

ENROLLED SENATE
BILL NO. 1866

By: Laughlin of the Senate

and

Hickman of the House

An Act relating to public finance; amending 62 O.S. 2001, Sections 7.10, as last amended by Section 1, Chapter 49, O.S.L. 2005, 2006, as last amended by Section 2, Chapter 194, O.S.L. 2007, 2009 and 2011 (62 O.S. Supp. 2007, Sections 7.10 and 2006), which relate to payroll deductions and the Rural Economic Action Plan; modifying provisions related to payroll deductions for certain state employee associations; modifying associations exempt from certain membership requirement; requiring certain funds be administered by Oklahoma Department of Commerce; prohibiting use of certain monies for certain purposes; transferring certain duties from State Auditor and Inspector to Oklahoma Department of Commerce; requiring certain audits; and declaring an emergency.

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

SECTION 1. 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~~ January 1, 2008, 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 Department of Corrections, the Department shall make voluntary payroll deductions for the employee to the Correctional Peace Officer Foundation.

SECTION 2. AMENDATORY 62 O.S. 2001, Section 2006, as last amended by Section 2, Chapter 194, O.S.L. 2007 (62 O.S. Supp. 2007, Section 2006), is amended to read as follows:

Section 2006. A. There is hereby established a fund within the State Treasury to be known as the Rural Economic Action Plan Fund, to be administered by the Oklahoma Department of Commerce. The fund shall be a continuing fund not subject to fiscal year limitations. Within the Rural Economic Action Plan Fund there shall be established separate accounts as prescribed by Section 2004 of this title into which shall be deposited such funds as may be provided by law.

B. Except as otherwise provided by Section 2004 of this title, one of nine accounts shall be available to each entity described in subsection A of Section 2007 of this title.

C. Except as otherwise provided by Section 2004 of this title, one account shall be divided equally into two subaccounts. One of the two subaccounts shall be available to each of the entities described by subsection B of Section 2007 of this title for distribution to any city or town within the respective jurisdiction of the entity if the population of such city or town does not exceed seven thousand (7,000) persons according to the latest Federal Decennial Census or for the benefit of an unincorporated area. Funds may also be expended for any city or town with a population below seven thousand (7,000) persons based upon the current population estimate according to the U.S. Census Bureau. Funds may be expended for such cities and towns until the next following Federal Decennial Census.

D. No funds deposited into one account or subaccount shall be transferred to any other account. No entity may access any more than one account per fiscal year and the total expenditure from any one account for each fiscal year may not exceed the amount of funds available to each account as may be provided by law.

E. No monies in the Rural Economic Action Plan Fund shall be used for the payment of administrative expenses, salaries or any other continuing obligation of the Oklahoma Department of Commerce.

SECTION 3. AMENDATORY 62 O.S. 2001, Section 2009, is amended to read as follows:

Section 2009. A. In order for an eligible entity to obtain funds provided for by Section 2006 of this title, the entity shall file the organizational plan required by Section 2008 of this title with the ~~State Auditor and Inspector~~ Oklahoma Department of Commerce.

B. In order to be filed, the plan shall have first been approved by an affirmative vote of two-thirds (2/3) of the governing board of an entity described by subsection A or B of Section 2007 of this title. The vote shall be memorialized in a document, executed under oath, that the record of the vote is a true and accurate account of the proceedings conducted by the governing board to be filed with the ~~State Auditor and Inspector~~ Oklahoma Department of Commerce.

SECTION 4. AMENDATORY 62 O.S. 2001, Section 2011, is amended to read as follows:

Section 2011. A. Except as otherwise provided by subsection C of this section, the funds available pursuant to the provisions of Section 2006 of this title shall not be used to pay any administrative expenses of the entity requesting the funds. The ~~State Auditor and Inspector~~ Oklahoma Department of Commerce shall monitor expenditures made pursuant to the Rural Economic Action Plan Act to ensure compliance with the provisions of this section. Such funds shall be audited by the State Auditor and Inspector in the manner provided by law for audits of other state funds. Misuse of funds by an entity shall disqualify the entity from further funding for a period of one (1) year from the date as of which any report by the ~~State Auditor and Inspector~~ Oklahoma Department of Commerce is issued revealing a violation of the requirements of this section.

B. Except for funds authorized by subsection C of this section, an entity which violates the provisions of this section shall be liable to the State of Oklahoma for treble the amount of funds identified as having been impermissibly used for the payment or reimbursement of administrative expenses. The payment shall be made to the ~~State Auditor and Inspector~~ Oklahoma Department of Commerce for deposit in the Rural Economic Action Plan Fund and such funds shall become available for distribution as otherwise provided by ~~this act~~ Section 2001 et seq. of this title except that no such funds shall be paid to an entity which has been required to make the treble damage payment.

C. Upon verification by the ~~State Auditor and Inspector's office~~ Oklahoma Department of Commerce that an entity is qualified to receive funds for a purpose authorized by this ~~act~~ section, the entity shall be eligible for an initial planning expenditure payment of not to exceed five percent (5%) of the amount contained in the account created for the entity pursuant to Section 2006 of this title.

SECTION 5. 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 22nd day of May, 2008.

Presiding Officer of the Senate

Passed the House of Representatives the 23rd day of May, 2008.

Presiding Officer of the House
of Representatives