

THE HOUSE OF REPRESENTATIVES
Monday, April 14, 2008

Committee Substitute for
ENGROSSED
Senate Bill No. 1842

COMMITTEE SUBSTITUTE FOR ENGROSSED 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 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:

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

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

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

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

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

19 D. The operations of the canteen service shall be the subject of an annual audit by
20 the Office of the State Auditor and Inspector. Reports of the audit shall be provided to
21 the Governor, the Speaker of the House of Representatives, the President Pro Tempore of

1 the Senate, the Legislative Service Bureau, the Department of Corrections, and to the
2 warden of the concerned institution.

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

6 SECTION 2. AMENDATORY 62 O.S. 2001, Section 7.2, as amended by Section
7 1, Chapter 105, O.S.L. 2002 (62 O.S. Supp. 2007, Section 7.2), is amended to read as
8 follows:

9 Section 7.2 A. There is hereby ~~re-created, to continue until July 1, 2008, in~~
10 ~~accordance with the provisions of the Oklahoma Sunset Law, Section 3901 et seq. of Title~~
11 ~~74 of the Oklahoma Statutes, a abolished the Special Agency Account Board, to consist of~~
12 ~~the Director of State Finance, the State Treasurer and the Director of the Legislative~~
13 ~~Service Bureau. Effective July 1, 2008, all powers, duties and responsibilities of the~~
14 ~~Special Agency Account Board shall be transferred to the Office of State Finance. All~~
15 ~~records, property and matters pending of the Board shall also be transferred to the Office~~
16 ~~of State Finance. The Board Office of State Finance shall have the authority to approve~~
17 the establishment of agency special accounts in the official depository of the State
18 Treasury. In the case of institutions of higher education, the ~~Special Agency Account~~
19 ~~Board~~ Office of State Finance, acting in conjunction with the Oklahoma State Regents for
20 Higher Education, shall establish special agency accounts as appropriate which shall be
21 consistent with provisions of the Oklahoma Budget Law of 1947, Section 41.1 et seq. of

1 this title, as it relates to institutions in The Oklahoma State System of Higher
2 Education.

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

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

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

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

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 provided, further, that the cost of such office supplies or space rental shall not exceed the
2 cost of similar supplies or rentals available commercially;

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

5 4. Evidence funds for law enforcement agencies;

6 5. Student loan funds and scholarship funds;

7 6. Funds held in escrow;

8 7. Land Commission funds;

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

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

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

19 11. Payment of liability claims against the state;

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

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

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

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

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

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

16 H. Monies used for investment purposes by the Oklahoma Firefighters Pension and
17 Retirement System, the Oklahoma Police Pension and Retirement System, the Uniform
18 Retirement System for Justices and Judges, the Oklahoma Law Enforcement Retirement
19 System, the Oklahoma Public Employees Retirement System, the Teachers' Retirement
20 System of Oklahoma, the State Insurance Fund, the State and Education Employees
21 Group Insurance Board, the Commissioners of the Land Office, and the Oklahoma State
22 Regents for Higher Education for its Endowment Trust Fund are exempt from the

1 requirements of this section, and shall be placed with the respective custodian bank or
2 trust company.

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

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

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

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

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

16 SECTION 4. AMENDATORY 74 O.S. 2001, Section 85.58N, is amended to read
17 as follows:

18 Section 85.58N ~~The Special Agency Account Board~~ Office of State Finance shall
19 create in the official depository of the State Treasury an agency special account for the
20 Department of Central Services to be designated as the "Quick Settlement Account". The
21 purpose of the account shall be the payment of liability claims against the state after a
22 determination by the Risk Management Administration that such payments are in the

1 best interest of the state, are in accordance with the laws and regulations governing the
2 Comprehensive Professional Risk Management Program, and are in an amount not
3 exceeding Ten Thousand Dollars (\$10,000.00). No monies shall be expended from the
4 Quick Settlement Account except as provided for in this section.

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

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

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

15 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
16 dated 04-10-08 - DO PASS, As Amended.