

THE HOUSE OF REPRESENTATIVES
Monday, April 16, 2007

Committee Substitute for
ENGROSSED
Senate Bill No. 590

COMMITTEE SUBSTITUTE FOR ENGROSSED SENATE BILL NO. 590 - By:
LAUGHLIN of the Senate and HICKMAN of the House.

An Act relating to counties and county officers; amending 11 O.S. 2001, Section 41-108, which relates to plat record specifications; providing for filing for reduced copy of plats; amending 19 O.S. 2001, Sections 171, 347, 1501, as last amended by Section 2, Chapter 356, O.S.L. 2005, 1505, as amended by Section 6, Chapter 447, O.S.L. 2004 and 1704 (19 O.S. Supp. 2006, Sections 1501 and 1505), which relate to audits, certificates of indebtedness, equipment or vehicles, duties of the county purchasing agent, procedures for requisition, purchase, lease-purchase, rental and receipt of supplies, materials, and equipment for maintenance, operation, and capital expenditures of county government, and budget procedures for emergency medical service districts; providing for scope of audits; authorizing the destruction of certain records; prohibiting certain county officers from making certain changes in county computer software being used; deleting obsolete language used for county bid limits; requiring payment of certain purchases within a certain period of time; defining term; amending 42 O.S. 2001, Section 147.1, as amended by Section 4, Chapter 184, O.S.L. 2003 (42 O.S. Supp. 2006, Section 147.1), which relates to discharge of lien; making statutory reference; and providing an effective date.

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

- 1 SECTION 1. AMENDATORY 11 O.S. 2001, Section 41-108, is amended to read
2 as follows:
3 Section 41-108. Any plat submitted for recording shall have the following
4 specifications:

1 1. The dimensions of the plat shall be twenty-four (24) by thirty-six (36) inches or
2 shall be a size that can be properly and conveniently folded to these dimensions and shall
3 be drawn to a minimum scale of one hundred (100) feet to the inch; except that plats in
4 which all lots contain a net area in excess of forty thousand (40,000) square feet, the plat
5 may be drawn to a scale of two hundred (200) feet to the inch;

6 2. The drawing surface of the plat shall have a binding margin of two (2) inches at
7 the left side of the plat, a margin of not less than one (1) inch at the right side, and a
8 margin of not less than one and one-half (1 1/2) inches at the top and bottom;

9 3. The original tracing of each plat and two prints thereof and a reduced copy in the
10 dimensions of eight and one-half (8 1/2) inches by eleven (11) inches shall be presented
11 for recording;

12 4. The original plat shall be an original drawing made with india ink on a good
13 grade linen tracing cloth, or with a suitable black acetate base ink on a stable polyester
14 base film coated upon completion with a suitable plastic material to prevent flaking and
15 to assure permanent legibility, or a print on a stable polyester base film made by
16 photographic processes from a film scribing tested for residual hypo with an approved
17 hypo testing solution to assure permanency;

18 5. Marginal lines, standard certificates and approval forms may be printed or
19 legibly stamped on the plat with permanent opaque black ink when permitted by local
20 ordinance; and

21 6. The county clerk may require one of the prints to be a blueprint cloth and the
22 other print to be a photographic matte film positive.

1 SECTION 2. AMENDATORY 19 O.S. 2001, Section 171, is amended to read as
2 follows:

3 Section 171. Each county of this state shall every two (2) years have an audit made
4 by the State Auditor and Inspector or his duly appointed deputy or deputies of all of the
5 books, records and accounts of all the officers of each county of this state, which audit
6 shall be general in its nature and shall include an audit of the books, records and
7 accounts of all officers who collect or disburse monies, fees, fines or public charges of any
8 kind including therein a tax roll audit, a claim audit, and an audit of each of the justices
9 of peace within the county. An audit may include a performance audit, a financial audit,
10 agreed-upon procedures, limited review, or examination of the books and records. In
11 addition to the above, such State Auditor and Inspector may require an audit of the
12 books and records of any county official or custodian of any of the funds of the county
13 upon the death, resignation or removal from office of any such county official, covering a
14 period from the date of the last general audit up to the date of such death, resignation or
15 removal therefrom.

16 Each biennial county audit shall cover the two preceding fiscal years beginning as of
17 July 1st immediately preceding the year in which the appropriation is made for such
18 general audit, provided, that nothing herein shall prevent such State Auditor and
19 Inspector from causing an audit to be made for any prior year of all the books, records
20 and accounts of any such county official.

21 SECTION 3. AMENDATORY 19 O.S. 2001, Section 347, is amended to read as
22 follows:

1 Section 347. A. With respect to counties seeking cash-flow management during any
2 fiscal year, any county may issue and deliver certificates of indebtedness bearing a stated
3 maturity date for the purpose of participating in a short-term cash management program
4 pursuant to the provisions of Section 177.2 of Title 60 of the Oklahoma Statutes to fund
5 the estimated costs of operations, capital expenditures or other lawful costs of the county,
6 or any of its public trusts as operator of its property, for the current fiscal year. The
7 proceeds of certificates of indebtedness shall be set aside in a separate account and used
8 only for the purpose of meeting expenditures and obligations which would otherwise be
9 lawfully payable from the revenue certified by the county excise board. As proceeds from
10 the certificates are used to pay such lawful expenditures and obligations, the financial
11 records of the county shall reflect the amounts of these obligations paid with such
12 proceeds so that a like amount of revenue collected and available to the county may be
13 used to repay the certificates of indebtedness, in whole or in part. The State Auditor and
14 Inspector shall adopt uniform accounting procedures for use by the counties to ensure
15 that the issuance of certificates of indebtedness and the use of the proceeds derived from
16 these certificates will be documented and will not result in a district overspending its
17 authorized budget. All certificates of indebtedness shall be issued, delivered and
18 registered for payment in the specific manner designated by the State Auditor and
19 Inspector; provided, any such certificates of indebtedness shall be made payable on any
20 date within the then current fiscal year and may be purchased for value through the
21 funding of uncollateralized investments made for the benefit of and on behalf of the
22 county. Short-term cash management programs of any county may lawfully provide for

1 the investment of note, bond or certificate proceeds by the issuer of the obligations with
2 the benefit and use of such proceeds assured to the county when needed by the county.
3 Monies remaining in any such investment agreement or investments may be applied to
4 or credited for the payment of the certificate of indebtedness by trust instruction when
5 due in a like and similar manner provided for the transfer of monies by subsection J of
6 Section 5-135 of Title 70 of the Oklahoma Statutes. In no case may a county participate
7 in a short-term cash management program in any given fiscal year beyond that fiscal
8 year. Monies received by a county pursuant to a short-term cash management program
9 may be used only for those purposes for which other monies of the county may be
10 lawfully expended.

11 B. It shall be unlawful for the board of county commissioners to issue any
12 certificate of indebtedness, in any form, in payment of or representing or acknowledging
13 any account, claim, or indebtedness against the county, or to make any contracts for or
14 incur any indebtedness against the county in excess of the amount then unexpended and
15 unencumbered of the sum appropriated for the specific item of estimated needs for such
16 purpose theretofore made, submitted, and approved or authorized for such purpose by a
17 bond issue. All warrants upon the county treasurer, for a county purpose, shall be issued
18 upon the order of the board of county commissioners, drawn by the county clerk, signed
19 by the chairman of the board, and attested by the signature of the county clerk, with the
20 county seal attached. Each warrant shall designate the fund, department and
21 appropriation account, and shall further show the nature of the indebtedness
22 acknowledged by the allowance of the claim so paid.

1 C. Whenever a county officer officers holding ~~an~~ elective office will not immediately
2 succeed ~~himself~~ themselves in said office, it shall be unlawful for the board of county
3 commissioners, during the first six months of the fiscal year in which said term of office
4 expires, to approve claims for the operation of said office totaling in excess of one-half the
5 amount allocated for the operation of said office during said fiscal year, unless approval
6 in writing is obtained from the county excise board, and any claim in excess thereof and
7 any warrant issued pursuant thereto shall be null and void.

8 D. It shall be unlawful for a county officer holding an elective office, who will not
9 immediately succeed himself or herself in said office, to make any changes or alterations
10 in the licensing or source code of computer software currently being used.

11 SECTION 4. AMENDATORY 19 O.S. 2001, Section 1501, as last amended by
12 Section 2, Chapter 356, O.S.L. 2005 (19 O.S. Supp. 2006, Section 1501), is amended to
13 read as follows:

14 Section 1501. A. The county purchasing agent:

15 1. Shall, within the amount of the unencumbered balance, make all purchases that
16 are paid from county funds for the various institutions, departments, officers, and
17 employees of the county, except at public auctions and as otherwise provided for by law;

18 2. May make purchases for political subdivisions of this state within the county if
19 authorized by appropriate action of the governing board or body of the political
20 subdivision affected;

21 3. Shall make purchases and rental or lease-purchase agreements only after
22 following the bidding procedures as provided for by law, except:

- 1 a. when the purchase does not exceed Ten Thousand Dollars (\$10,000.00).
2 All purchases made pursuant to this subparagraph shall be by a single
3 purchase order. Splitting purchase orders which would result in
4 paying an amount in excess of the limitations specified in this
5 subparagraph is expressly prohibited. Any person convicted of
6 violating the provisions of this subparagraph shall be guilty of a
7 misdemeanor and such person shall forfeit the person's position or
8 office,
- 9 b. when the total payments of a rental or lease-purchase agreement do
10 not exceed ~~Five Thousand Dollars (\$5,000.00)~~ the current bid limit as
11 established in subparagraph a of this paragraph,
- 12 c. when articles and items are covered by single source contracts,
13 d. service or maintenance contracts on equipment or machinery which
14 are entered into at the time of the purchase of the equipment or
15 machinery,
- 16 e. purchases made pursuant to a blanket purchase order as provided for
17 in Section 310.8 of Title 62 of the Oklahoma Statutes,
18 f. when materials for road or bridge improvements do not exceed Three
19 Dollars (\$3.00) per yard or per ton,
20 g. purchases of fuel if the county purchasing agent obtains telephone
21 quotes from at least three vendors prior to the purchase and the lowest

1 and best quote is selected. Documentation of these quotes shall be
2 recorded in the permanent records of the clerk,
3 h. purchases of tools, apparatus, machinery or equipment from a state
4 agency or a political subdivision of the state as provided for in
5 subsection C of Section 421.1 of this title,
6 i. purchases of food for prisoners incarcerated in the county jail;
7 provided, in counties having a population in excess of one hundred
8 thousand (100,000) persons, the county purchasing agent shall follow
9 bidding procedures as provided by law unless the county purchasing
10 agent obtains telephone quotes pursuant to the whole total of food
11 items requisitioned prior to the purchase and the lowest and best quote
12 is selected. Documentation of these quotes shall be recorded in the
13 permanent records of the county clerk,
14 j. when a county solicits bids for the purchase of processed native
15 materials for road and bridge improvements, the county may accept all
16 bids received, with the lowest and best bid from those accepted to be
17 selected at the time of opening of any construction project. The
18 selection of the bid shall be based upon availability, bid price, plus
19 transportation costs,
20 k. when a vendor has been selected as the lowest and best bidder to
21 furnish a particular item or items to the county during a specified time
22 period and in the event the vendor is unable to perform, the

1 purchasing agent may solicit telephone quotes for the item or items
2 needed from the list of qualified bidders and provide for the purchase
3 of the items at the lowest and best quote available,
4 l. when considering the purchase of an item or items from the state bid
5 list as provided by the Department of Central Services or the General
6 Services Administration, if the same exact item is available from a
7 local vendor at or below the price listed on the state bid list or the
8 General Services Administration list, the item may be obtained from
9 the vendor,
10 m. any item or items bid by the Department of Central Services which
11 may be purchased by the county, provided the vendor is willing to
12 supply the item or items to the county at the bid price,
13 n. when a county obtains proceeds from the sale of its property at a public
14 auction, that county may use those proceeds to acquire items
15 previously identified as needed by the county at the same public
16 auction pursuant to subsection D of Section 1505 of this title,
17 o. when an item or items have been competitively bid by a county, or on
18 behalf of a group of contiguous counties, provided:
19 (1) the notice to bidders shall list each county which may
20 participate in the purchase of the item or items being bid,

- 1 (2) the notice of bid is advertised, as provided by law, in each of the
2 counties which may participate in the purchase of the item or
3 items,
4 (3) all vendors on the list of qualified bidders of each participating
5 county who offer the item or items for sale received notice of the
6 bid request, and
7 (4) the vendor awarded the bid is willing and able to provide the
8 item or items at the bid price,
9 p. counties may participate in a nationwide purchasing program
10 sponsored by the national association representing counties, or
11 q. when the Governor declares an emergency in a county, the district
12 attorney of that county shall have the authority to temporarily waive
13 competitive bidding procedures for purchases that may expedite a
14 response to the emergency situation. This temporary waiver shall be
15 in addition to any powers exercised pursuant to Section 683.11 of Title
16 63 of the Oklahoma Statutes.

17 The purchases shall be paid by attaching properly itemized invoices, as described in
18 Section 1505 of this title, to a purchase order which has been prepared by the county
19 purchasing agent and submitting both to the county clerk for filing, encumbering, and
20 consideration for payment by the board of county commissioners;

21 4. Shall not furnish any supplies, materials, equipment, or other articles, except
22 upon receipt of a requisition signed by a county officer. Written requisitions will not be

1 required for blanket purchase orders as provided for in Section 310.8 of Title 62 of the
2 Oklahoma Statutes. Each county officer may designate not more than two employees
3 who also shall be authorized to sign requisitions in the absence of the county officer. A
4 written designation of the employees shall be filed with the county clerk and shall be
5 entered in the minutes of the board of county commissioners;

6 5. Shall make lease or lease-purchase agreements for road machinery and
7 equipment if the county has adequate funds appropriated during any fiscal year for such
8 purpose and only after following the bidding procedures as provided for in Section 1505
9 of this title. The term of any lease or lease-purchase agreement authorized pursuant to
10 this paragraph may be for any period up to one (1) year, provided, the term shall not
11 extend beyond the end of any fiscal year, with an option to renew such agreement subject
12 to the requirement that adequate funds are appropriated during the fiscal year by the
13 county for such purpose. The State Auditor and Inspector's office shall be notified by the
14 county of the terms and conditions of a lease or lease-purchase agreement authorized
15 pursuant to this paragraph before any such agreement is made by the county purchasing
16 agent; and

17 6. Shall perform such other duties as may be delegated by the appointing authority
18 or as may be provided for by law.

19 B. Each department of county government needing repairs to equipment,
20 machinery or vehicles shall make estimates and requisition a purchase order from the
21 county purchasing agent for repairs not in excess of Two Thousand Five Hundred Dollars
22 (\$2,500.00). Repairs in excess of Two Thousand Five Hundred Dollars (\$2,500.00), shall

1 be submitted on a blanket purchase order as provided in Section 310.8 of Title 62 of the
2 Oklahoma Statutes.

3 SECTION 5. AMENDATORY 19 O.S. 2001, Section 1505, as amended by
4 Section 6, Chapter 447, O.S.L. 2004 (19 O.S. Supp. 2006, Section 1505), is amended to
5 read as follows:

6 Section 1505. The following procedures shall be used by counties for the
7 requisition, purchase, lease-purchase, rental, and receipt of supplies, materials, and
8 equipment for the maintenance, operation, and capital expenditures of county
9 government unless otherwise provided for by law.

10 A. The procedure for requisitioning items for county offices shall be as follows:

11 1. The requesting department shall prepare a requisition form in triplicate. The
12 requisition shall contain any specifications for an item as deemed necessary by the
13 requesting department. The form shall be prescribed by the State Auditor and Inspector;

14 2. The requesting department shall retain a copy of the requisition and forward the
15 original requisition and a copy to the county purchasing agent; and

16 3. Upon receipt of the requisition, the county purchasing agent, within two (2)
17 working days, shall begin the bidding and purchasing process as provided for in this
18 section. Nothing in this section shall prohibit the transfer of supplies, materials, or
19 equipment between county departments upon a written agreement between county
20 officers.

21 B. The bid procedure for selecting a vendor for the purchase, lease-purchase, or
22 rental of supplies, materials, and equipment used by a county shall be as follows:

1 1. The county purchasing agent shall request written recommendations from all
2 county officers pertaining to commonly used supplies, materials, and equipment. From
3 such recommendations and available requisition, purchase, or inventory records, the
4 county purchasing agent shall prepare a list of items commonly used by county officers.
5 The county purchasing agent shall request from the Purchasing Division of the
6 Department of Central Services all contracts quoting the price the state is paying for the
7 items. The county purchasing agent shall either request the Purchasing Division of the
8 Department of Central Services to make the purchase for the county or solicit bids for
9 unit prices on the items for periods of not to exceed twelve (12) months in the manner
10 described in paragraph 2 of this subsection. If the county purchasing agent receives a
11 requisition for an item for which the county purchasing agent does not have a current
12 bid, the county purchasing agent shall request from the Purchasing Division of the
13 Department of Central Services all contracts quoting the price the state is paying for the
14 item. The county purchasing agent shall either request the Purchasing Division of the
15 Department of Central Services to make the purchase for the county or solicit bids in the
16 manner described in paragraph 2 of this subsection. Nothing in this paragraph shall
17 prohibit bids from being taken on an item currently on a twelve-month bid list, at any
18 time deemed necessary by the county purchasing agent. Whenever the county
19 purchasing agent deems it necessary to take a bid on an item currently on a twelve-
20 month bid list, the reason for the bid shall be entered into the minutes of the board of
21 county commissioners;

1 2. Bids shall be solicited by mailing a notice to all persons or firms who have made
2 a written request of the county purchasing agent that they be notified of such bid
3 solicitation and to all other persons or firms who might reasonably be expected to submit
4 bids. Notice of solicitation of bids shall also be published one time in a newspaper of
5 general circulation in the county. Notices shall be mailed and published at least ten (10)
6 days prior to the date on which the bids are opened. Proof of the mailing shall be made
7 by the affidavit of the person mailing the request for bids and shall be made a part of the
8 official records of the county purchasing agent. Whenever any prospective supplier or
9 vendor dealing in or listing for sale any particular item or article required to be
10 purchased or acquired by sealed bids fails to enter or offer a sealed bid for three
11 successive bid solicitations, the name of the supplier or vendor may be dropped from the
12 mailing lists of the board of county commissioners;

13 3. The sealed bids received from vendors and the state contract price received from
14 the Purchasing Division of the Department of Central Services shall be given to the
15 county clerk by the county purchasing agent. The county clerk shall forward the sealed
16 bids and state contract price, if any, to the board of county commissioners;

17 4. The board of county commissioners, in an open meeting, shall open the sealed
18 bids and compare them to the state contract price. The board of county commissioners
19 shall select the lowest and best bid based upon the availability of material and
20 transportation cost to the job site within thirty (30) days of the meeting. For any special
21 item not included on the list of commonly used items, the requisitioning official shall
22 review the bids and submit a written recommendation to the board before final approval.

1 The board of county commissioners shall keep a written record of the meeting as required
2 by law, and any time the lowest bid was not considered to be the lowest and best bid, the
3 reason for such conclusion shall be recorded. Whenever the board of county
4 commissioners rejects the written recommendation of the requisitioning official
5 pertaining to a special item, the reasons for the rejection shall be entered in their
6 minutes and stated in a letter to the requisitioning official and county purchasing agent;

7 5. The county purchasing agent shall notify the successful bidders and shall
8 maintain a copy of the notification. The county purchasing agent shall prepare and
9 maintain a vendors list specifying the successful bidders and shall notify each county
10 officer of the list. The county purchasing agent may remove any vendor from such list
11 who refuses to provide goods or services as provided by contract if the removal is
12 authorized by the board of county commissioners. The county purchasing agent may
13 make purchases from the successful bidders for a price at or below the bid price. If a
14 vendor who is the low bidder cannot or will not sell goods or services as required by a
15 county bid contract, the county purchasing agent may purchase from the next low bidder
16 or take quotations as provided in paragraph 6 of this subsection, provided, however, such
17 purchase does not exceed Five Thousand Dollars (\$5,000.00); and

18 6. When bids have been solicited as provided for by law and no bids have been
19 received, the procedure shall be as follows:

- 20 a. the county purchasing agent shall determine if potential vendors are
21 willing to commit to a firm price for a reduced period of time, and, if

1 such is the case, the bid procedure described in this subsection shall be
2 followed, or

3 b. if vendors are not willing to commit to a firm price for a reduced
4 period, the purchasing agent shall solicit and record at least three
5 quotes of current prices available to the county and authorize the
6 purchase of goods based on the lowest and best quote as it becomes
7 necessary to acquire such goods. The quotes shall be recorded on a
8 form prescribed by the State Auditor and Inspector and shall be
9 attached to the purchase order and filed with the county clerk's copy of
10 the purchase order. Any time the lowest quote was not considered to
11 be the lowest and best quote, the reason for this conclusion shall be
12 recorded by the county purchasing agent and transmitted to the county
13 clerk, or

14 c. if three quotes are not available, a memorandum to the county clerk
15 from the county purchasing agent shall describe the basis upon which
16 a purchase is authorized. The memorandum shall state the reasons
17 why the price for such a purchase is the lowest and best under the
18 circumstances. The county clerk shall then attach the memorandum to
19 the county clerk's copy of the purchase order and file both in the office
20 of the county clerk.

21 C. After selection of a vendor, the procedure for the purchase, lease-purchase, or
22 rental of supplies, materials, and equipment used by a county shall be as follows:

1 maintenance of roads and bridges, and submit the original purchase order to the
2 receiving officer of the requesting department.

3 D. 1. The procedure for the purchase of supplies, materials, and equipment at
4 public auction or by sealed bid to be used by a county shall be as follows:

- 5 a. the county purchasing agent shall prepare a purchase order in
6 quadruplicate and submit it with a copy of the requisition to the county
7 clerk,
- 8 b. the county clerk shall then encumber the amount stated on the
9 purchase order and assign a sequential number to the purchase order,
- 10 c. if there is an unencumbered balance in the appropriation made for
11 that purpose by the county excise board, the county clerk shall so
12 certify in the following form:

13 I hereby certify that the amount of this encumbrance has been entered
14 against the designated appropriation accounts and that this
15 encumbrance is within the authorized available balance of said
16 appropriation.

17 Dated this _____ day of _____, 20__.

18 _____
19 County Clerk/Deputy

20 of _____ County.

21 In instances where it is impossible to ascertain the exact amount of the
22 indebtedness sought to be incurred at the time of recording the

1 encumbrance, an estimated amount may be used. No purchase order
2 shall be valid unless signed by the county purchasing agent and
3 certified by the county clerk, and
4 d. the county clerk shall file a copy of the purchase order and return the
5 original purchase order and two copies to the county purchasing agent
6 who shall file a copy, retain the other copy for the county road and
7 bridge inventory officer if the purchase order is for the purchase of
8 equipment, supplies, or materials for the construction or maintenance
9 of roads and bridges, and submit the original purchase order to the
10 receiving officer of the requesting department.

11 2. The procedure for the purchase of supplies, materials and equipment at a public
12 auction when the purchase will be made with the proceeds from the sale of county
13 property at the same public auction are as follows:

- 14 a. the purchasing agent shall cause such items being sold to be appraised
15 in the manner determined in Section 421.1 of this title,
16 b. the county purchasing agent shall prepare a purchase order in
17 quadruplicate and submit it with a copy of the requisition to the county
18 clerk,
19 c. the county clerk shall then encumber the amount of the appraised
20 value and any additional funds obligated by the county on the
21 purchase order and assign a sequential number to the purchase order,

- 1 d. the county clerk shall certify that the amount of the encumbrance is
2 equal to the appraised value of the item being sold plus any additional
3 funds obligated by the county. In effect the recording of the
4 encumbrance is an estimate that is authorized by law. No purchase
5 order shall be valid unless signed by the county purchasing agent and
6 certified by the county clerk,
- 7 e. the county clerk shall file a copy of the purchase order and return the
8 original purchase order and two copies to the county purchasing agent
9 who shall file a copy, retain a copy for the county road and bridge
10 inventory officer if the purchase order is for the purchase of equipment,
11 supplies or materials for the construction or maintenance of roads and
12 bridges, and submit the original purchase order to the receiving officer
13 of the requesting department, and
- 14 f. a purchase shall not be bid until such time that the appraised item or
15 items are sold. Any item or items purchased shall not exceed the
16 appraised value plus any additional funds obligated by the county or
17 the actual selling price of the item or items, whichever is the lesser
18 amount.

19 E. The procedure for the receipt of items shall be as follows:

- 20 1. A receiving officer for the requesting department shall be responsible for
21 receiving all items delivered to that department;

1 2. Upon the delivery of an item, the receiving officer shall determine if a purchase
2 order exists for the item being delivered;

3 3. If no such purchase order has been provided, the receiving officer shall refuse
4 delivery of the item;

5 4. If a purchase order is on file, the receiving officer shall obtain a delivery ticket,
6 bill of lading, or other delivery document and compare it with the purchase order. If any
7 item is back ordered, the back order and estimated date of delivery shall be noted in the
8 receiving report;

9 5. The receiving officer shall complete a receiving report in quadruplicate which
10 shall state the quantity and quality of goods delivered. The receiving report form shall
11 be prescribed by the State Auditor and Inspector. The person delivering the goods shall
12 acknowledge the delivery by signature, noting the date and time;

13 6. The receiving officer shall file the original receiving report and submit:

- 14 a. the original purchase order and a copy of the receiving report to the
15 county purchasing agent, and
16 b. a copy of the receiving report with the delivery documentation to the
17 county clerk;

18 7. The county purchasing agent shall file the original purchase order and a copy of
19 the receiving report;

20 8. Upon receipt of the original receiving report and the delivery documentation, the
21 county clerk shall maintain a file until such time as an invoice is received from the
22 vendor;

1 9. The invoice shall state the name and address of the vendor and must be
2 sufficiently itemized to clearly describe each item purchased, the unit price when
3 applicable, the number or volume of each item purchased, the total price, the total
4 purchase price, and the date of the purchase;

5 10. Upon receipt of an invoice, the county clerk shall compare the following
6 documents:

- 7 a. requisition,
- 8 b. purchase order,
- 9 c. invoice with noncollusion affidavit as required by law,
- 10 d. receiving report, and
- 11 e. delivery document.

12 The documents shall be available for public inspection during regular business hours;
13 and

14 11. If the documents conform as to the quantity and quality of the items, the county
15 clerk shall prepare a warrant for payment according to procedures provided for by law.

16 F. The following procedures are for the processing of purchase orders:

17 1. Purchase orders may be allowed and paid at the first meeting of the board of
18 county commissioners ~~after five (5) days have elapsed following the date of the filing of~~
19 ~~the purchase order~~ after presentation for payment, provided that purchase orders for the
20 salaries of the county officers and their full-time assistants, deputies and employees may
21 be allowed and paid immediately after filing;

1 2. The board of county commissioners shall consider the purchase orders so
2 presented and act upon the purchase orders, by allowing in full or in part or by holding
3 for further information or disallowing the same. The disposition of purchase orders shall
4 be indicated by the board of county commissioners, showing the amounts allowed or
5 disallowed and shall be signed by at least two members of the board of county
6 commissioners. Any claim held over for further information shall be acted upon by
7 allowing or disallowing same at any future meeting of the board held within seventy-five
8 (75) days from the date of filing of the purchase order. Any purchase order not acted
9 upon within the seventy-five (75) days from the date of filing shall be deemed to have
10 been disallowed, but such disallowance shall not prevent the refiling of the purchase
11 order at the proper time; and

12 3. Whenever any allowance, either in whole or in part, is made upon any purchase
13 order presented to the board of county commissioners and is accepted by the person
14 making the claim, such allowance shall be a full settlement of the entire purchase order
15 and provided that the cashing of warrant shall be considered as acceptance by the
16 claimant.

17 G. The procedure upon consumption or disposal of supplies, materials, or
18 equipment shall be as follows:

19 1. For consumable road or bridge items or materials, a monthly report of the road
20 and bridge projects completed during such period shall be prepared and kept on file by
21 the consuming department. The report shall contain a record of the date, the place, and
22 the purpose for the use of the road or bridge items or materials. For purposes of

1 identifying county bridges, the board of county commissioners shall number each bridge
2 subject to its jurisdiction; and

3 2. For disposal of all equipment which originally cost more than Two Hundred Fifty
4 Dollars (\$250.00), resolution of disposal shall be submitted by the officer on a form
5 prescribed by the State Auditor and Inspector's Office to the board of county
6 commissioners. The approval of the resolution of disposal shall be entered into the
7 minutes of the board.

8 H. Inventory forms and reports shall be retained for not less than two (2) years
9 after all audit requirements for the state and federal government have been fulfilled and
10 after any pending litigation involving the forms and reports has been resolved.

11 I. The procedures provided for in this section shall not apply when a county officer
12 certifies that an emergency exists requiring an immediate expenditure of funds. Such an
13 expenditure of funds shall not exceed Five Thousand Dollars (\$5,000.00). The county
14 officer shall give the county purchasing agent a written explanation of the emergency.
15 The county purchasing agent shall attach the written explanation to the purchase order.
16 The purchases shall be paid by attaching a properly itemized invoice, as described in this
17 section, to a purchase order which has been prepared by the county purchasing agent
18 and submitting them to the county clerk for filing, encumbering, and consideration for
19 payment by the board of county commissioners.

20 SECTION 6. AMENDATORY 19 O.S. 2001, Section 1704, is amended to read
21 as follows:

22 Section 1704. As used in this act:

- 1 1. "Account" means an entity for recording specific revenues or expenditures, or for
2 grouping related or similar classes of revenues and expenditures and recording them
3 within a fund or department;
- 4 2. "Appropriation" means an authorization and allocation of money to be expended
5 for a purpose;
- 6 3. "Audit" means a performance audit, a financial audit, agreed-upon procedures,
7 limited review, or examination of the books and records;
- 8 4. "Board" means a board of trustees of an emergency medical service district
9 created pursuant to the provisions of Section 9C of Article X of the Constitution of the
10 State of Oklahoma;
- 11 ~~4.~~ 5. "Budget" means a plan of financial operations for a fiscal year, including an
12 estimate of proposed expenditures for given purposes and the proposed means for
13 financing them;
- 14 ~~5.~~ 6. "Budget summary" means a tabular listing of revenues by source and
15 expenditures by fund and by department within each fund for the budget year;
- 16 ~~6.~~ 7. "Budget year" means the fiscal year for which a budget is prepared or being
17 prepared;
- 18 ~~7.~~ 8. "Current year" means the year in which the budget is prepared and adopted,
19 or the fiscal year immediately preceding the budget year;
- 20 ~~8.~~ 9. "Deficit" means the excess of the liabilities, reserves, contributions and
21 encumbrances of a fund over its assets as reflected by its book of account;

1 ~~9.~~ 10. "Department" means a functional unit within a fund which carries on a
2 specific activity;

3 ~~10.~~ 11. "District" means an emergency medical service district created pursuant to
4 the provisions of Section 9C of Article X of the Constitution of the State of Oklahoma;

5 ~~11.~~ 12. "Estimated revenue" means the amount of revenues estimated to be
6 received during the budget year in each fund for which a budget is prepared. Revenue
7 includes any appropriated fund balance in the budget of revenues for a fund for the
8 budget year;

9 ~~12.~~ 13. "Fiscal year" means the annual period for reporting fiscal operations which
10 begins and ends on dates as the Legislature provides;

11 ~~13.~~ 14. "Fund" means an independent fiscal and accounting entity with a
12 self-balancing set of accounts to record cash and other financial resources, together with
13 all liabilities, which are segregated for the purpose of carrying on specific activities or
14 attaining certain objectives, or as otherwise defined in current generally accepted
15 accounting principles;

16 ~~14.~~ 15. "Fund balance" means the excess of the assets of a fund over its liabilities,
17 reserves, contributions and encumbrances, as reflected by its books of account;

18 ~~15.~~ 16. "Immediate prior fiscal year" means the year preceding the current year;

19 ~~16.~~ 17. "Levy" means to impose ad valorem taxes or the total amount of ad valorem
20 taxes for a purpose or entity;

1 ~~17. 18.~~ "Operating reserve" means that portion of the fund balance which has not
2 been appropriated in a budget year. The "operating reserve" will be equivalent to the
3 "unappropriated fund balance" in any fund for which a budget is prepared.

4 SECTION 7. AMENDATORY 42 O.S. 2001, Section 147.1, as amended by
5 Section 4, Chapter 184, O.S.L. 2003 (42 O.S. Supp. 2006, Section 147.1), is amended to
6 read as follows:

7 Section 147.1 Any property owner or other interested party, including but not
8 limited to mortgagees, contractors, subcontractors and others against whom a lien claim
9 is filed under the provisions of the law relating to mechanics' and materialmen's liens,
10 may at any time discharge the lien by depositing with the county clerk in whose office
11 the lien claim has been filed either: An amount of money equal to one hundred
12 twenty-five percent (125%) of the lien claim amount; or a corporate surety bond with a
13 penal amount equal to one hundred twenty-five percent (125%) of the lien claim amount.
14 Within three (3) business days after the deposit of money or bond is made, the county
15 clerk shall serve upon the lien claimant, at the address shown on the lien claim, written
16 notice setting forth: The number of the lien claim; the name of the lien claimant; the
17 name of the property owner; the name of the alleged debtor, if someone other than the
18 property owner; the property description shown on the lien claim; and the amount of cash
19 deposited or, if a bond is filed, the names of the principal and surety and the bond
20 penalty. The party seeking to discharge the lien shall prepare and deliver the notice to
21 the county clerk and pay a fee of Five Dollars (\$5.00) to cover the cost of filing and
22 mailing in accordance with Section 32 of Title 28 of the Oklahoma Statutes. An

1 abbreviated notice may be used if the same refers to and encloses a copy of the lien claim
2 and either a copy of the cash receipt issued by the county clerk or a copy of the bond with
3 the clerk's filing stamp thereon. The notice shall be mailed by registered or certified mail
4 at the option of the county clerk.

5 If cash is deposited, the county clerk shall immediately show the lien released of
6 record. If a bond is deposited, the lien claimant shall have ten (10) days after the notice
7 is mailed within which to file a written objection with the county clerk. If a written
8 objection is not timely filed the county clerk shall immediately show the lien released of
9 record. If an objection is timely made, the county clerk shall set a hearing within ten (10)
10 days thereafter and notify by ordinary mail both the lien claimant and the party making
11 the deposit of the date and time thereof. The only grounds for objection shall be that:
12 The surety is not authorized to transact business in this state; the bond is not properly
13 signed; the penal amount is less than one hundred twenty-five percent (125%) of the
14 claim; the power of attorney of the surety's attorney-in-fact does not authorize the
15 execution; there is no power of attorney attached if the bond is executed by anyone other
16 than the surety's president and attested by its secretary; or a cease and desist order has
17 been issued against the surety either by the Insurance Commissioner or a court of
18 competent jurisdiction. Within two (2) business days following the hearing the county
19 clerk shall either sustain or overrule the objections and notify the parties of the county
20 clerk's ruling by ordinary mail. If the objections are sustained, the ruling of the county
21 clerk shall be conclusive for lien release purposes unless appealed within ten (10) days to

1 the district court. If the objections are overruled, the county clerk shall immediately
2 show the lien released of record.

3 The bond shall: Name the lien claimant as obligee and the party seeking the
4 release as principal; be executed by both the principal and the surety; have a proper
5 power of attorney attached if executed by an attorney-in-fact; be executed by a corporate
6 surety authorized to transact business in this state; and be conditioned that the principal
7 and surety will pay the full amount of the claim as established in any appropriate court
8 proceeding, plus any court costs and attorney's fees awarded the lien claimant, but in no
9 event shall the liability of the principal or surety under the bond exceed the bond
10 penalty. The preceding clause shall not limit the common law liability of the party who
11 created the indebtedness upon which the lien claim is based. The conditions of any bond
12 filed pursuant to this section shall be deemed to comply with the requirements hereof,
13 regardless of the language or limitations set forth therein, if both the principal and
14 surety intend that the bond be filed to secure a lien release under this section.

15 The cash deposit or bond, as the case may be, shall stand in lieu of the released lien,
16 and the lien claimant must proceed against the substituted security in the same time and
17 manner as is required for foreclosure of a lien claim. The cash deposit or bond shall
18 stand liable for such principal, interest, court costs and attorney's fees to the extent they
19 could be awarded in a lien foreclosure proceeding.

20 The only proper parties to an action against the substituted security are: The party
21 making the cash deposit; the bond principal and surety; the party primarily liable for the
22 indebtedness giving rise to the lien claim; and anyone else who may be liable to the lien

1 claimant for the same indebtedness. The party making the cash deposit and the bond
2 principal and surety are necessary parties to an action against the substituted security,
3 and by making a deposit or filing a bond the parties subject themselves to personal
4 jurisdiction in the court where the action is properly filed and may be served with process
5 as in other cases.

6 If the lien claimant fails to timely file a foreclosure action, upon application of the
7 party making the deposit or filing the bond and the payment of a fee of Ten Dollars
8 (\$10.00), the county clerk shall return the cash to the party making the deposit or
9 appropriately note on the bond that the same has been released. The clerk shall not
10 incur liability to any lien claimant for an inadvertent release of cash or bond. At the end
11 of ten (10) years and after the county clerk has attempted written notification to the lien
12 claimant at the address shown on the lien claim, if no foreclosure has been commenced
13 by the lien claimant or such money has not been withdrawn upon application of the
14 depositing party, the cash deposit plus all accrued interest shall be forfeited to the county
15 general fund.

16 Nothing contained in this section shall preclude the lien claimant and other
17 interested parties from entering into agreements for the substitution of a different form
18 of security in lieu of the lien claim.

19 The county clerk shall invest the deposited cash in the manner provided for county
20 treasurers in Section 348.1 of Title 62 of the Oklahoma Statutes. Any interest earned
21 thereon shall become a part of the deposit and be either returned to the party making the
22 deposit, if no action is filed, or paid in accordance with any final judgment rendered by

1 the court in the action against the substituted security. If a district court judgment
2 adverse to the depositing party is entered, in setting the amount of supersedeas bond the
3 court shall take into consideration the existing cash deposit or bond.

4 SECTION 8. This act shall become effective November 1, 2007.

5 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT AND
6 TRANSPORTATION, dated 04-12-07 - DO PASS, As Amended.