

ENROLLED SENATE  
BILL NO. 1842

By: Aldridge of the Senate

and

Wright of the House

An Act relating to prisons and reformatories; amending 57 O.S. 2001, Section 537, which relates to Board of Directors for canteen services; modifying entity approving certain accounts; amending 62 O.S. 2001, Section 7.2, as amended by Section 1, Chapter 105, O.S.L. 2002 (62 O.S. Supp. 2007, Section 7.2), which relates to the Special Agency Account Board; abolishing the Special Agency Account Board; transferring all powers, duties, and responsibilities to the Office of State Finance; requiring the Office of State Finance to convert certain accounts by a date certain; amending 62 O.S. 2001, Section 7.10, as last amended by Section 1, Chapter 49, O.S.L. 2005 (62 O.S. Supp. 2007, Section 7.10), which relates to voluntary payroll deductions; expanding authorized payroll deductions; amending 72 O.S. 2001, Section 222, which relates to the Oklahoma Department of Veterans Affairs Revolving Fund; modifying entity approving certain accounts; amending 74 O.S. 2001, Section 85.58N, which relates to Quick Settlement Account; modifying entity to be the depository for certain account; providing an effective date; and declaring an emergency.

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

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

Section 537. A. There shall be established a Board of Directors for all canteen services within the Department of Corrections. The members of the Board shall be appointed by the Director of the Department of Corrections. All canteen operations

shall be under the control of the Board and shall operate pursuant to written guidelines established by the Board. The overall canteen operation shall be self-supporting.

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

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

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

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

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

Section 7.2 A. There is hereby ~~re-created, to continue until July 1, 2008, in accordance with the provisions of the Oklahoma Sunset Law, Section 3901 et seq. of Title 74 of the Oklahoma~~

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

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

C. ~~The Board~~ Office of State Finance may approve agency special accounts for money received by state agencies for the following purposes:

1. Benefit programs for individuals, including, but not limited to, unemployment compensation, workers' compensation and state retirement programs;

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

office supplies or space rental shall not exceed the cost of similar supplies or rentals available commercially;

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

4. Evidence funds for law enforcement agencies;

5. Student loan funds and scholarship funds;

6. Funds held in escrow;

7. Land Commission funds;

8. Funds for which the state agency acts as custodian, including, but not limited to, fees from employee earnings approved by the governing board of the agency, funds of student organizations including student activity fees collected by an educational institution as a separate item in enrollment procedures, professional organizations, patients and inmates;

9. Funds used by the Oklahoma Tax Commission to pay for the filing of liens with the Federal Aviation Administration;

10. Temporary accounts for funds arising from new or amended legislation not otherwise provided for in statute or for other emergency situations. Such accounts are to be utilized only pending legislative action directing custody of such funds;

11. Payment of liability claims against the state;

12. Activities of the various Armory Boards of the Oklahoma Military Department to receive and dispense funds derived by the Armory Boards pursuant to Sections 232.6 and 232.7 of Title 44 of the Oklahoma Statutes; and

13. Payment of expenses incurred in connection with the acceptance of payments made with nationally recognized credit cards.

D. The State Treasurer is authorized to accept deposit of money made directly to agency special accounts approved by the Board Office of State Finance. All money received by a state agency, as described in Section 7.1 of this title, shall be deposited in State Treasury funds or accounts and no money shall be deposited in banks or other depositories unless the bank accounts are maintained by the State Treasurer or are for the deposit of authorized petty cash funds.

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

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

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

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

SECTION 3. AMENDATORY 62 O.S. 2001, Section 7.10, as last amended by Section 1, Chapter 49, O.S.L. 2005 (62 O.S. Supp. 2007, Section 7.10), is amended to read as follows:

Section 7.10. A. 1. Upon the request of a state employee, a state agency, board, or commission shall make voluntary payroll deductions for the employee to any credit union, bank, or savings association having an office in this state.

2. If the governing body of any county, municipality, or school district provides for voluntary payroll deductions to a credit union serving the employees of the county, municipality, or school district, it shall provide voluntary payroll deductions to any credit union, bank, or savings association having an office in this state which has a minimum participation of twenty percent (20%) of the employees of the county, municipality, or school district.

B. Upon the request of a state employee and pursuant to procedures established by the Administrator of the Office of Personnel Management, a state agency, board, or commission shall make payroll deductions for:

1. The payment of any insurance premiums due a private insurance organization with a minimum participation of five hundred

(500) state employees for life, accident, and health insurance which is supplemental to that provided for by the state;

2. The payment of any insurance premiums due a private insurance organization or service company which is regulated by the State Insurance Commissioner and with a minimum participation of five hundred (500) state employees for legal services;

3. Premiums or payments for retirement plans with a minimum participation of five hundred (500) state employees for retirement plans which are supplemental to that provided for by the state;

4. Salary adjustment agreements included in a flexible benefits plan as authorized by the State Employees Flexible Benefits Act;

5. Membership dues ~~in~~, utilized for benefits, goods or services, provided by the Oklahoma Public Employees Association to the organization's membership or any other statewide association limited to state employee membership with a minimum membership of ~~one thousand (1,000)~~ two thousand (2,000) dues-paying members. For purposes of this paragraph, state agencies shall accept online or electronically submitted forms from the Oklahoma Public Employees Association and other state employee associations. The Office of Personnel Management shall develop and implement a verification process for online or electronically submitted forms which may include the use of electronic signature technology or other process as determined appropriate;

6. Contributions to its foundation organized pursuant to 26 U.S.C., Section 501(c)(3) in the Oklahoma Public Employees Association or any other statewide association limited to state employee membership with a minimum membership of one thousand (1,000) dues-paying members;

7. Payments to a college savings account administered under the Oklahoma College Savings Plan Act pursuant to Section 3970.1 et seq. of Title 70 of the Oklahoma Statutes; and

8. Subscriptions to the Oklahoma Today magazine published by the State of Oklahoma through the Oklahoma Tourism and Recreation Department.

C. The administrative costs of processing payroll deductions or administering salary adjustment agreements for insurance premiums as provided for in subsection B of this section shall be a charge of two percent (2%) of the gross annual premiums for insurance plans. The administrative costs of processing payroll deductions or

administering salary adjustment agreements for payments for retirement plans as provided for in subsection B of this section shall be one percent (1%) of the gross annual payments for retirement plans. These charges shall be collected monthly from the private insurance or retirement plan organization by the Office of Personnel Management and shall be deposited to the credit of the General Revenue Fund. Provided that these costs shall not be collected from state employees or state agencies unless otherwise directed in Section 1 et seq. of this title.

D. Any statewide association granted a payroll deduction prior to March 23, 1984, shall be exempt from the minimum state employee membership requirement.

E. Approval of a payroll deduction or salary adjustment agreement for any insurance organization, line of coverage or policy shall not be construed as an assumption of liability, for the term of policy or the performance of the insurance organization, by this state, or any of its agencies, boards, commissions, institutions or any officer or employee thereof. Contracts for such insurance shall be in all respects subject to the insurance laws of this state, and shall be enforceable solely pursuant to such laws.

F. The Oklahoma Employment Security Commission is authorized to deduct from the wages or salary of its employees the employees' contribution to the Oklahoma Employment Security Commission Retirement Plan.

G. Payroll deductions shall be made for premium payments for group insurance for retired members or beneficiaries of any state-supported retirement system upon proper authorization given by the member or beneficiary to the board from which the member or beneficiary is currently receiving retirement benefits.

H. Upon request of instructional personnel employed at either the Oklahoma School for the Blind or the Oklahoma School for the Deaf and pursuant to procedures established by the Administrator of the Office of Personnel Management, the Commission for Rehabilitation Services shall make payroll deductions for membership dues in any statewide educational employee organization or association.

I. Upon the request of a state employee of the Oklahoma Department of Corrections, the Oklahoma Department of Corrections shall make voluntary payroll deductions for the employee to the Correctional Peace Officer Foundation.

SECTION 4. AMENDATORY 72 O.S. 2001, Section 222, is amended to read as follows:

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

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

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

D. All expenditures from ~~said~~ the Revolving Fund shall be made upon warrants issued by the State Treasurer based upon claims

approved by the Department of Veterans Affairs, as provided by law, and filed with the Director of State Finance for approval and payment.

SECTION 5. AMENDATORY 74 O.S. 2001, Section 85.58N, is amended to read as follows:

Section 85.58N ~~The Special Agency Account Board~~ Office of State Finance shall create in the official depository of the State Treasury an agency special account for the Department of Central Services to be designated as the "Quick Settlement Account". The purpose of the account shall be the payment of liability claims against the state after a determination by the Risk Management Administration that such payments are in the best interest of the state, are in accordance with the laws and regulations governing the Comprehensive Professional Risk Management Program, and are in an amount not exceeding Ten Thousand Dollars (\$10,000.00). No monies shall be expended from the Quick Settlement Account except as provided for in this section.

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

SECTION 6. This act shall become effective July 1, 2008.

SECTION 7. 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 6th day of May, 2008.

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Presiding Officer of the Senate

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

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Presiding Officer of the House  
of Representatives