Treasury a fund to be designated the "Oklahoma Education Lottery Trust Fund". On or before the fifteenth day of each calendar quarter, the Commission shall transfer to the State Treasurer, for credit to the Oklahoma Education Lottery Trust Fund, the amount of all net proceeds accruing during the preceding calendar quarter. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

Upon their deposit into the State Treasury, any monies representing a deposit of net proceeds shall then become the unencumbered property of this state, and neither the Commission nor the board of trustees shall have the power to agree or undertake otherwise. The monies shall be invested by the State Treasurer in accordance with state investment practices. All earnings attributable to such investments shall likewise be the unencumbered property of the state and shall accrue to the credit of the fund.

C. Monies in the Oklahoma Education Lottery Trust Fund shall only be appropriated as follows:

1. Forty-five percent (45%) for the following:
 - a. kindergarten through twelfth grade public education, including but not limited to compensation and benefits for public school teachers and support employees, and
 - b. early childhood development programs, which shall include but not be limited to costs associated with prekindergarten and full-day kindergarten programs;
2. Forty-five percent (45%) for the following:
 - a. tuition grants, loans and scholarships to citizens of this state to enable such citizens to attend colleges and universities located within this state, regardless of whether such colleges and universities are owned or

operated by the Oklahoma State Regents for Higher Education, or to attend institutions operated under the authority of the Oklahoma Department of Career and Technology Education, ~~including but not limited to such programs as the Oklahoma Higher Learning Access Program~~; provided such tuition grants, loans and scholarships shall not be made to a citizen of this state to attend a college or university which is not accredited by the Oklahoma State Regents for Higher Education,

- b. construction of educational facilities for elementary school districts, independent school districts, the Oklahoma State System of Higher Education, and career and technology education,
- c. capital outlay projects for elementary school districts, independent school districts, the Oklahoma State System of Higher Education, and career and technology education,
- d. technology for public elementary school district, independent school district, state higher education, and career and technology education facilities, which shall include but not be limited to costs of providing to teachers at accredited public institutions who teach levels kindergarten through twelfth grade, personnel at technology centers under the authority of the Oklahoma State Department of Career and Technology Education, and professors and instructors within the Oklahoma State System of Higher Education, the necessary training in the use and application of computers and advanced electronic instructional technology to implement interactive learning environments in the classroom and to access the state-wide distance learning network and costs associated with repairing and maintaining advanced electronic instructional technology,
- e. endowed chairs for professors at institutions of higher education operated by the Oklahoma State System of Higher Education, and

- f. programs and personnel of the Oklahoma School for the Deaf and the Oklahoma School for the Blind;

3. Five percent (5%) to the School Consolidation and Assistance Fund. When the total amount in the School Consolidation and Assistance Fund from all sources equals Five Million Dollars (\$5,000,000.00), all monies appropriated pursuant to this paragraph which would otherwise be deposited in the School Consolidation and Assistance Fund in excess of Five Million Dollars (\$5,000,000.00) shall be allocated by the State Department of Education to public schools based on the audited end-of-year average daily membership in grades 8 through 12 during the preceding school year for the purpose of purchasing technology equipment in order to conduct on-line testing as required by the Achieving Classroom Excellence Act of 2005. If at any time the total amount in the School Consolidation and Assistance Fund drops below Five Million Dollars (\$5,000,000.00), the monies appropriated pursuant to this paragraph shall be deposited in the School Consolidation and Assistance Fund until the Fund again reaches Five Million Dollars (\$5,000,000; and

4. Five percent (5%) to the Teachers' Retirement System Dedicated Revenue Revolving Fund.

D. The Legislature shall appropriate funds from the Oklahoma Education Lottery Trust Fund only for the purposes specified in subsection C of this section. Even when funds from the trust fund are used for these purposes, the Legislature shall not use funds from the trust fund to supplant or replace other state funds supporting common education, higher education, or career and technology education.

E. In order to ensure that the funds from the trust fund are used to enhance and not supplant funding for education, the State Board of Equalization shall examine and investigate appropriations from the trust fund each year. At the meeting of the State Board of Equalization held within five (5) days after the monthly apportionment in February of each year, the State Board of Equalization shall issue a finding and report which shall state whether appropriations from the trust fund were used to enhance or supplant education funding. If the State Board of Equalization finds that education funding was supplanted by funds from the trust fund, the Board shall specify the amount by which education funding

was supplanted. In this event, the Legislature shall not make any appropriations for the ensuing fiscal year until an appropriation in that amount is made to replenish the trust fund.

F. Except as otherwise provided by this subsection, no deficiency in the Oklahoma Education Lottery Trust Fund shall be replenished by reducing any nonlottery funds, including specifically but without limitation, the General Revenue Fund, the Constitutional Reserve Fund or the Education Reform Revolving Fund of the State Department of Education. No program or project started specifically from lottery proceeds shall be continued from the General Revenue Fund, the Constitutional Reserve Fund or the Education Reform Revolving Fund of the State Department of Education. Such programs must be adjusted or discontinued according to available lottery proceeds unless the Legislature by general law establishes eligibility requirements and appropriates specific funds therefor. No surplus in the Oklahoma Education Lottery Trust Fund shall be reduced or transferred to correct any nonlottery deficiencies in sums available for general appropriations. The provisions of this subsection shall not apply to bonds or other obligations issued pursuant to or to the repayment of bonds or other obligations issued pursuant to the Oklahoma Higher Education Promise of Excellence Act of 2005.

G. There is hereby created in the State Treasury a revolving fund to be designated the "Oklahoma Education Lottery Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Commission. The Commission shall make payments of net proceeds from the fund to the Oklahoma Education Lottery Trust Fund on or before the fifteenth day of each calendar quarter as provided in subsection B of this section. All monies accruing to the credit of the Oklahoma Education Lottery Revolving Fund are hereby appropriated and may be budgeted and expended for the payment of net proceeds, prizes, commissions to retailers, administrative expenses and all other expenses arising out of the operation of the education lottery, subject to the limitations provided in the Oklahoma Education Lottery Act. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

The monies in the fund shall be invested by the State Treasurer in accordance with state investment practices. All earnings attributable to such investments shall likewise accrue to the credit of the fund.

SECTION 4. REPEALER Section 14, Chapter 58, O.S.L. 2003, as last amended by Section 3, Chapter 355, O.S.L. 2007 (3A O.S. Supp. 2007, Section 713), is hereby repealed.

SECTION 5. AMENDATORY 10 O.S. 2001, Section 7115, as last amended by Section 1, Chapter 325, O.S.L. 2007 (10 O.S. Supp. 2007, Section 7115), is amended to read as follows:

Section 7115. A. Any parent or other person who shall willfully or maliciously engage in child abuse shall, upon conviction, be guilty of a felony punishable by imprisonment in the custody of the Department of Corrections not exceeding life imprisonment, or by imprisonment in a county jail not exceeding one (1) year, or by a fine of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00), or both such fine and imprisonment. As used in this subsection, "child abuse" means the willful or malicious abuse, as defined by paragraph 1 of subsection B of Section 7102 of this title, of a child under eighteen (18) years of age by another, or the act of willfully or maliciously injuring, torturing or maiming a child under eighteen (18) years of age by another.

B. Any parent or other person who shall willfully or maliciously engage in enabling child abuse shall, upon conviction, be punished by imprisonment in the custody of the Department of Corrections not exceeding life imprisonment, or by imprisonment in a county jail not exceeding one (1) year, or by a fine of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00) or both such fine and imprisonment. As used in this subsection, "enabling child abuse" means the causing, procuring or permitting of a willful or malicious act of child abuse, as defined by paragraph 1 of subsection B of Section 7102 of this title, of a child under eighteen (18) years of age by another. As used in this subsection, "permit" means to authorize or allow for the care of a child by an individual when the person authorizing or allowing such care knows or reasonably should know that the child will be placed at risk of abuse as proscribed by this subsection.

C. Any parent or other person who shall willfully or maliciously engage in child neglect shall, upon conviction, be punished by imprisonment in the custody of the Department of Corrections not exceeding life imprisonment, or by imprisonment in a county jail not exceeding one (1) year, or by a fine of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00), or both such fine and imprisonment. As used in this subsection, "child neglect" means the willful or malicious neglect, as defined by paragraph 3 of subsection B of Section 7102 of this title, of a child under eighteen (18) years of age by another.

D. Any parent or other person who shall willfully or maliciously engage in enabling child neglect shall, upon conviction, be punished by imprisonment in the custody of the Department of Corrections not exceeding life imprisonment, or by imprisonment in a county jail not exceeding one (1) year, or by a fine of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00), or both such fine and imprisonment. As used in this subsection, "enabling child neglect" means the causing, procuring or permitting of a willful or malicious act of child neglect, as defined by paragraph 3 of subsection B of Section 7102 of this title, of a child under eighteen (18) years of age by another. As used in this subsection, "permit" means to authorize or allow for the care of a child by an individual when the person authorizing or allowing such care knows or reasonably should know that the child will be placed at risk of neglect as proscribed by this subsection.

E. Any parent or other person who shall willfully or maliciously engage in child sexual abuse shall, upon conviction, be punished by imprisonment in the custody of the Department of Corrections not exceeding life imprisonment, or by imprisonment in a county jail not exceeding one (1) year, or by a fine of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00), or both such fine and imprisonment, except as provided in Section 51.1a of Title 21 of the Oklahoma Statutes or as otherwise provided in subsection F of this section for a child victim under twelve (12) years of age. Except for persons sentenced to life or life without parole, any person sentenced to imprisonment for two (2) years or more for a violation of this subsection shall be required to serve a term of post-imprisonment supervision

pursuant to subparagraph f of paragraph 1 of subsection A of Section 991a of Title 22 of the Oklahoma Statutes under conditions determined by the Department of Corrections. The jury shall be advised that the mandatory post-imprisonment supervision shall be in addition to the actual imprisonment. As used in this section, "child sexual abuse" means the willful or malicious sexual abuse, as defined by paragraph 6 of subsection B of Section 7102 of this title, of a child under eighteen (18) years of age by another.

F. Any parent or other person who shall willfully or maliciously engage in sexual abuse to a child under twelve (12) years of age shall, upon conviction, be punished by imprisonment in the custody of the Department of Corrections for not less than twenty-five (25) years nor more than life imprisonment, and by a fine of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00).

G. Any parent or other person who shall willfully or maliciously engage in enabling child sexual abuse shall, upon conviction, be punished by imprisonment in the custody of the Department of Corrections not exceeding life imprisonment, or by imprisonment in a county jail not exceeding one (1) year, or by a fine of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00), or both such fine and imprisonment. As used in this subsection, "enabling child sexual abuse" means the causing, procuring or permitting of a willful or malicious act of child sexual abuse, as defined by paragraph 6 of subsection B of Section 7102 of this title, of a child under the age of eighteen (18) by another. As used in this subsection, "permit" means to authorize or allow for the care of a child by an individual when the person authorizing or allowing such care knows or reasonably should know that the child will be placed at risk of sexual abuse as proscribed by this subsection.

H. Any parent or other person who shall willfully or maliciously engage in child sexual exploitation shall, upon conviction, be punished by imprisonment in the custody of the Department of Corrections not exceeding life imprisonment, or by imprisonment in a county jail not exceeding one (1) year, or by a fine of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00), or both such fine and imprisonment except as provided in subsection I of this section for

a child victim under twelve (12) years of age. Except for persons sentenced to life or life without parole, any person sentenced to imprisonment for two (2) years or more for a violation of this subsection shall be required to serve a term of post-imprisonment supervision pursuant to subparagraph f of paragraph 1 of subsection A of Section 991a of Title 22 of the Oklahoma Statutes under conditions determined by the Department of Corrections. The jury shall be advised that the mandatory post-imprisonment supervision shall be in addition to the actual imprisonment. As used in this subsection, "child sexual exploitation" means the willful or malicious sexual exploitation, as defined by paragraph 7 of subsection B of Section 7102 of this title, of a child under eighteen (18) years of age by another.

I. Any parent or other person who shall willfully or maliciously engage in sexual exploitation of a child under twelve (12) years of age shall, upon conviction, be punished by imprisonment in the custody of the Department of Corrections for not less than twenty-five (25) years nor more than life imprisonment, and by a fine of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00).

J. Any parent or other person who shall willfully or maliciously engage in enabling child sexual exploitation shall, upon conviction, be punished by imprisonment in the custody of the Department of Corrections not exceeding life imprisonment, or by imprisonment in a county jail not exceeding one (1) year, or by a fine of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00), or both such fine and imprisonment. As used in this subsection, "enabling child sexual exploitation" means the causing, procuring or permitting of a willful or malicious act of child sexual exploitation, as defined by paragraph 7 of subsection B of Section 7102 of this title, of a child under eighteen (18) years of age by another. As used in this subsection, "permit" means to authorize or allow for the care of a child by an individual when the person authorizing or allowing such care knows or reasonably should know that the child will be placed at risk of sexual exploitation as proscribed by this subsection.

K. Notwithstanding any other provision of law, any parent or other person convicted of forcible anal or oral sodomy, rape, rape by instrumentation, or lewd molestation of a child under fourteen

(14) years of age subsequent to a previous conviction for any offense of forcible anal or oral sodomy, rape, rape by instrumentation, or lewd molestation of a child under fourteen (14) years of age shall be punished by death or by imprisonment for life without parole.

SECTION 6. REPEALER 10 O.S. 2001, Section 7115, as last amended by Section 1, Chapter 261, O.S.L. 2007 (10 O.S. Supp. 2007, Section 7115), is hereby repealed.

SECTION 7. REPEALER 10 O.S. 2001, Section 7307-1.5, as amended by Section 3, Chapter 176, O.S.L. 2007 (10 O.S. Supp. 2007, Section 7307-1.5), is hereby repealed.

SECTION 8. REPEALER 11 O.S. 2001, Section 41-108, as last amended by Section 1, Chapter 100, O.S.L. 2007 (11 O.S. Supp. 2007, Section 41-108), is hereby repealed.

SECTION 9. REPEALER 19 O.S. 2001, Section 347, as amended by Section 3, Chapter 132, O.S.L. 2007 (19 O.S. Supp. 2007, Section 347), is hereby repealed.

SECTION 10. REPEALER 19 O.S. 2001, Section 1501, as last amended by Section 4, Chapter 100, O.S.L. 2007 (19 O.S. Supp. 2007, Section 1501), is hereby repealed.

SECTION 11. REPEALER 19 O.S. 2001, Section 1505, as last amended by Section 5, Chapter 100, O.S.L. 2007 (19 O.S. Supp. 2007, Section 1505), is hereby repealed.

SECTION 12. AMENDATORY 21 O.S. 2001, Section 1021, as last amended by Section 11, Chapter 261, O.S.L. 2007 (21 O.S. Supp. 2007, Section 1021), is amended to read as follows:

Section 1021. A. Every person who willfully and knowingly either:

1. Lewdly exposes his person or genitals in any public place, or in any place where there are present other persons to be offended or annoyed thereby;

2. Procures, counsels, or assists any person to expose such person, or to make any other exhibition of such person to public view or to the view of any number of persons, for the purpose of sexual stimulation of the viewer;

3. Writes, composes, stereotypes, prints, photographs, designs, copies, draws, engraves, paints, molds, cuts, or otherwise prepares, publishes, sells, distributes, keeps for sale, knowingly downloads on a computer, or exhibits any obscene material or child pornography; or

4. Makes, prepares, cuts, sells, gives, loans, distributes, keeps for sale, or exhibits any disc record, metal, plastic, or wax, wire or tape recording, or any type of obscene material or child pornography,

shall be guilty, upon conviction, of a felony and shall be punished by the imposition of a fine of not less than Five Hundred Dollars (\$500.00) nor more than Twenty Thousand Dollars (\$20,000.00) or by imprisonment for not less than thirty (30) days nor more than ten (10) years, or by both such fine and imprisonment.

B. Every person who:

1. Willfully solicits or aids a minor child to perform; or

2. Shows, exhibits, loans, or distributes to a minor child any obscene material or child pornography for the purpose of inducing said minor to participate in,

any act specified in paragraphs 1, 2, 3 or 4 of subsection A of this section shall be guilty, ~~upon conviction,~~ of a felony, upon conviction, and shall be punished by imprisonment in the custody of the Department of Corrections for not less than ten (10) years nor more than thirty (30) years, except when the minor child is under twelve (12) years of age at the time the offense is committed, and in such case the person shall, upon conviction, be punished by imprisonment in the custody of the Department of Corrections for not less than twenty-five (25) years.

C. Persons convicted under this section shall not be eligible for a deferred sentence.

D. Except for persons sentenced to life or life without parole, any person sentenced to imprisonment for two (2) years or more for a violation of this section shall be required to serve a term of post-imprisonment supervision pursuant to subparagraph f of paragraph 1 of subsection A of Section 991a of Title 22 of the Oklahoma Statutes under conditions determined by the Department of Corrections. The jury shall be advised that the mandatory post-imprisonment supervision shall be in addition to the actual imprisonment.

E. For purposes of this section, "downloading on a computer" means electronically transferring an electronic file from one computer or electronic media to another computer or electronic media.

SECTION 13. REPEALER 21 O.S. 2001, Section 1021, as last amended by Section 2, Chapter 325, O.S.L. 2007 (21 O.S. Supp. 2007, Section 1021), is hereby repealed.

SECTION 14. AMENDATORY 21 O.S. 2001, Section 1123, as last amended by Section 19, Chapter 261, O.S.L. 2007 (21 O.S. Supp. 2007, Section 1123), is amended to read as follows:

Section 1123. A. It is a felony for any person to knowingly and intentionally:

1. Make any oral, written or electronically or computer-generated lewd or indecent proposal to any child under sixteen (16) years of age, or other individual the person believes to be a child under sixteen (16) years of age, for the child to have unlawful sexual relations or sexual intercourse with any person; or

2. Look upon, touch, maul, or feel the body or private parts of any child under sixteen (16) years of age in any lewd or lascivious manner by any acts against public decency and morality, as defined by law; or

3. Ask, invite, entice, or persuade any child under sixteen (16) years of age, or other individual the person believes to be a child under sixteen (16) years of age, to go alone with any person to a secluded, remote, or secret place, with the unlawful and willful intent and purpose then and there to commit any crime

against public decency and morality, as defined by law, with the child; or

4. In any manner lewdly or lasciviously look upon, touch, maul, or feel the body or private parts of any child under sixteen (16) years of age in any indecent manner or in any manner relating to sexual matters or sexual interest; or

5. In a lewd and lascivious manner and for the purpose of sexual gratification:

- a. urinate or defecate upon a child under sixteen (16) years of age,
- b. ejaculate upon or in the presence of a child,
- c. cause, expose, force or require a child to look upon the body or private parts of another person,
- d. force or require any child under sixteen (16) years of age or other individual the person believes to be a child under sixteen (16) years of age, to view any obscene materials, child pornography or materials deemed harmful to minors as such terms are defined by Sections 1024.1 and 1040.75 of this title,
- e. cause, expose, force or require a child to look upon sexual acts performed in the presence of the child, or
- f. force or require a child to touch or feel the body or private parts of said child or another person.

Any person convicted of any violation of this subsection shall be punished by imprisonment in the custody of the Department of Corrections for not less than three (3) years nor more than twenty (20) years, except when the child is under twelve (12) years of age at the time the offense is committed, and in such case the person shall, upon conviction, be punished by imprisonment in the custody of the Department of Corrections for not less than twenty-five (25) years. The provisions of this subsection shall not apply unless the accused is at least three (3) years older than the victim. Any person convicted of a second or subsequent violation of this

subsection shall be guilty of a felony punishable as provided in this subsection and shall not be eligible for probation, suspended or deferred sentence. Any person convicted of a third or subsequent violation of this subsection shall be guilty of a felony punishable by imprisonment in the custody of the Department of Corrections for a term of life or life without parole, in the discretion of the jury, or in case the jury fails or refuses to fix punishment then the same shall be pronounced by the court. Any person convicted of a violation of this subsection after having been twice convicted of a violation of subsection A of Section 1114 of this title, Section 888 of this title, sexual abuse of a child pursuant to Section 7115 of Title 10 of the Oklahoma Statutes, or of any attempt to commit any of these offenses or any combination of convictions pursuant to these sections shall be punished by imprisonment in the custody of the Department of Corrections for a term of life or life without parole.

B. No person shall commit sexual battery on any other person. "Sexual battery" shall mean the intentional touching, mauling or feeling of the body or private parts of any person sixteen (16) years of age or older, in a lewd and lascivious manner and without the consent of that person or when committed by a state, county, municipal or political subdivision employee or a contractor or an employee of a contractor of the state, a county, a municipality or political subdivision of this state upon a person who is under the legal custody, supervision or authority of a state agency, a county, a municipality or a political subdivision of this state.

C. Any person convicted of a violation of subsection B of this section shall be deemed guilty of a felony and shall be punished by imprisonment in the custody of the Department of Corrections for not more than ten (10) years.

D. The fact that an undercover operative or law enforcement officer was involved in the detection and investigation of an offense pursuant to this section shall not constitute a defense to a prosecution under this section.

E. Except for persons sentenced to life or life without parole, any person sentenced to imprisonment for two (2) years or more for a violation of this section shall be required to serve a term of post-imprisonment supervision pursuant to subparagraph f of paragraph 1

of subsection A of Section 991a of Title 22 of the Oklahoma Statutes under conditions determined by the Department of Corrections. The jury shall be advised that the mandatory post-imprisonment supervision shall be in addition to the actual imprisonment.

SECTION 15. REPEALER 21 O.S. 2001, Section 1123, as last amended by Section 3, Chapter 325, O.S.L. 2007 (21 O.S. Supp. 2007, Section 1123), is hereby repealed.

SECTION 16. AMENDATORY 21 O.S. 2001, Section 1290.5, as last amended by Section 1, Chapter 92, O.S.L. 2007 (21 O.S. Supp. 2007, Section 1290.5), is amended to read as follows:

Section 1290.5

TERM OF LICENSE AND RENEWAL

A. A concealed handgun license when issued shall authorize the person to whom the license is issued to carry a loaded or unloaded concealed handgun as authorized by the provisions of the Oklahoma Self-Defense Act, and any future modifications thereto. The license shall be valid in this state for a period of five (5) years, unless subsequently surrendered, suspended or revoked as provided by law. The person shall have no authority to continue to carry a concealed handgun in this state pursuant to the Oklahoma Self-Defense Act when a license is expired or when a license has been voluntarily surrendered or suspended or revoked for any reason.

B. A license may be renewed any time within ninety (90) days prior to the expiration date as provided in this subsection. The Bureau shall send a renewal application to each eligible licensee with a return address requested. There shall be a thirty-day grace period on license renewals beginning on the date of expiration, thereafter the license is considered expired. However, any applicant shall have ~~one (1) year~~ three (3) years from the expiration of the license to comply with the renewal requirements of this section.

1. To renew a handgun license, the licensee must first obtain a renewal form from the Oklahoma State Bureau of Investigation.

2. The applicant must complete the renewal form, attach two current passport size photographs of the applicant, and submit a renewal fee in the amount of Eighty-five Dollars (\$85.00) to the Bureau. The renewal fee may be paid with a nationally recognized credit card as provided in subparagraph b of paragraph 4 of subsection A of Section 1290.12 of this title, or by a cashier's check or money order made payable to the Oklahoma State Bureau of Investigation.

3. Upon receipt of the renewal application, photographs and fee, the Bureau will conduct a criminal history records name search, an investigation of medical records or other records or information deemed by the Bureau to be relevant to the renewal application. If the applicant appears not to have any prohibition to renewing the handgun license, the Bureau shall issue the renewed license for a period of five (5) years.

C. Upon the effective date of this act, any person making application for a concealed handgun license or any licensee seeking to renew a concealed handgun license shall have the option to request that said license be valid for a period of ten (10) years. The fee for any concealed handgun license issued for a period of ten (10) years shall be double the amount of the fee provided for in paragraph 4 of subsection A of Section 1290.12 of this title. The renewal fee for a concealed handgun license issued for a period of ten (10) years shall be double the amount of the fee provided for in paragraph 2 of subsection B of this section.

SECTION 17. REPEALER 21 O.S. 2001, Section 1290.5, as last amended by Section 3, Chapter 128, O.S.L. 2007 (21 O.S. Supp. 2007, Section 1290.5), is hereby repealed.

SECTION 18. REPEALER 22 O.S. 2001, Section 114, as last amended by Section 2, Chapter 199, O.S.L. 2007 (22 O.S. Supp. 2007, Section 114), is hereby repealed.

SECTION 19. AMENDATORY 22 O.S. 2001, Section 991a, as last amended by Section 1, Chapter 182, O.S.L. 2007 (22 O.S. Supp. 2007, 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, 1111.1, 1115 and 1123 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;

13. In addition to the other sentencing powers of the court, a sex offender who is habitual or aggravated 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 shall 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 cost of such monitoring device shall be reimbursed by the offender;

14. In addition to the other sentencing powers of the court, in the case of a sex offender who is required by law to register pursuant to the Sex Offenders Registration Act, the court may prohibit the person from accessing or using any Internet social networking web site that has the potential or likelihood of allowing the sex offender to have contact with any child who is under the age of eighteen (18) years; or

15. In addition to the other sentencing powers of the court, in the case of a sex offender who is required by law to register pursuant to the Sex Offenders Registration Act, the court may require the person to register any electronic mail address information, instant message, chat or other Internet communication name or identity information that the person uses or intends to use while accessing the Internet.

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 or if parole is granted 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 or other peace officer 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, peace officers, 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. All collectors of DNA samples 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. All collectors of DNA samples 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 pursuant to this subsection shall be deposited in the revolving account or the service fee account of the collection agency or department.

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 20. REPEALER 22 O.S. 2001, Section 991a, as last amended by Section 21, Chapter 261, O.S.L. 2007 (22 O.S. Supp. 2007, Section 991a), is hereby repealed.

SECTION 21. AMENDATORY 28 O.S. 2001, Section 153, as last amended by Section 3, Chapter 247, O.S.L. 2007 (28 O.S. Supp. 2007, 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..... \$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.....\$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 Twenty-five Dollars (\$25.00) 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. In addition to the amounts collected pursuant to paragraphs 1 through 6 of subsection A of this section, the sum of Three Dollars (\$3.00) shall be assessed and credited to the Office of the Attorney General Victim Services Unit.

G. In addition to the amounts collected pursuant to paragraphs 1 through 6 of subsection A of this section, the sum of Three Dollars (\$3.00) shall be assessed and credited to the Child Abuse Multidisciplinary Account. This fee shall not be used for purposes of hiring or employing any law enforcement officers.

H. 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.

I. The amounts to be assessed as court costs upon filing of a case shall be those amounts above-stated in paragraph 3 or 4 of subsection A and subsection B, C, D and E of this section.

J. 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 1-2530.9 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 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 Four-Hundred-Thirty-three-Dollar fee provided for in paragraph 6 of subsection A of this section.

~~J.~~ K. 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.

~~K.~~ L. 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.

~~L.~~ M. A court clerk may accept in payment for any fee, fine, forfeiture payment, cost, penalty assessment or other charge or collection to be assessed or collected by a court clerk pursuant to this section a nationally recognized credit card or debit card or other electronic payment method as provided in paragraph 1 of subsection B of Section 151 of this title.

~~M.~~ N. 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 22. REPEALER 28 O.S. 2001, Section 153, as last amended by Section 3, Chapter 199, O.S.L. 2007 (28 O.S. Supp. 2007, Section 153), is hereby repealed.

SECTION 23. REPEALER 42 O.S. 2001, Section 147.1, as last amended by Section 7, Chapter 132, O.S.L. 2007 (42 O.S. Supp. 2007, Section 147.1), is hereby repealed.

SECTION 24. AMENDATORY 47 O.S. 2001, Section 6-111, as last amended by Section 2, Chapter 328, O.S.L. 2007 (47 O.S. Supp. 2007, Section 6-111), is amended to read as follows:

Section 6-111. A. 1. The Department of Public Safety shall, upon payment of the required fee, issue to every applicant qualifying ~~therefore~~ therefor a Class A, B, C or D driver license or identification card as applied for, which license or card shall bear thereon a distinguishing alphanumeric identification assigned to the licensee or cardholder, date of issuance and date of expiration of the license or card, the full name, signature or computerized signature, date of birth, ~~mailing~~ residence address, sex, a color photograph or computerized image of the licensee or cardholder and security features as determined by the Department. The photograph or image shall depict a full front unobstructed view of the entire face of the licensee or cardholder. When any person is issued both a driver license and an identification card, the Department shall ensure the information on both the license and the card are the same, unless otherwise provided by law.

2. A driver license or identification card issued by the Department on or after March 1, 2004, shall bear thereon the county of residence of the licensee or cardholder.

3. The Department may cancel the distinguishing number, when that distinguishing number is another person's Social Security number, assign a new distinguishing alphanumeric identification, and issue a new license or identification card without charge to the licensee or cardholder.

4. The Department may promulgate rules for inclusion of the height and a brief description of the licensee or cardholder on the face of the card or license identifying the licensee or cardholder as deaf or hard-of-hearing.

5. It is unlawful for any person to apply, adhere, or otherwise attach to a driver license or identification card any decal, sticker, label, or other attachment. Any law enforcement officer is authorized to remove and dispose of any unlawful decal, sticker, label, or other attachment from the driver license of a person. The law enforcement officer, the employing agency of the officer, the Department of Public Safety, and the State of Oklahoma shall be immune from any liability for any loss suffered by the licensee, cardholder, or the owner of the decal, sticker, label, or other attachment caused by the removal and destruction of the decal, sticker, label, or other attachment.

6. The Department of Public Safety shall develop by rule an alternative procedure whereby a person applying for a renewal or replacement Class D license or identification card, when the person satisfactorily demonstrates to the Department the inability to appear personally to be photographed because the person is not in the state at the time of renewal or at a time a replacement is required by the person, may be issued a license or card; provided, immediately upon returning to Oklahoma, the person shall obtain a replacement license or card as provided in Section 6-114 of this title.

B. The Department may issue a temporary permit to an applicant for a driver license permitting such applicant to operate a motor vehicle while the Department is completing its investigation and determination of all facts relative to such applicant's privilege to receive a license. Such permit must be in the immediate possession of the driver while operating a motor vehicle, and it shall be invalid when the applicant's driver license has been issued or for good cause has been refused.

C. 1. The Department may issue a restricted commercial driver license to seasonal drivers eighteen (18) years of age or older for any of the following specific farm-related service industries:

- a. farm retail outlets and suppliers,
- b. agri-chemical businesses,
- c. custom harvesters, and

- d. livestock feeders.

The applicant shall hold a valid Oklahoma driver license and shall meet all the requirements for a commercial driver license. The restricted commercial driver license shall not exceed a total of one hundred eighty (180) days within any twelve-month period.

2. The restricted commercial driver license shall not be valid for operators of commercial motor vehicles beyond one hundred fifty (150) miles from the place of business or the farm currently being served. Such license shall be limited to Class B vehicles. Holders of such licenses who transport hazardous materials which are required to be placarded shall be limited to the following:

- a. diesel fuel in quantities of one thousand (1,000) gallons or less,
- b. liquid fertilizers in vehicles with total capacities of three thousand (3,000) gallons or less, and
- c. solid fertilizers that are not mixed with any organic substance.

No other placarded hazardous materials shall be transported by holders of such licenses.

D. 1. The Department shall develop a procedure whereby a person applying for an original, renewal or replacement Class A, B, C or D driver license or identification card who is required to register as a convicted sex offender with the Department of Corrections pursuant to the provisions of the Sex Offenders Registration Act and who the Department of Corrections designates as an aggravated or habitual offender pursuant to subsection J of Section 584 of Title 57 of the Oklahoma Statutes shall be issued a license or card bearing the words "Sex Offender".

2. The Department shall notify every person subject to registration under the provisions of this act who holds a current Class A, B, C or D driver license or identification card that such person is required to surrender the license or card to the Department within one hundred eighty (180) days from the date of the notice.

3. Upon surrendering the license or card for the reason set forth in this subsection, application may be made with the Department for a replacement license or card bearing the words "Sex Offender".

4. Failure to comply with the requirements set forth in such notice shall result in cancellation of the person's license or card. Such cancellation shall be in effect for one (1) year, after which time the person may make application with the Department for a new license or card bearing the words "Sex Offender". Continued use of a canceled license or card shall constitute a misdemeanor and shall, upon conviction thereof, be punishable by a fine of not less than Twenty-five Dollars (\$25.00), nor more than Two Hundred Dollars (\$200.00). When an individual is no longer required to register as a convicted sex offender with the Department of Corrections pursuant to the provisions of the Sex Offenders Registration Act, the individual shall be eligible to receive a driver license or identification card which does not bear the words "Sex Offender".

E. Nothing in subsection D of this section shall be deemed to impose any liability upon or give rise to a cause of action against any employee, agent or official of the Department of Corrections for failing to designate a sex offender as an aggravated or habitual offender pursuant to subsection J of Section 584 of Title 57 of the Oklahoma Statutes.

SECTION 25. REPEALER 47 O.S. 2001, Section 6-111, as last amended by Section 7, Chapter 326, O.S.L. 2007 (47 O.S. Supp. 2007, Section 6-111), is hereby repealed.

SECTION 26. REPEALER 47 O.S. 2001, Section 151, as amended by Section 2, Chapter 151, O.S.L. 2007 (47 O.S. Supp. 2007, Section 151), is hereby repealed.

SECTION 27. AMENDATORY 56 O.S. 2001, Section 1010.1, as last amended by Section 1, Chapter 230, O.S.L. 2007 (56 O.S. Supp. 2007, Section 1010.1), is amended to read as follows:

Section 1010.1 A. Sections 1010.1 through 1010.7 of this title shall be known and may be cited as the "Oklahoma Medicaid Program Reform Act of 2003".

B. Recognizing that many Oklahomans do not have health care benefits or health care coverage, that many small businesses cannot afford to provide health care benefits to their employees, and that, under federal law, barriers exist to providing Medicaid benefits to the uninsured, the Oklahoma Legislature hereby establishes provisions to lower the number of uninsured, assist businesses in their ability to afford health care benefits and coverage for their employees, and eliminate barriers to providing health coverage to eligible enrollees under federal law.

C. ~~The~~ Unless otherwise provided by law, the Oklahoma Health Care Authority shall provide coverage under the state Medicaid program to children under the age of eighteen (18) years whose family incomes do not exceed one hundred eighty-five percent (185%) of the federal poverty level.

D. 1. The Authority is directed to apply for a waiver or waivers to the Centers for Medicaid and Medicare Services (CMS) that will accomplish the purposes outlined in subsection B of this section. The Authority is further directed to negotiate with CMS to include in the waiver authority provisions to:

- a. increase access to health care for Oklahomans,
- b. reform the Oklahoma Medicaid Program to promote personal responsibility for health care services and appropriate utilization of health care benefits through the use of public-private cost sharing,
- c. enable small employers, and/or employed, uninsured adults with or without children to purchase employer-sponsored, state-approved private, or state-sponsored health care coverage through a state premium assistance payment plan. If by January 1, 2012, the Employer/Employee Partnership for Insurance Coverage Premium Assistance Program is not consuming more than seventy-five percent (75%) of its dedicated source of funding, then the program will be expanded to include parents of children eligible for Medicaid, and
- d. develop flexible health care benefit packages based upon patient need and cost.

2. The Authority may phase in any waiver or waivers it receives based upon available funding.

3. The Authority is authorized to develop and implement a premium assistance plan to assist small businesses and/or their eligible employees to purchase employer-sponsored insurance or "buy-in" to a state-sponsored benefit plan.

4. The Authority is authorized to seek from the Centers for Medicare and Medicaid Services any waivers or amendments to existing waivers necessary to accomplish an expansion of the premium assistance program to include employers with two hundred fifty employees or less up to any level supported by existing funding resources.

5. The Authority is authorized to seek from the Centers for Medicare and Medicaid Services any waivers or amendments to existing waivers necessary to accomplish an extension of the premium assistance program to include qualified employees whose family income does not exceed two hundred fifty percent (250%) of the federal poverty level, subject to the limit of federal financial participation.

E. 1. There is hereby created in the State Treasury a revolving fund to be designated the "Health Employee and Economy Improvement Act (HEEIA) Revolving Fund".

2. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of:

- a. all monies received by the Authority pursuant to this section and otherwise specified or authorized by law,
- b. monies received by the Authority due to federal financial participation pursuant to Title XIX of the Social Security Act, and
- c. interest attributable to investment of money in the fund.

3. All monies accruing to the credit of the fund are hereby appropriated and shall be budgeted and expended by the Authority to

implement a premium assistance plan, unless otherwise provided by law.

SECTION 28. REPEALER 56 O.S. 2001, Section 1010.1, as last amended by Section 3, Chapter 318, O.S.L. 2007 (56 O.S. Supp. 2007, Section 1010.1), is hereby repealed.

SECTION 29. AMENDATORY 57 O.S. 2001, Section 571, as amended by Section 10, Chapter 358, O.S.L. 2007 (57 O.S. Supp. 2007, Section 571), is amended to read as follows:

Section 571. As used in the Oklahoma Statutes, unless another definition is specified:

1. "Capacity" means the actual available bedspace as certified by the State Board of Corrections subject to applicable federal and state laws and the rules and regulations promulgated under such laws;

2. "Nonviolent offense" means any felony offense except the following, or any attempts to commit or conspiracy or solicitation to commit the following crimes:

- a. assault, battery, or assault and battery with a dangerous or deadly weapon;
- b. aggravated assault and battery on a police officer, sheriff, highway patrolman, or any other officer of the law;
- c. poisoning with intent to kill;
- d. shooting with intent to kill;
- e. assault with intent to kill;
- f. assault with intent to commit a felony;
- g. assaults while masked or disguised;
- h. murder in the first degree;

- i. murder in the second degree;
- j. manslaughter in the first degree;
- k. manslaughter in the second degree;
- l. kidnapping;
- m. burglary in the first degree;
- n. burglary with explosives;
- o. kidnapping for extortion;
- p. maiming;
- q. robbery;
- r. robbery in the first degree;
- s. robbery in the second degree;
- t. armed robbery;
- u. robbery by two (2) or more persons;
- v. robbery with dangerous weapon or imitation firearm;
- w. child ~~beating~~ abuse;
- x. wiring any equipment, vehicle or structure with explosives;
- y. forcible sodomy;
- z. rape in the first degree;
- aa. rape in the second degree;
- bb. rape by instrumentation;

- cc. lewd or indecent proposition or lewd or indecent act with a child;
- dd. use of a firearm or offensive weapon to commit or attempt to commit a felony;
- ee. pointing firearms;
- ff. rioting;
- gg. inciting to riot;
- hh. arson in the first degree;
- ii. injuring or burning public buildings;
- jj. sabotage;
- kk. criminal syndicalism;
- ll. extortion;
- mm. obtaining signature by extortion;
- nn. seizure of a bus, discharging firearm or hurling missile at bus;
- oo. mistreatment of a mental patient; or
- pp. using a vehicle to facilitate the discharge of a weapon pursuant to Section 652 of Title 21 of the Oklahoma Statutes.

SECTION 30. REPEALER 57 O.S. 2001, Section 571, as amended by Section 1, Chapter 166, O.S.L. 2007 (57 O.S. Supp. 2007, Section 571), is hereby repealed.

SECTION 31. REPEALER Section 3, Chapter 207, O.S.L. 2006, as amended by Section 1, Chapter 38, O.S.L. 2007 (59 O.S. Supp. 2007, Section 3022), is hereby repealed.

SECTION 32. AMENDATORY Section 3, Chapter 292, O.S.L. 2006, as amended by Section 3, Chapter 367, O.S.L. 2007 (62 O.S. Supp. 2007, Section 3103), is amended to read as follows:

Section 3103. As used in the Oklahoma Pension Legislation Actuarial Analysis Act:

1. "Amendment" means any amendment, including a substitute bill, made to a retirement bill by any committee of the House or Senate, any conference committee of the House or Senate or by the House or Senate;

2. "RB number" means that number preceded by the letters "RB" assigned to a retirement bill by the respective staffs of the Oklahoma State Senate and the Oklahoma House of Representatives when the respective staff office prepares a retirement bill for a member of the Legislature;

3. "Legislative Actuary" means the firm or entity that enters into a contract with the Legislative Service Bureau pursuant to Section 452.15 of Title 74 of the Oklahoma Statutes to provide the actuarial services and other duties provided for in the Oklahoma Pension Legislation Actuarial Analysis Act;

4. "Nonfiscal amendment" means an amendment to a retirement bill having a fiscal impact, which amendment does not change any factor of an actuarial investigation specified in subsection A of Section 3109 of this title;

5. "Nonfiscal retirement bill" means a retirement bill which does not affect the cost or funding factors of a retirement system or a retirement bill which affects such factors only in a manner which does not:

- a. grant a benefit increase under the retirement system affected by the bill except for cost-of-living adjustments provided to retirees of the retirement system, which shall if the increase in actuarial accrued liability from the increase does not exceed the annual cumulative increase in actuarial accrued liability already fully reflected in its liabilities by the retirement system from an actuarial assumption

of a cost-of-living adjustment of an existing retirement system which assumption was established by the retirement system as of December 31, 2005 2006, or which shall not exceed two percent (2%) annually on a cumulative basis for a retirement system created on or after January 1, 2006, which bill shall specifically identify such cost-of-living increase,

- b. create an actuarial accrued liability for or increase the actuarial accrued liability of the retirement system affected by the bill, or
- c. increase the normal cost of the retirement system affected by the bill except as otherwise provided by subparagraph a of this paragraph.

A nonfiscal retirement bill shall include any retirement bill that has as its sole purpose the appropriation or distribution or redistribution of monies in some manner to a retirement system for purposes of reducing the unfunded liability of such system or the earmarking of a portion of the revenue from a tax to a retirement system or increasing the percentage of the revenue earmarked from a tax to a retirement system.

6. "Reduction in cost amendment" means an amendment to a retirement bill having a fiscal impact which reduces the cost of the bill as such cost is determined by the actuarial investigation for the bill prepared pursuant to Section 9 3109 of this ~~act~~ title;

7. "Retirement bill" means any bill or joint resolution introduced or any bill or joint resolution amended by a member of the Oklahoma Legislature which creates or amends any law directly affecting a retirement system. A retirement bill shall not mean a bill or resolution that impacts the revenue of any state tax in which a portion of the revenue generated from such tax is earmarked for the benefit of a retirement system;

8. "Retirement bill having a fiscal impact" means any retirement bill creating or establishing a retirement system and any other retirement bill other than a nonfiscal retirement bill; and

9. "Retirement system" means the Teachers' Retirement System of Oklahoma, the Oklahoma Public Employees Retirement System, the Uniform Retirement System for Justices and Judges, the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, the Oklahoma Law Enforcement Retirement System, or a retirement system established after January 1, 2006.

SECTION 33. REPEALER Section 3, Chapter 292, O.S.L. 2006, as amended by Section 2, Chapter 186, O.S.L. 2007 (62 O.S. Supp. 2007, Section 3103), is hereby repealed.

SECTION 34. AMENDATORY 68 O.S. 2001, Section 1353, as last amended by Section 3, Chapter 366, O.S.L. 2007 (68 O.S. Supp. 2007, Section 1353), is amended to read as follows:

Section 1353. A. It is hereby declared to be the purpose of the Oklahoma Sales Tax Code to provide funds for the financing of the program provided for by the Oklahoma Social Security Act and to provide revenues for the support of the functions of the state government of Oklahoma, and for this purpose it is hereby expressly provided that, revenues derived pursuant to the provisions of the Oklahoma Sales Tax Code shall be apportioned as follows:

1. a. the following amounts shall be paid to the State Treasurer to be placed to the credit of the General Revenue Fund to be paid out pursuant to direct appropriation by the Legislature:

Fiscal Year	Amount
FY 2003 and FY 2004	86.04%
FY 2005	85.83%
FY 2006	85.54%
FY 2007	85.04%
FY 2008 and each fiscal year thereafter	83.61%

- b. in the event that additional monies are necessary pursuant to paragraph 5 of this section, such additional monies shall be deducted in the proportion determined by the State Board of Equalization pursuant to paragraph 3 of Section 2 of this act from the monies apportioned to the General Revenue Fund;

2. For FY 2003, FY 2004 and FY 2005, ten and forty-two one-hundredths percent (10.42%), shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education and for FY 2006 and each fiscal year thereafter, ten and forty-six one hundredths percent (10.46%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education;

3. The following amounts shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 and each fiscal year thereafter	5.0%

4. For the fiscal year beginning July 1, 2007, and for each fiscal year thereafter, ninety-three one hundredths percent (0.93%) shall be paid to the State Treasurer to be further apportioned as follows:

- a. thirty-six percent (36%) shall be placed to the credit of the Oklahoma Tourism Promotion Revolving Fund, and

- b. sixty-four percent (64%) shall be placed to the credit of the Oklahoma Tourism Capital Improvement Revolving Fund; and

5. During the first fiscal year after the State Board of Equalization has made a determination as provided in Section 2 of Enrolled Senate Bill No. 357 of the 1st Session of the 51st Oklahoma Legislature, as amended by Section 2 of this act, regarding a baseline amount of revenue apportioned pursuant to paragraph 3 of this section, and for each fiscal year thereafter, in no event shall monies apportioned pursuant to paragraph 3 of this section, paragraph 3 of Section 1403 of this title and subparagraph c of paragraph 1 of Section 2352 of this title be less than such baseline amount.

B. Provided, for the fiscal year beginning July 1, 2007, and every fiscal year thereafter, an amount of revenue shall be apportioned to each municipality or county which levies a sales tax subject to the provisions of Section 1357.10 of this title and subsection F of Section 2701 of this title equal to the amount of sales tax revenue of such municipality or county exempted by the provisions of Section 1357.10 of this title and subsection F of Section 2701 of this title. The Oklahoma Tax Commission shall promulgate and adopt rules necessary to implement the provisions of this subsection.

SECTION 35. REPEALER 68 O.S. 2001, Section 1353, as last amended by Section 2, Chapter 136, O.S.L. 2007 (68 O.S. Supp. 2007, Section 1353), is hereby repealed.

SECTION 36. REPEALER Section 1, Chapter 287, O.S.L. 2005, as amended by Section 3, Chapter 267, O.S.L. 2007 (68 O.S. Supp. 2007, Section 2357.67), is hereby repealed.

SECTION 37. AMENDATORY 68 O.S. 2001, Section 2358, as last amended by Section 3, Chapter 346, O.S.L. 2007 (68 O.S. Supp. 2007, 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 result from:
 - (1) the sale of real property 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,
 - (2) 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, or

- (3) the sale of real property, tangible personal property or intangible personal property located within Oklahoma as part of the sale of all or substantially all of the assets of an Oklahoma company, limited liability company, or partnership where such property has been directly or indirectly owned by such entity owned by the owners of such entity, and used in or derived from such entity for a 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. The holding period shall include any additional period when the property was held by another individual or entity, if such additional period is included in the taxpayer's holding period for the asset pursuant to the Internal Revenue Code,

 - 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 property or tangible 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 or sales of all or substantially all of the assets of 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 or the assets 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 year beginning on 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) Five Thousand Five Hundred Dollars (\$5,500.00), if the filing status is married filing joint or qualifying widow; or
- (2) 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.
- c. In taxable years beginning after December 31, 2006, deductions for contributions made pursuant to subparagraph b of this paragraph shall be limited as follows:
- (1) for a taxpayer who qualified for the five-year carryforward election and who takes a rollover or non-qualified withdrawal during that period, the tax deduction otherwise available pursuant to subparagraph b of this paragraph shall be reduced by the amount which is equal to the rollover or non-qualified withdrawal, and
 - (2) for a taxpayer who elects to take a rollover or non-qualified withdrawal within the same tax year in which a contribution was made to the taxpayer's account, the tax deduction otherwise available pursuant to subparagraph b of this

paragraph shall be reduced by the amount of the contribution which is equal to the rollover or non-qualified withdrawal.

- d. If a taxpayer elects to take a rollover on a contribution for which a deduction has been taken pursuant to subparagraph b of this paragraph within one year of the date of contribution, the amount of such rollover shall be included in the adjusted gross income of the taxpayer in the taxable year of the rollover.
- e. If a taxpayer makes a non-qualified withdrawal of contributions for which a deduction was taken pursuant to subparagraph b of this paragraph, such non-qualified withdrawal and any earnings thereon shall be included in the adjusted gross income of the taxpayer in the taxable year of the non-qualified withdrawal.
- f. As used in this paragraph:
 - (1) "non-qualified withdrawal" means a withdrawal from an Oklahoma College Savings Plan account other than one of the following:
 - (a) a qualified withdrawal,
 - (b) a withdrawal made as a result of the death or disability of the designated beneficiary of an account,
 - (c) a withdrawal that is made on the account of a scholarship or the allowance or payment described in Section 135(d)(1)(B) or (C) or by the Internal Revenue Code, received by the designated beneficiary to the extent the amount of the refund does not exceed the amount of the scholarship, allowance, or payment, or
 - (d) a rollover or change of designated beneficiary as permitted by subsection F of

Section 3970.7 of Title 70 of Oklahoma Statutes, and

- (2) "rollover" means the transfer of funds from the Oklahoma College Savings Plan to any other plan under Section 529 of the Internal Revenue Code.

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.

21. a. For taxable years beginning after December 31, 2007, a resident individual may deduct up to Ten Thousand Dollars (\$10,000.00) from Oklahoma adjusted gross

income if the individual, or the dependent of the individual, while living, donates one or more human organs of the individual to another human being for human organ transplantation. As used in this paragraph, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow. A deduction that is claimed under this paragraph may be claimed in the taxable year in which the human organ transplantation occurs.

- b. An individual may claim this deduction only once, and the deduction may be claimed only for unreimbursed expenses that are incurred by the individual and related to the organ donation of the individual.
- c. The Oklahoma Tax Commission shall promulgate rules to implement the provisions of this paragraph which shall contain a specific list of expenses which may be presumed to qualify for the deduction. The Tax Commission shall prescribe necessary requirements for verification.

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 property 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,

- (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 two (2) years prior to the date of the transaction from which the net capital gains arise, or
 - (3) the sale of real property, tangible personal property or intangible personal property located within Oklahoma as part of the sale of all or substantially all of the assets of an Oklahoma company, limited liability company, or partnership or an Oklahoma proprietorship business enterprise where such property has been directly or indirectly owned by such entity or business enterprise or owned by the owners of such entity or business enterprise for a period of at least 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. The holding period shall include any additional period when the property was held by another individual or entity, if such additional period is included in the taxpayer's holding period for the asset pursuant to the Internal Revenue Code,
 - 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,

- 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 property or tangible 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 or sales of all or substantially all of the assets of an Oklahoma company, limited liability company, partnership or Oklahoma proprietorship business enterprise, 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 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 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, and
- f. "Oklahoma proprietorship business enterprise" means a business enterprise whose income and expenses have

been reported on Schedule C or F of an individual taxpayer's federal income tax return, or any similar successor schedule published by the Internal Revenue Service and 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.

SECTION 38. REPEALER 68 O.S. 2001, Section 2358, as last amended by Section 10, Chapter 353, O.S.L. 2007 (68 O.S. Supp. 2007, Section 2358), is hereby repealed.

SECTION 39. AMENDATORY 68 O.S. 2001, Section 2817, as last amended by Section 1, Chapter 250, O.S.L. 2007 (68 O.S. Supp. 2007, Section 2817), is amended to read as follows:

Section 2817. A. All taxable personal property, except intangible personal property, personal property exempt from ad valorem taxation, or household personal property, shall be listed and assessed each year at its fair cash value, estimated at the price it would bring at a fair voluntary sale, as of January 1.

The fair cash value of household personal property shall be valued at ten percent (10%) of the appraised value of the improvement to the residential real property within which such personal property is located as of January 1 each year. The assessment of household personal property as provided by this section may be altered by the taxpayer listing such property at its actual fair cash value. For purposes of establishing the value of household personal property, pursuant to the requirement of Section 8 of Article X of the Oklahoma Constitution, the percentage of value prescribed by this section for the household personal property shall be presumed to constitute the fair cash value of the personal property.

All unmanufactured farm products shall be assessed and valued as of the preceding May 31. Every person, firm, company, association, or corporation, in making the assessment, shall assess all unmanufactured farm products owned by the person, firm, company, association or corporation on the preceding May 31, at its fair cash value on that date instead of January 1.

Stocks of goods, wares and merchandise shall be assessed at the value of the average amount on hand during the preceding year, or the average amount on hand during the part of the preceding year the stock of goods, wares or merchandise was at its January 1 location.

B. All taxable real property shall be assessed annually as of January 1, at its fair cash value, estimated at the price it would bring at a fair voluntary sale for:

1. The highest and best use for which the property was actually used during the preceding calendar year; or
2. The highest and best use for which the property was last classified for use if not actually used during the preceding calendar year.

When improvements upon residential real property are divided by a taxing jurisdiction line, those improvements shall be valued and assessed in the taxing jurisdiction in which the physical majority of those improvements are located.

The Ad Valorem Division of the Tax Commission shall be responsible for the promulgation of rules which shall be followed by each county assessor of the state, for the purposes of providing for the equitable use valuation of locally assessed real property in this state. Agricultural land and nonresidential improvements necessary or convenient for agricultural purposes shall be assessed for ad valorem taxation based upon the highest and best use for which the property was actually used, or was previously classified for use, during the calendar year next preceding January 1 on which the assessment is made.

C. The use value of agricultural land shall be based on the income capitalization approach using cash rent. The rental income shall be calculated using the direct capitalization method based upon factors including, but not limited to:

1. Soil types, as depicted on soil maps published by the Natural Resources Conservation Service of the United States Department of Agriculture;

2. Soil productivity indices approved by the Ad Valorem Division of the Tax Commission;

3. The specific agricultural purpose of the soil based on use categories approved by the Ad Valorem Division of the Tax Commission; and

4. A capitalization rate to be determined annually by the Ad Valorem Division of the Tax Commission based on the sum of the average first mortgage interest rate charged by the Federal Land Bank for the immediately preceding five (5) years, weighted with the prevailing rate or rates for additional loans or equity, and the effective tax rate.

The final use value will be calculated using the soil productivity indices and the agricultural use classification as defined by rules promulgated by the State Board of Equalization. This subsection shall not be construed in a manner which is inconsistent with the duties, powers and authority of the Board as to valuation of the counties as fixed and defined by Section 21 of Article X of the Oklahoma Constitution.

However, in calculating the use value of buffer strips as defined in Section 2817.2 of this title, exclusive consideration shall be based only on income from production agriculture from such buffer strips, not including federal or state subsidies, when valued as required by subsection C of Section 2817.2 of this title.

D. The use value of nonresidential improvements on agricultural land shall be based on the cost approach to value estimation using currently updated cost manuals published by the Marshall and Swift Company or similar cost manuals approved by the Ad Valorem Division of the Tax Commission. The use value estimates for the nonresidential improvements shall take obsolescence and depreciation into consideration in addition to necessary adjustments for local variations in the cost of labor and materials. This section shall not be construed in a manner which is inconsistent with the duties, powers and authority of the Board as to equalization of valuation of the counties as determined and defined by Section 21 of Article X of the Oklahoma Constitution.

The use value of facilities used for poultry production shall be determined according to the following procedures:

1. The Ad Valorem Division of the Tax Commission is hereby directed to develop a standard system of valuation of both real and personal property of such facilities, which shall be used by all county assessors in this state, under which valuation based on the following shall be presumed to be the fair cash value of the property:

- a. for real property, a ten-year depreciation schedule, at the end of which the residual value is twenty percent (20%) of the value of the facility during its first year of operation, and
- b. for personal property, a five-year depreciation schedule, at the end of which the residual value is zero;

2. Such facilities shall be valued only in comparison to other facilities used exclusively for poultry production. Such a facility which is no longer used for poultry production shall be deemed to have no productive use;

3. During the first year such a facility is placed on the tax rolls, its fair cash value shall be presumed to be the lesser of the actual purchase price or the actual documented cost of construction; and

4. For the purpose of determining the valuation of nonresidential improvements used for poultry production, the provisions of this subsection shall be applicable and such improvements shall not be considered to be commercial property.

E. The value of investment in property used exclusively by an oil refinery that is used wholly as a facility, device or method for the desulphurization of gasoline or diesel fuel as defined in Section 2817.3 of this title shall not be included in the capitalization used in the determination of fair market value of such oil refinery if such property would qualify as exempt property pursuant to Section 2902 of this title, whether or not an application for such exemption is made by an otherwise qualifying

manufacturing concern owning the property described by Section 2817.3 of this title.

F. The transfer of real property without a change in its use classification shall not require a reassessment thereof based exclusively upon the sale value of the property. However, if the county assessor determines:

1. That by reason of the transfer of a property there is a change in the actual use or classification of the property; or

2. That by reason of the amount of the sales consideration it is obvious that the use classification prior to the transfer of the property is not commensurate with and would not justify the amount of the sales consideration of the property;

then the assessor shall, in either event, reassess the property for the new use classification for which the property is being used, or, the highest and best use classification for which the property may, by reason of the transfer, be classified for use.

G. When the term "fair cash value" or the language "fair cash value, estimated at the price it would bring at a fair voluntary sale" is used in the Ad Valorem Tax Code, in connection with and in relation to the assessment of real property, it is defined to mean and shall be given the meaning ascribed and assigned to it in this section and when the term or language is used in the Code in connection with the assessment of personal property it shall be given its ordinary or literal meaning.

H. Where any real property is zoned for a use by a proper zoning authority, and the use of the property has not been changed, the use and not zoning shall determine assessment. Any reassessment required shall be effective January 1 following the change in use. Taxable real property need not be listed annually with the county assessor.

I. If any real property shall become taxable after January 1 of any year, the county assessor shall assess the same and place it upon the tax rolls for the next ensuing year. When any building is constructed upon land after January 1 of any year, the value of the building shall be added by the county assessor to the assessed

valuation of the land upon which the building is constructed at the fair cash value thereof for the next ensuing year. However, after the building has been completed it shall be deemed to have a value for assessment purposes of the fair cash value of the materials used in such building only, until the building and the land on which the building is located shall have been conveyed to a bona fide purchaser or shall have been occupied or used for any purpose other than as a sales office by the owner thereof, or shall have been leased, whichever event shall first occur. The county assessor shall continue to assess the building based upon the fair market value of the materials used therein until the building and land upon which the building is located shall have been conveyed to a bona fide purchaser or is occupied or used for any purpose other than as a sales office by the owner thereof, or is leased, whichever event shall first occur. However, the fair cash value of a lot in any platted addition or a subdivision in a city, town or county zoned for residential, commercial, industrial or other use shall be deemed to be the total purchase price paid by the developer of the addition or subdivision for the land comprising the platted addition or subdivision divided by the number of lots contained in the addition or subdivision until the lot with building or buildings located thereon shall have been conveyed to a bona fide purchaser or shall have been occupied other than as a sales office by the owner thereof, or shall have been leased, whichever event shall first occur. One who purchases a lot for the purposes of constructing and selling a building on such lot shall not be deemed to be a bona fide purchaser for purposes of this section. However, if the lot is held for a period longer than two (2) years before construction, then the assessor may consider the lot to have been conveyed to a bona fide purchaser. The cost of any land or improvements to any real property required to be dedicated to public use, including, but not limited to, streets, curbs, gutters, sidewalks, storm or sanitary sewers, utilities, detention or retention ponds, easements, parks or reserves shall not be utilized by the county assessor in the valuation of any real property for assessment purposes.

J. In case improvements on land or personal property located therein or thereon are destroyed by fire, lightning, storm, winds, floodwaters, overflow of streams or other cause, or the value of land is impaired, damaged or destroyed by fire, lightning, storm, winds, floodwaters, overflow of streams or other cause, after January 1 and before the adjournment of the county board of

equalization during any year, the county board of equalization, in cooperation with the county assessor, shall determine the amount of damage, and shall make an order directing the assessment of the property for that year at the fair cash value of the property, as defined herein, taking into account the damage occasioned by fire, lightning, storm, winds, floodwaters, overflow of streams or other cause.

K. All taxable personal property used in the exploration of oil, natural gas, or other minerals, including drilling equipment and rigs, shall be assessed annually at the value set forth in the first Hadco International monthly bulletin published for the tax year, using the appropriate depth rating assigned to the drawworks by its manufacturer and the actual condition of the rig.

SECTION 40. REPEALER 68 O.S. 2001, Section 2817, as last amended by Section 1, Chapter 329, O.S.L. 2007 (68 O.S. Supp. 2007, Section 2817), is hereby repealed.

SECTION 41. AMENDATORY 70 O.S. 2001, Section 2603, as last amended by Section 6, Chapter 355, O.S.L. 2007 (70 O.S. Supp. 2007, Section 2603), is amended to read as follows:

Section 2603. A. To be eligible to participate in the Oklahoma Higher Learning Access Program and to qualify for an award which includes payment of an amount equivalent to resident tuition or other tuition pursuant to Section 2604 of this title for the first semester or other academic unit of postsecondary enrollment, a student shall:

1. Be a resident of this state or be enrolled in a school district located in this state that serves students who reside in both this state and an adjacent state pursuant to a contract as authorized in Section 5-117.1 of this title;

2. Be a United States citizen or lawfully present in the United States. A student who is not a United States citizen or lawfully present in the United States shall not be eligible to participate in the Oklahoma Higher Learning Access Program and to qualify for an award notwithstanding the provisions of Section 3242 of this title. The provisions of this paragraph shall not apply to any student who

was enrolled in the Oklahoma Higher Learning Access Program prior to the end of the 2006-2007 school year;

3. Have a record of satisfactory compliance with agreements executed pursuant to Section 2605 of this title;

4. a. have graduated within the previous three (3) years from a high school accredited by the State Board of Education, or the Oklahoma School of Science and Mathematics with a minimum 2.5 cumulative grade point average on a 4.0 scale for all work attempted in grades nine through twelve,
- b. have graduated within the previous three (3) years from a high school not accredited by the State Board of Education with a minimum 2.5 cumulative grade point average on a 4.0 scale for all work attempted in grades nine through twelve and have achieved a composite score of 22 or higher on the ACT test, or
- c. have satisfactorily completed within the previous three (3) years an educational program that was provided through a means other than a public or private school and have achieved a composite score of 22 or higher on the ACT test;

5. Have completed the curricular requirements for admission to an institution within The Oklahoma State System of Higher Education and one additional unit or set of competencies in a course that meets college admission requirements. The curriculum requirements shall include two units or sets of competencies in foreign or non-English language or technology courses that meet the college admission requirements and one unit or set of competencies of a fine arts course. Students shall also have attained a 2.5 grade point average in the core curriculum courses. Students who attended a high school which did not offer all the core curriculum courses or students who were educated by other means and were not offered all the core curriculum courses shall be allowed to satisfy this curriculum requirement by participating in a program approved by the State Regents for remediation of high school curricular deficiencies;

6. Have satisfied admission standards as determined by the Oklahoma State Regents for Higher Education for first-time-entering students for the appropriate type of institution, or, if attending a private institution, have satisfied admission standards as determined by the private institution; ~~provided, no.~~ No student participating in the Oklahoma Higher Learning Access Program shall be admitted into an institution of higher education by special admission standards;

7. Have secured admission to, and enrolled in, an institution which is a member of The Oklahoma State System of Higher Education, a postsecondary vocational-technical program offered pursuant to a duly approved cooperative agreement between a technology center school and an institution of The Oklahoma State System of Higher Education, or a private institution of higher learning located within this state and accredited pursuant to Section 4103 of this title; and

8. Have established financial need according to the provisions of Section 2605 of this title and standards and provisions promulgated by the Oklahoma State Regents for Higher Education.

B. To retain eligibility while pursuing the program of higher learning in which enrolled, the student shall:

1. Achieve a minimum grade point average of 2.0 on a 4.0 scale or its equivalent for courses taken during the student's sophomore year and achieve a minimum grade point average of 2.5 on a 4.0 scale or its equivalent for courses taken during the student's junior year and thereafter. The provisions of this paragraph shall not apply to any student who has received an Oklahoma Higher Learning Access Program benefit award prior to the 2009-2010 school year;

2. Maintain good academic standing and satisfactory academic progress according to standards of the Oklahoma State Regents for Higher Education;

3. Comply with the standards related to maintenance of eligibility as promulgated by the Oklahoma State Regents for Higher Education; and

4. Refrain from conduct that leads to expulsion or suspension of more than one semester from an institution of higher education. A student who violates the provisions of this paragraph shall permanently lose eligibility for program benefits. The provisions of this paragraph shall become effective January 1, 2008.

C. The Oklahoma State Regents for Higher Education and the State Board of Career and Technology Education shall promulgate rules relating to maintenance of eligibility under this act by a student.

D. It is the intent of the Legislature that students in the ninth grade for the 1992-93 school year who are determined to be eligible Oklahoma Higher Learning Access students pursuant to this act shall be the first students eligible for benefits from the Oklahoma Higher Learning Access Trust Fund.

E. The Oklahoma State Regents for Higher Education are authorized to study, develop and propose criteria for determining ~~students~~ award eligibility based upon the completion of seven (7) semesters of high school coursework by a student.

SECTION 42. REPEALER 70 O.S. 2001, Section 2603, as last amended by Section 1, Chapter 262, O.S.L. 2007 (70 O.S. Supp. 2007, Section 2603), is hereby repealed.

SECTION 43. AMENDATORY 70 O.S. 2001, Section 2605, as last amended by Section 7, Chapter 355, O.S.L. 2007 (70 O.S. Supp. 2007, Section 2605), is amended to read as follows:

Section 2605. A. Each school year, every fifth- through ninth-grade student in the public and private schools of this state and students who are educated by other means and are in the equivalent of the fifth through ninth grade shall be apprised, together with the ~~student's~~ parent, custodial parent, or guardian of the student, of the ~~student's~~ opportunity for access to higher learning under the Oklahoma Higher Learning Access Program. The Oklahoma State Regents for Higher Education and the State Board of Education shall develop, promote, and coordinate a public awareness program to be utilized in making students and parents aware of the Oklahoma Higher Learning Access Program.

B. On a form provided by the Oklahoma State Regents for Higher Education, every public school district shall designate at least one Oklahoma Higher Learning Access Program contact person, who shall be a counselor or teacher, at each public school site in this state in which eighth-, ninth- or tenth-grade classes are taught. When requested by the State Regents, the State Board of Education shall assist the State Regents to ensure the designation of contact persons. Private schools shall also designate at least one school official as a contact person. For students who are educated by other means, a parent or guardian or other person approved by the State Regents shall be designated the contact person.

C. Students who qualify on the basis of financial need according to subsection D of this section and the standards and provisions promulgated by the Oklahoma State Regents for Higher Education shall be given the opportunity throughout the eighth-, ninth-, and tenth-grade years, for students enrolled in a public or private school, or between the ages of thirteen (13) and fifteen (15), for students who are educated by other means, to enter into participation in the program by agreeing to, throughout the remainder of their school years or educational program:

1. Attend school or an educational program regularly and do homework regularly;

2. Refrain from substance abuse;

3. Refrain from commission of crimes or delinquent acts;

4. Have school work and school records reviewed by mentors designated pursuant to the program;

5. Provide information requested by the Oklahoma State Regents for Higher Education or the State Board of Education; and

6. Participate in program activities.

The contact person shall maintain the agreements, which shall be executed on forms provided by the Oklahoma State Regents for Higher Education and managed according to regulations promulgated by the Oklahoma State Regents for Higher Education, and the contact person shall monitor ~~the student's~~ compliance of the student with the terms

of the agreement. The Oklahoma State Regents for Higher Education are authorized to process student agreements and verify compliance with the agreements. Students failing to comply with the terms of the agreement shall not be eligible for the awards provided in Section 2604 of this title.

D. A student shall not be found to be in financial need for purposes of the Oklahoma Higher Learning Access Program if:

1. At the time the student applies for participation in the Program during the eighth, ninth or tenth grade for students enrolled in a public or private school, or between the ages of thirteen (13) and fifteen (15), for students who are educated by other means, the income from taxable and nontaxable sources of the student's parent(s) exceeds Fifty Thousand Dollars (\$50,000.00) per year; and

2. At the time the student begins postsecondary education and prior to receiving any Oklahoma Higher Learning Access Program benefit award, the income from taxable and nontaxable sources of the student's parent(s) exceeds One Hundred Thousand Dollars (\$100,000.00) per year.

The determination of financial qualification as set forth in this paragraph shall be based on the income of the student, not the income of the parent(s), if a student:

- a. is determined to be independent of the student's parents for federal financial aid purposes,
- b. was in the permanent custody of the Department of Human Services at the time the student enrolled in the program, or
- c. was in the court-ordered custody of a federally recognized Indian tribe, as defined by the federal Indian Child Welfare Act, at the time the student enrolled in the program.

The provisions of this paragraph shall not apply to any student who has received an Oklahoma Higher Learning Access Program benefit award prior to the 2009-2010 school year.

E. The financial qualification of a student as set forth in subsection D of this section shall be certified by the contact person or by the Oklahoma State Regents for Higher Education on the agreement form provided by the Oklahoma State Regents for Higher Education. The form shall be retained in the permanent record of the student and a copy forwarded to the Oklahoma State Regents for Higher Education.

F. Agreements shall be witnessed by the ~~student's~~ parent, custodial parent, or guardian of the student, who shall further agree to:

1. Assist the student in achieving compliance with the agreements;
2. Confer, when requested to do so, with the school contact person, other school personnel, and program mentors;
3. Provide information requested by the Oklahoma State Regents for Higher Education or the State Board of Education; and
4. Assist the student in completing forms and reports required for program participation, making applications to institutions and schools of higher learning, and filing applications for student grants and scholarships.

G. Students who are enrolled in a school district located in this state that serves students who reside in both this state and an adjacent state pursuant to a contract as authorized in Section 5-117.1 of this title, are in the eleventh- and twelfth-grade during the 2006-2007 school year, and who were denied participation in the program shall be allowed to enter or reenter into participation in the program by entering into agreements as set forth in subsections C and D of this section by June 1, 2008.

H. The Oklahoma State Regents for Higher Education shall promulgate rules for the determination of student compliance with agreements made pursuant to this section.

~~H.~~ I. The Oklahoma State Regents for Higher Education shall designate personnel to coordinate tracking of program records for

the years when students participating in the program are still in the schools or are being educated by other means, provide staff development for contact persons in the schools, and provide liaison with the State Board of Education and local organizations and individuals participating in the program.

~~I.~~ J. The school district where an Oklahoma Higher Learning Access Program student is enrolled when the student begins participation in the program and any subsequent school district where the student enrolls shall forward information regarding ~~the student's~~ participation by the student in the program to a school to which the student transfers upon the ~~school's~~ request of the school for the ~~student's~~ records of the student.

~~J.~~ K. Students participating in the Oklahoma Higher Learning Access Program shall provide their social security number or their student identification number used by their school to the Oklahoma State Regents for Higher Education. The Regents shall keep the numbers confidential and use them only for administrative purposes.

SECTION 44. REPEALER 70 O.S. 2001, Section 2605, as last amended by Section 2, Chapter 262, O.S.L. 2007 (70 O.S. Supp. 2007, Section 2605), is hereby repealed.

SECTION 45. AMENDATORY 70 O.S. 2001, Section 3311.5, as amended by Section 8, Chapter 360, O.S.L. 2007 (70 O.S. Supp. 2007, Section 3311.5), is amended to read as follows:

Section 3311.5 A. On and after the effective date of this act, the Council on Law Enforcement Education and Training (CLEET), pursuant to its authority granted by Section 3311 of this title, shall include in its required basic training courses for law enforcement certification a minimum of four (4) hours of education and training relating to recognizing and managing a person appearing to require mental health treatment or services. The Council shall further offer a minimum of four (4) hours of education and training on specific mental health issues pursuant to Section 3311.4 of this title to meet the annual requirement for continuing education in the areas of mental health issues.

B. By January 1, 2008, CLEET, pursuant to its authority granted by Sections 3311 and 3311.4 of this title, shall include in its

required courses of study for law enforcement certification a minimum of six (6) hours of evidence-based sexual assault and sexual violence training. A portion of the sexual assault and sexual violence training shall include instruction presented by a certified sexual assault service provider.

C. By January 1, 2012, every active full-time peace officer, previously certified by CLEET pursuant to Section 3311 of this title, shall be required to attend and complete the evidence-based sexual assault and sexual violence training provided in subsection B of this section.

D. CLEET shall promulgate rules to enforce the provisions of subsections B and C of this section and shall, with the assistance of certified sexual assault service providers, establish a comprehensive integrated curriculum for the teaching of evidence-based sexual assault and sexual violence issues.

E. The Council is required to update that block of training or course materials relating to legal issues, concepts, and state laws annually, but not later than ninety (90) days following the adjournment of any legislative session.

~~C. F.~~ F. The Council is authorized to pay for and send training staff and employees to one or more training and education courses in jurisdictions outside this state for the purpose of expanding curriculum, training skill development, and general knowledge within the field of law enforcement education and training.

~~D. G.~~ G. The Council shall promulgate rules to evaluate and approve municipalities and counties that are deemed capable of conducting separate basic law enforcement training academies in their jurisdiction and to certify officers successfully completing such academy training courses. Upon application to the Council, any municipality with a population of sixty-five thousand (65,000) or more or any county with a population of five hundred thousand (500,000) or more shall be authorized to operate a basic law enforcement academy. The Council shall approve an application when the municipality or county making the application meets the criteria for a separate training academy and demonstrates to the satisfaction of the Council that the academy has sufficient resources to conduct the training, the instructional staff is appropriately trained and

qualified to teach the course materials, the curriculum is composed of comparable or higher quality course segments to the CLEET academy curriculum, and the facilities where the academy will be conducted are safe and sufficient for law enforcement training purposes. Any municipality or county authorized to operate a basic law enforcement academy after November 1, 2007, shall not be eligible to receive funds pursuant to subsection E of Section 1313.2 of Title 20 of the Oklahoma Statutes. The Council shall not provide any funding for the operation of any separate training academy authorized by this subsection.

~~E.~~ H. Any municipality or county that, prior to November 1, 2007, was authorized to conduct a basic law enforcement academy shall continue to receive funding pursuant to subsection E of Section 1313.2 of Title 20 of the Oklahoma Statutes.

SECTION 46. REPEALER 70 O.S. 2001, Section 3311.5, as amended by Section 1, Chapter 179, O.S.L. 2007 (70 O.S. Supp. 2007, Section 3311.5), is hereby repealed.

SECTION 47. AMENDATORY 70 O.S. 2001, Section 4423, as amended by Section 1, Chapter 72, O.S.L. 2007 (70 O.S. Supp. 2007, Section 4423), is amended to read as follows:

Section 4423. A. The Oklahoma State Regents for Higher Education are hereby authorized and directed to maintain two-year colleges at El Reno, which shall be known as the Redlands Community College, at Poteau, which shall be known as the Carl Albert State College, at Seminole, which shall be known as the Seminole State College, at Midwest City, which shall be known as the Rose State College, and in South Oklahoma City, which shall be known as the Oklahoma City Community College; and, each of said colleges shall be an integral and full-fledged part of The Oklahoma State System of Higher Education.

B. Each of the colleges which at the time it became a member of the State System was operating a technical area school district program to carry out the function of postsecondary technical education for the people of the district shall continue to do so as then operated and in accordance with Section 4410 of this title, and all property acquired by virtue of the technical area school district operation shall remain as property of the technical area

school district and be maintained in the custody of the Board of Regents of the college acting as the governing board of the technical area school district for use by the postsecondary area district program.

C. For each of the colleges above named and identified, there shall be created a separate Board of Regents, and said Board of Regents shall consist of seven (7) members to serve seven-year overlapping terms, with members of said Board to be appointed by the Governor by and with the advice and consent of the State Senate. Each Board shall have the same powers and duties as the Board of Regents of Tulsa ~~Junior~~ Community College. Four members of the Board of Regents for the colleges located at El Reno, Poteau and Seminole shall be from the county in which said college is located. Four members of the Board of Regents for Rose State College shall be residents of the original district of the college. Four members of the Board of Regents for Oklahoma City Community College shall be residents of South Oklahoma City. For purposes of this section, "South Oklahoma City" shall mean the original district of Oklahoma City Community College and the portion of Oklahoma City that lies in Cleveland County and is bounded on the west by County Line Road and on the east by Bryant Avenue.

With respect to Rose State College and Oklahoma City Community College, it is further provided that the college and its governing Board of Regents shall continue to operate the technical area school district program to carry out the function of postsecondary technical education for the people of the technical education school district as now operated, and in accordance with Section 4410 of this title.

SECTION 48. REPEALER 70 O.S. 2001, Section 4423, as amended by Section 10, Chapter 276, O.S.L. 1996, is hereby repealed.

SECTION 49. AMENDATORY 74 O.S. 2001, Section 840-5.5, as last amended by Section 3, Chapter 208, O.S.L. 2007 (74 O.S. Supp. 2007, Section 840-5.5), is amended to read as follows:

Section 840-5.5 A. The following offices, positions, and personnel shall be in the unclassified service and shall not be placed under the classified service:

1. Persons chosen by popular vote or appointment to fill an elective office, and their employees, except the employees of the Corporation Commission, the State Department of Education and the Department of Labor;

2. Members of boards and commissions, and heads of agencies; also one principal assistant or deputy and one executive secretary for each state agency;

3. All judges, elected or appointed, and their employees;

4. Persons employed with one-time, limited duration, federal or other grant funding that is not continuing or indefinitely renewable. The length of the unclassified employment shall not exceed the period of time for which that specific federal funding is provided;

5. All officers and employees of The Oklahoma State System of Higher Education, State Board of Education and Oklahoma Department of Career and Technology Education;

6. Persons employed in a professional or scientific capacity to make or conduct a temporary and special inquiry, investigation, or examination on behalf of the Legislature or a committee thereof or by authority of the Governor. These appointments and authorizations shall terminate on the first day of the regular legislative session immediately following the appointment, if not terminated earlier. However, nothing in this paragraph shall prevent the reauthorization and reappointment of any such person. Any such appointment shall be funded from the budget of the appointing authority;

7. Election officials and employees;

8. Temporary employees employed to work less than one thousand (1,000) hours in any twelve-month period, and seasonal employees employed by the Oklahoma Tourism and Recreation Department pursuant to Section 2241 of this title who work less than one thousand six hundred (1,600) hours in any twelve-month period;

9. Department of Public Safety employees occupying the following offices or positions:

- a. administrative aides to the Commissioner,
- b. executive secretaries to the Commissioner,
- c. the Governor's representative of the Oklahoma Highway Safety Office who shall be appointed by the Governor,
- d. Highway Patrol Colonel,
- e. Highway Patrol Lieutenant Colonel,
- f. ~~Highway Patrol Major,~~
- ~~g.~~ Director of Finance,
- ~~h.~~
- g. noncommissioned pilots,
- ~~i.~~
- h. Information Systems Administrator,
- ~~j.~~
- i. Law Enforcement Telecommunications System Specialist,
- ~~k.~~
- j. Director of Driver License Administration Compliance,
- ~~l.~~
- k. Director of Transportation Division,
- ~~m.~~ Director of the Alcohol and Drug Countermeasures Unit,
- ~~n.~~
- l. Director of the Oklahoma Highway Safety Office,
- ~~o.~~

m. Civil Rights Administrator,

~~p.~~

n. Budget Analyst,

~~q.~~

o. Comptroller,

~~r.~~

p. Chaplain,

~~s.~~

q. Helicopter Mechanic,

~~t.~~

r. Director of Safety Compliance,

~~u.~~

s. Human Resources Director,

~~v.~~

t. Administrator of Department Services, and

~~w.~~

u. a maximum of seven (7) positions for the purpose of administering programs in the Oklahoma Highway Safety Office, within full-time employee limitations of the Department, employed with federal funding that is continuing or indefinitely renewable. The authorization for such positions shall be terminated if the federal funding for positions is discontinued;

provided, any person appointed to a position prescribed in subparagraph d, ~~or e, f or e~~ of this paragraph shall have a right of return to the classified commissioned position without any loss of rights, privileges or benefits immediately upon completion of the duties in the unclassified commissioned position, ~~and any person appointed to a position prescribed in subparagraph i, j, k, l, m or n of this paragraph shall have a right of return to the previously held vacant classified position within the Department of Public Safety without any loss of rights, privileges or benefits immediately upon completion of the duties in the unclassified commissioned position;~~

10. Professional trainees only during the prescribed length of their course of training or extension study;

11. Students who are employed on a part-time basis, which shall be seventy-five percent (75%) of a normal forty-hour work week or thirty (30) hours per week, or less, or on a full-time basis if the employment is pursuant to a cooperative education program such as that provided for under Title I IV-D of the Higher Education Act of 1965 (20 U.S.C. 1087a-1087c), as amended, and who are regularly enrolled in:

- a. an institution of higher learning within The Oklahoma State System of Higher Education,
- b. an institution of higher learning qualified to become coordinated with The Oklahoma State System of Higher Education. For purposes of this section, a student shall be considered a regularly enrolled student if the student is enrolled in a minimum of five (5) hours of accredited graduate courses or a minimum of ten (10) hours of accredited undergraduate courses, provided, however, the student shall only be required to be enrolled in a minimum of six (6) hours of accredited undergraduate courses during the summer, or
- c. high school students regularly enrolled in a high school in Oklahoma and regularly attending classes during such time of enrollment;

12. The spouses of personnel who are employed on a part-time basis to assist or work as a relief for their spouses in the Oklahoma Tourism and Recreation Department;

13. Service substitute attendants who are needed to replace museum and site attendants who are unavoidably absent. Service substitutes may work as part-time or full-time relief for absentees for a period of not more than four (4) weeks per year in the Oklahoma Historical Society sites and museums; such substitutes will not count towards the agency's full-time-equivalent (FTE) employee limit;

14. Employees of the Oklahoma House of Representatives, the State Senate, or the Legislative Service Bureau;

15. Corporation Commission personnel occupying the following offices and positions:

- a. Administrative aides, and executive secretaries to the Commissioners,
- b. Directors of all the divisions, personnel managers and comptrollers,
- c. General Counsel,
- d. Public Utility Division Chief Engineer,
- e. Public Utility Division Chief Accountant,
- f. Public Utility Division Chief Economist,
- g. Public Utility Division Deputy Director,
- h. Secretary of the Commission,
- i. Deputy Conservation Director,
- j. Manager of Pollution Abatement,
- k. Manager of Field Operations,

- l. Manager of Technical Services,
- m. Public Utility Division Chief of Telecommunications,
- n. Director of Information Services,
- o. All Data Processing employees hired on or after September 1, 2005,
- p. All Public Utilities employees hired on or after September 1, 2007, and
- q. All Regulatory Program Managers hired on or after September 1, 2007;

16. At the option of the employing agency, the Supervisor, Director, or Educational Coordinator in any other state agency having a primary responsibility to coordinate educational programs operated for children in state institutions;

17. Department of Mental Health and Substance Abuse Services personnel occupying the following offices and positions at each facility:

- a. Director of Facility,
- b. Deputy Director for Administration,
- c. Clinical Services Director,
- d. Executive Secretary to Director, and
- e. Directors or Heads of Departments or Services;

18. Office of State Finance personnel occupying the following offices and positions:

- a. State Comptroller,
- b. Administrative Officers,
- c. Alternator Claims Auditor,

- d. Employees hired to fulfill state compliance agency requirements under Model Tribal Gaming Compacts,
- e. Employees of the Budget Division,
- f. Employees of the Fiscal and Research Division,
- g. Employees hired to work on the CORE Systems Project; and
- h. The following employees of the Information Services Division:
 - (1) Information Services Division Manager,
 - (2) Network Manager,
 - (3) Network ~~Technician~~ Technicians,
 - (4) Security Manager,
 - (5) Contracts/Purchasing Manager,
 - (6) Operating and Applications Manager,
 - (7) Project Manager,
 - (8) Help Desk Manager,
 - (9) Help Desk ~~Technician~~ Technicians,
 - (10) Quality Assurance Manager,
 - (11) ISD Analysts,
 - (12) CORE Manager,
 - (13) Enterprise System/Database Software Manager,
 - (14) Data Center Operations and Production Manager,

- (15) Voice Communications Manager,
- (16) Applications Development Manager,
- (17) Projects Manager,
- (18) PC's Manager,
- (19) Servers Manager,
- (20) Portal Manager,
- (21) Procurement Specialists,
- (22) Security Technicians,
- (23) Enterprise Communications and Network Administrator,
- (24) Server Support Specialists,
- (25) Senior Server Support Specialists,
- (26) Systems Support Specialists, and
- (27) Senior Systems Support Specialists;

19. Employees of the Oklahoma Industrial Finance Authority;

20. Those positions so specified in the annual business plan of the Oklahoma Department of Commerce;

21. Those positions so specified in the annual business plan of the Oklahoma Center for the Advancement of Science and Technology;

22. The following positions and employees of the Oklahoma School of Science and Mathematics:

- a. positions for which the annual salary is Twenty-four Thousand One Hundred Ninety-three Dollars (\$24,193.00) or more, as determined by the Office of Personnel Management, provided no position shall become

unclassified because of any change in salary or grade while it is occupied by a classified employee,

- b. positions requiring certification by the State Department of Education, and
- c. positions and employees authorized to be in the unclassified service of the state elsewhere in this section or in subsection B of this section;

23. Office of Personnel Management employees occupying the following positions:

- a. the Carl Albert Internship Program Coordinator,
- b. one Administrative Assistant,
- c. one Workforce Planning Manager,
- d. Assistant Administrators,
- e. one Associate Administrator, and
- f. Division Directors;

24. Department of Labor personnel occupying the following offices and positions:

- a. two Deputy Commissioners,
- b. two Executive Secretaries to the Commissioner,
- c. Chief of Staff,
- d. two Administrative Assistants,
- e. Information Systems Administrator,
- f. three Safety and Health Directors,
- g. Research Director,

- h. Employment Standards Director,
- i. Asbestos Director,
- j. General Counsel,
- k. one Legal Secretary,
- l. one Docket Clerk, and
- m. two Information Systems Application Specialists;

25. The State Bond Advisor and his or her employees;

26. The Oklahoma Employment Security Commission employees occupying the following positions:

- a. Associate Director,
- b. Secretary to the Associate Director, and
- c. Assistant to the Executive Director;

27. Oklahoma Human Rights Commission personnel occupying the position of Administrative Assistant;

28. Officers and employees of the State Banking Department;

29. Officers and employees of the University Hospitals Authority except personnel in the state classified service pursuant to Section 3211 of Title 63 of the Oklahoma Statutes and members of the University Hospitals Authority Model Personnel System created pursuant to subsection E of Section 3211 of Title 63 of the Oklahoma Statutes or as otherwise provided for in Section 3213.2 of Title 63 of the Oklahoma Statutes;

30. Alcoholic Beverage Laws Enforcement Commission employees occupying the following positions:

- a. three Administrative Service Assistant positions, however, employees in such positions who are in the unclassified service on June 4, 2003, may make an

election to be in the classified service without a loss in salary by September 1, 2003, and

- b. the Deputy Director position in addition to the one authorized by paragraph 2 of this subsection;

31. The Oklahoma State Bureau of Investigation employees occupying the following positions:

- a. five assistant directors,
- b. six special investigators,
- c. one information representative,
- d. one federally funded physical evidence technician,
- e. four federally funded laboratory analysts,
- f. a maximum of fourteen positions employed for the purpose of managing the automated information systems of the agency,
- g. one executive secretary in addition to the one authorized pursuant to paragraph 2 of this subsection,
- h. Child Abuse Response Team (CART) investigator, and
- i. Child Abuse Response Team (CART) forensic interviewer;

32. The Department of Transportation, the following positions:

- a. Director of the Oklahoma Aeronautics Commission,
- b. five Department of Transportation Assistant Director positions,
- c. eight field division engineer positions,
- d. one pilot position,
- e. five Project Manager Positions, and

f. five Transportation Coordinators;

33. Commissioners of the Land Office employees occupying the following positions:

- a. Director of the Investments Division,
- b. Assistant Director of the Investments Division,
- c. one Administrative Assistant,
- d. one Audit Tech position,
- e. one Auditor I position,
- f. two Accounting Tech I positions,
- g. two Administrative Assistant I positions,
- h. two Imaging Specialist positions, and
- i. one Information Systems Specialist position;

34. Within the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control Commission, the following positions:

- a. six Narcotics Agent positions and three Typist Clerk/Spanish transcriptionists, including a Typist Clerk Supervisor/Spanish transcriptionist, provided, authorization for such positions shall be terminated if the federal funding for the positions is discontinued,
- b. one executive secretary in addition to the one authorized pursuant to paragraph 2 of this subsection,
- c. one fiscal officer,
- d. one full-time Programmer, and
- e. one full-time Network Engineer;

35. The Military Department of the State of Oklahoma is authorized such unclassified employees within full-time employee limitations to work in any of the Department of Defense directed youth programs, the State of Oklahoma Juvenile Justice youth programs, those persons reimbursed from Armory Board or Billeting Fund accounts, and skilled trade positions;

36. Within the Oklahoma Commission on Children and Youth the following unclassified positions:

- a. one Oversight Specialist and one Community Development Planner,
- b. one State Plan Grant Coordinator, provided authorization for the position shall be terminated when federal support for the position by the United States Department of Education Early Intervention Program is discontinued, and
- c. one executive secretary in addition to the one authorized pursuant to paragraph 2 of this subsection;

37. The following positions and employees of the Department of Central Services:

- a. one Executive Secretary in addition to the Executive Secretary authorized by paragraph 2 of this subsection,
- b. the Director of Central Purchasing,
- c. one Alternate Fuels Administrator,
- d. one Director of Special Projects,
- e. three postauditors,
- f. four high-technology contracting officers,
- g. one Executive Assistant to the Purchasing Director,

- h. four Contracts Managers,
- i. one Associate Director,
- j. one specialized HiTech/Food Contracting Officer,
- k. one State Use Contracting Officer,
- l. one Property Distribution Administrator,
- m. three licensed architects assigned to the Facilities and Properties Division,
- n. three licensed engineers assigned to the Facilities and Properties Division,
- o. four construction consultants assigned to the Facilities and Properties Division,
- p. one attorney assigned to the Facilities and Properties Division,
- q. three positions assigned to the Information Services Division, which shall include one Information Technology Manager, one Applications Specialist and one Data Planning Specialist, and
- r. four positions assigned to Fleet Management, which shall include one Deputy Fleet Manager and three Management Analysts;

38. Four Water Quality Specialists, and four Water Resources Division Chiefs within the Oklahoma Water Resources Board;

39. J.D. McCarty Center for Children with Developmental Disabilities personnel occupying the following offices and positions:

- a. Physical Therapists,
- b. Physical Therapist Assistants,

- c. Occupational Therapists,
- d. Certified Occupational Therapist Aides, and
- e. Speech Pathologists;

40. The Development Officer and the Director of the State Museum of History within the Oklahoma Historical Society;

41. Oklahoma Department of Agriculture, Food, and Forestry personnel occupying the following positions:

- a. one Executive Secretary in addition to the Executive Secretary authorized by paragraph 2 of this subsection and one Executive Assistant,
- b. nineteen Agricultural Marketing Coordinator III positions,
- c. temporary fire suppression personnel, regardless of the number of hours worked, who are employed by the Oklahoma Department of Agriculture, Food, and Forestry; provided, however, notwithstanding the provisions of any other section of law, the hours worked by such employees shall not entitle such employees to any benefits received by full-time employees,
- d. one Administrator for Human Resources,
- e. one Director of Administrative Services,
- f. one Water Quality Consumer Complaint Coordinator,
- g. one hydrologist position,
- h. Public Information Office Director,
- i. Market Development Services Director,
- j. Legal Services Director,

- k. Animal Industry Services Director,
- l. Agricultural Environmental Management Services Director,
- m. Forestry Services Director,
- n. Plant Industry and Consumer Services Director,
- o. one Grants Administrator position,
- p. Director of Laboratory Services,
- q. Chief of Communications,
- r. Public Information Manager,
- s. Inventory/Supply Officer,
- t. five Agriculture Field Inspector positions assigned the responsibility for conducting inspections and audits of agricultural grain storage warehouses. All other Agriculture Field Inspector positions and employees of the Oklahoma Department of Agriculture, Food, and Forestry shall be classified and subject to the provisions of the Merit System of Personnel Administration. On November 1, 2002, all other unclassified Agriculture Field Inspectors shall be given status in the classified service as provided in Section 840-4.2 of this title,
- u. Rural Fire Coordinator,
- v. one Agricultural Marketing Coordinator III,
- w. Food Safety Division Director,
- x. two Environmental Program Specialists,
- y. two Scale Technicians, and
- z. two Plant Protection Specialists;

42. The Contracts Administrator within the Oklahoma State Employees Benefits Council;

43. The Development Officer within the Oklahoma Department of Libraries;

44. Oklahoma Real Estate Commission personnel occupying the following offices and positions:

a. Educational Program Director, and

b. Data Processing Manager;

45. A Chief Consumer Credit Examiner for the Department of Consumer Credit;

46. All officers and employees of the Oklahoma Capitol Complex and Centennial Commemoration Commission;

47. All officers and employees of the Oklahoma Motor Vehicle Commission;

48. One Museum Archivist of The Will Rogers Memorial Commission;

49. One Fire Protection Engineer of the Office of the State Fire Marshal;

50. Acting incumbents employed pursuant to Section 209 of Title 44 or Section 48 of Title 72 of the Oklahoma Statutes who shall not be included in any limitation on full-time equivalency imposed by law on an agency. Permanent classified employees may request a leave of absence from classified status and accept an unclassified appointment and compensation as an acting incumbent with the same agency; provided, the leave shall expire no later than two (2) years from the date of the acting incumbent appointment. An appointing authority may establish unclassified positions and appoint unclassified employees to perform the duties of a permanent classified employee who is on leave of absence from a classified position to serve as an acting incumbent. All unclassified appointments created pursuant to this paragraph shall expire no

later than two (2) years from the date of appointment. Classified employees accepting unclassified appointments and compensation pursuant to this paragraph shall be entitled to participate without interruption in any benefit programs available to classified employees, including retirement and insurance programs. Immediately upon termination of an unclassified appointment pursuant to this paragraph, an employee on assignment from the classified service shall have a right to be restored to the classified service and reinstated to the former job family level and compensation plus any adjustments and increases in salary or benefits which the employee would have received but for the leave of absence;

51. The Oklahoma Homeland Security Director and all other positions assigned the responsibilities of working in the Oklahoma Office of Homeland Security;

52. The following eighteen (18) positions in the State Department of Health:

- a. one surveillance supervisor,
- b. one surveillance project monitor,
- c. two bilingual interviewers,
- d. eight senior interviewers, and
- e. six interviewers;

53. State Board of Registration for Professional Engineers and Land Surveyors personnel occupying the following offices and positions:

- a. one Director of Enforcement, and
- b. one Board Investigator;

54. One Information Systems Data Management Analyst of the Oklahoma State and Education Employees Group Insurance Board; and

55. Two Management Information Systems positions of the Office of Juvenile Affairs.

B. If an agency has the authority to employ personnel in the following offices and positions, the appointing authority shall have the discretion to appoint personnel to the unclassified service:

1. Licensed medical doctors, osteopathic physicians, dentists, psychologists, and nurses;
2. Certified public accountants;
3. Licensed attorneys;
4. Licensed veterinarians; and
5. Licensed pharmacists.

C. Effective July 1, 1996, authorization for unclassified offices, positions, or personnel contained in a bill or joint resolution shall terminate June 30 of the ensuing fiscal year after the authorization unless the authorization is codified in the Oklahoma Statutes or the termination is otherwise provided in the legislation.

D. The appointing authority of agencies participating in the statewide information systems project may establish unclassified positions and appoint unclassified employees to the project as needed. Additional unclassified positions may be established, if required, to appoint an unclassified employee to perform the duties of a permanent classified employee who is temporarily absent from a classified position as a result of assignment to this project. All unclassified appointments under this authority shall expire no later than December 31, 2007, and all unclassified positions established to support the project shall be abolished. Both the positions and appointments resulting from this authority shall be exempt from any agency FTE limitations and any limits imposed on the number of unclassified positions authorized. Permanent classified employees may request a leave of absence from classified status and accept an unclassified appointment and compensation with the same agency under the provisions of this subsection; provided, the leave shall expire no later than December 31, 2007. Employees accepting the appointment and compensation shall be entitled to participate without interruption in any benefit programs available to classified

employees, including retirement and insurance programs. Immediately upon termination of an unclassified appointment pursuant to this subsection, an employee on assignment from the classified service shall have a right to be restored to the classified service and reinstated to the former job family level and compensation plus any adjustments and increases in salary or benefits which the employee would have received but for the leave of absence.

SECTION 50. REPEALER 74 O.S. 2001, Section 840-5.5, as last amended by Section 21, Chapter 326, O.S.L. 2007 (74 O.S. Supp. 2007, Section 840-5.5), is hereby repealed.

SECTION 51. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 13th day of February, 2008.

Presiding Officer of the Senate

Passed the House of Representatives the 21st day of February, 2008.

Presiding Officer of the House
of Representatives