

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 SENATE BILL 1049

By: Boggs

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5
6 AS INTRODUCED

7 An Act relating to public finance; amending 62 O.S.
8 2011, Section 34.64, as last amended by Section 1,
Chapter 252, O.S.L. 2015 (62 O.S. Supp. 2015, Section
9 34.64), which relates to payment of claims;
conforming reference; modifying requirement for
10 electronic payments; amending 68 O.S. 2011, Section
2385.16, which relates to income tax refunds;
11 authorizing taxpayer election for refunds from source
other than card-based system; and providing an
effective date.
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14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.64, as
16 last amended by Section 1, Chapter 252, O.S.L. 2015 (62 O.S. Supp.
17 2015, Section 34.64), is amended to read as follows:

18 Section 34.64. A. Except as otherwise provided in the Oklahoma
19 State Finance Act, procedures for paying claims or payrolls shall
20 include the following:

21 1. All miscellaneous claims and payroll claims for the payment
22 of money from the State Treasury shall be filed with the Director of
23 the Office of Management and Enterprise Services for audit and
24

1 settlement prior to being filed for payment with the State
2 Treasurer;

3 2. The Director ~~of the Office of Management and Enterprise~~
4 ~~Services~~ may establish alternative procedures for the settlement of
5 claims whenever such procedures are more advantageous so long as
6 they are consistent with the requirements of state law;

7 3. Such alternative procedures shall be at the discretion of
8 the Director ~~of the Office of Management and Enterprise Services~~ and
9 may include, but are not limited to:

10 a. a procedure to permit consolidated payment to vendors
11 for claims involving more than one agency of the state
12 when audit and settlement of such claims, as
13 hereinafter provided, can in all respects be
14 accomplished,

15 b. procedures based upon valid statistical sampling
16 models for preaudit of claims, against contracts,
17 purchase orders and other commitments before entering
18 such claims against the accounts, and

19 c. policies, procedures and performance criteria for the
20 participation of agencies or departments, not
21 authorized by this section, to engage in an
22 alternative system for the settlement of claims; and

23 4. The Director ~~of the Office of Management and Enterprise~~
24 ~~Services~~ may use a numeric or alphanumeric designation to cross-

1 reference claims or payrolls to check warrant numbers, transfer
2 entry or optional settlement mode used in the payment thereof.

3 B. After claims or payrolls or both have been properly audited
4 and recorded against the respective contracts, purchase orders,
5 other commitments and accounts, the Division of Central Accounting
6 and Reporting shall certify such claims or payrolls to the State
7 Treasurer for payment.

8 C. It shall be the responsibility of the Division of Central
9 Accounting and Reporting to determine that:

10 1. All material legal requirements concerning the expenditure
11 of monies involved in each claim or payroll have been complied with;

12 2. Funds have been properly and legally allotted for the
13 payment of the claim or payroll; and

14 3. A sufficient balance exists for the payment of same.

15 D. The Director ~~of the Office of Management and Enterprise~~
16 ~~Services~~ or bonded employees in the Division of Central Accounting
17 and Reporting authorized by the Director shall certify to the State
18 Treasurer that the claim or payroll has been approved for payment.

19 E. 1. The Director ~~of the Office of Management and Enterprise~~
20 ~~Services~~ shall be authorized to establish necessary agency
21 disbursing funds to efficiently accommodate the cash flow
22 requirements of applicable federal regulations, bond indebtedness
23 and other directives deemed appropriate by the Director.
24

1 2. Agencies operating such disbursing funds are authorized to
2 establish a preaudit and settlement system for claims or payments or
3 both relating to the purposes of the stated directives.

4 3. The State Treasurer shall establish procedures for the state
5 in accordance with Federal Banking and National Automated Clearing
6 House Association standards and agencies shall be required to
7 utilize automated clearing house procedures established by the State
8 Treasurer.

9 4. No individual or entity shall be required to have a bank
10 account unless required by federal law or federal regulation.

11 5. Agencies shall be further required to present these
12 transactions to the Office of Management and Enterprise Services in
13 a summarized format and shall include any accounting information
14 necessary as determined by the Director ~~of the Office of Management~~
15 ~~and Enterprise Services~~ including, but not limited to, information
16 related to federal law.

17 6. Administrative expenditures shall not be eligible for these
18 procedures.

19 7. The efficiency of the payment system shall be considered
20 when the interest earnings of the state are not diminished.

21 F. The Director ~~of the Office of Management and Enterprise~~
22 ~~Services~~ shall be authorized to process payments for federal tax
23 withholding without claim forms. The Director shall establish a
24 separate fund for the purpose of accumulating federal income tax

1 withholding from payrolls and remitting same to the United States
2 Treasury. Institutions under the administrative authority of the
3 Oklahoma State Regents for Higher Education which are responsible
4 for processing payments for federal tax withholding shall be
5 authorized to process such payments to the United States Treasury
6 without claim forms.

7 G. 1. The Director ~~of the Office of Management and Enterprise~~
8 ~~Services~~ shall be authorized to process, without claim forms,
9 interest payments to the U.S. Treasury as required by federal law.

10 2. Agencies are responsible for the accrual of such interest
11 liability of the state and shall provide payment to the Office of
12 Management and Enterprise Services in the amount and method
13 prescribed by the Director ~~of the Office of Management and~~
14 ~~Enterprise Services~~.

15 3. Any liability of the U.S. Treasury as determined by federal
16 law shall be deposited in the State Treasury and transferred by the
17 Director ~~of the Office of Management and Enterprise Services~~ to the
18 General Revenue Fund of the state subsequent to final determination
19 and necessary audit resolution.

20 H. Payments disbursed from the State Treasury shall be conveyed
21 solely through an electronic payment mechanism, subject to the
22 provisions of Section 2385.16 of Title 68 of the Oklahoma Statutes.
23 The State Treasurer may provide an exemption from the provisions of
24 this subsection, with cause, provided the number of exempted

1 payments and a corresponding list of causes shall be published in a
2 regularly updated report which is featured prominently on the State
3 Treasurer's website.

4 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2385.16, is
5 amended to read as follows:

6 Section 2385.16. A. All payments received by the Oklahoma Tax
7 Commission transmitted by employers for taxes withheld from
8 employees and all payments received by the Tax Commission from
9 taxpayers as herein provided shall be deposited with the State
10 Treasurer in the Tax Commission's Official Depository Clearing
11 Account and be designated Income Tax Withholding Funds. These funds
12 shall be under the exclusive control of the Tax Commission. The Tax
13 Commission is empowered and directed each month to transfer the
14 amount thereof which the Tax Commission estimates to be necessary to
15 make tax refunds to a separate account designated as the Income Tax
16 Withholding Refund Account, and to make apportionments from such
17 funds remaining in said Official Depository Clearing Account, of the
18 amount it considers available for distribution as income taxes
19 collected. The Tax Commission shall maintain a balance in the
20 refund account sufficient to cover anticipated tax refunds.

21 All warrants drawn against such refund account as provided in
22 the preceding subsection which are not presented for payment within
23 ninety (90) days of issuance thereof shall be void.
24

1 Persons entitled to refunds of monies represented by warrants
2 which are not presented for payment within ninety (90) days from the
3 date of issuance thereof may file claims for refund at any time
4 within three (3) years from the due date of the return. Such claims
5 shall be filed and paid under the provisions of Section 2373 of this
6 Code, and if allowed shall be paid under the provisions of such
7 section. An income tax refund warrant which was not presented for
8 payment within ninety (90) days from the date of issuance or
9 reissued for a like amount up to three (3) years from the date of
10 issuance of the original warrant shall be subject to reporting and
11 remittance to the Oklahoma State Treasurer pursuant to the Uniform
12 Unclaimed Property Act.

13 B. Neither the Tax Commission nor any member or employee
14 thereof shall be held personally liable for making any refund by
15 reason of a fraudulent withholding certificate being used as a basis
16 for such refund.

17 C. The Oklahoma Tax Commission may use a direct deposit system
18 and card-based disbursement system in lieu of checks or warrants for
19 the purposes of issuing refunds for overpayment of individual income
20 taxes; provided, at the election of the taxpayer such refunds may be
21 issued by a means other than a card-based disbursement system and
22 notice of the right to make such election shall be included on the
23 face of the Individual Resident Income Tax Return. Notwithstanding
24 the provisions of Section 205 of this title, the Tax Commission may

1 enter into a contract with, and release taxpayer information to,
2 entities deemed to be qualified by the Tax Commission to implement
3 the card-based disbursement system. The Tax Commission shall not
4 release to any entity contracted with pursuant to this section the
5 full social security number of taxpayers opting to receive a refund
6 through the card-based disbursement system.

7 SECTION 3. This act shall become effective November 1, 2016.

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