ENGROSSED SENATE
BILL NO. 977 By: Sykes of the Senate

and

Osborn of the House

An Act relating to multiple versions of statutes; amending, merging, consolidating, and repealing multiple versions of statutes; repealing 2 O.S. 2011, Section 2-2, as amended by Section 1, Chapter 133, O.S.L. 2012 (2 O.S. Supp. 2012, Section 2-2); repealing 10 O.S. 2011, Section 1-240, as recodified by Section 6, Chapter 253, O.S.L. 2012 (10 O.S. Supp. 2012, Section 440); amending 10 O.S. 2011, Section 601.3, as amended by Section 1, Chapter 340, O.S.L. 2012 (10 O.S. Supp. 2012, Section 601.3); repealing 10 O.S. 2011, Section 601.3, as amended by Section 2, Chapter 353, O.S.L. 2012 (10 O.S. Supp. 2012, Section 601.3); amending 10A O.S. 2011, Section 2-7-202, as amended by Section 9, Chapter 353, O.S.L. 2012 (10A O.S. Supp. 2012, Section 2-7-202); repealing 10A O.S. 2011, Section 2-7-202, as amended by Section 41, Chapter 304, O.S.L. 2012 (10A O.S. Supp. 2012, Section 2-7-202); amending 11 O.S. 2011, Section 51-104, as amended by Section 1, Chapter 90, O.S.L. 2012 (11 O.S. Supp. 2012, Section 51-104); repealing 11 O.S. 2011, Section 51-104, as amended by Section 1, Chapter 58, O.S.L. 2012 (11 O.S. Supp. 2012, Section 51-104); amending 17 O.S. 2011, Section 354, as amended by Section 1, Chapter 287, O.S.L. 2012 (17 O.S. Supp. 2012, Section 354); repealing 17 O.S. 2011, Section 354, as amended by Section 1, Chapter 362, O.S.L. 2012 (17 O.S. Supp. 2012, Section 354); amending 19 O.S. 2011, Section 339, as amended by Section 1, Chapter 22, O.S.L. 2012 (19 O.S. Supp. 2012, Section 339); repealing 19 O.S. 2011, Section 339, as amended by Section 1, Chapter 19, O.S.L. 2012 (19 O.S. Supp. 2012, Section 339); repealing 19 O.S. 2011, Section 339, as amended by Section 1, Chapter 144, O.S.L. 2012 (19 O.S. Supp. 2012, Section 339); amending 21 O.S. 2011, Section 1247, as amended by

Section 1, Chapter 30, O.S.L. 2012 (21 O.S. Supp. 2012, Section 1247); repealing 21 O.S. 2011, Section 1247, as amended by Section 90, Chapter 304, O.S.L. 2012 (21 O.S. Supp. 2012, Section 1247); amending 21 O.S. 2011, Section 1290.14, as amended by Section 34, Chapter 259, O.S.L. 2012 (21 O.S. Supp. 2012, Section 1290.14); repealing 21 O.S. 2011, Section 1290.14, as amended by Section 91, Chapter 304, O.S.L. 2012 (21 O.S. Supp. 2012, Section 1290.14); amending 21 O.S. 2011, Section 1290.26, as amended by Section 1, Chapter 195, O.S.L. 2012 (21 O.S. Supp. 2012, Section 1290.26); repealing 21 O.S. 2011, Section 1290.26, as amended by Section 44, Chapter 259, O.S.L. 2012 (21 O.S. Supp. 2012, Section 1290.26); amending 26 O.S. 2011, Section 3-101, as amended by Section 2, Chapter 31, O.S.L. 2012 (26 O.S. Supp. 2012, Section 3-101); repealing 26 O.S. 2011, Section 3-101, as amended by Section 1, Chapter 152, O.S.L. 2012 (26 O.S. Supp. 2012, Section 3-101); amending 36 O.S. 2011, Section 6670, as amended by Section 1, Chapter 147, O.S.L. 2012 (36 O.S. Supp. 2012, Section 6670); repealing 36 O.S. 2011, Section 6670, as amended by Section 36, Chapter 150, O.S.L. 2012 (36 O.S. Supp. 2012, Section 6670); amending 47 O.S. 2011, Section 2-110, as amended by Section 3, Chapter 242, O.S.L. 2012 (47 O.S. Supp. 2012, Section 2-110); repealing 47 O.S. 2011, Section 2-110, as amended by Section 1, Chapter 255, O.S.L. 2012 (47 O.S. Supp. 2012, Section 2-110); amending 47 O.S. 2011, Section 6-101, as amended by Section 1, Chapter 280, O.S.L. 2012 (47 O.S. Supp. 2012, Section 6-101); repealing 47 O.S. 2011, Section 6-101, as amended by Section 5, Chapter 283, O.S.L. 2012 (47 O.S. Supp. 2012, Section 6-101); amending 47 O.S. 2011, Section 11-1401.2, as amended by Section 1, Chapter 43, O.S.L. 2012 (47 O.S. Supp. 2012, Section 11-1401.2); repealing 47 O.S. 2011, Section 11-1401.2, as amended by Section 1, Chapter 132, O.S.L. 2012 (47 O.S. Supp. 2012, Section 11-1401.2); amending 47 O.S. 2011, Section 14-118, as amended by Section 1, Chapter 162, O.S.L. 2012 (47 O.S. Supp. 2012, Section 14-118); repealing 47 O.S. 2011, Section 14-118, as amended by Section 11, Chapter 283, O.S.L. 2012 (47 O.S. Supp. 2012, Section 14-118); amending 47 O.S. 2011, Section 759, as amended by Section 181, Chapter 304, O.S.L. 2012 (47 O.S. Supp. 2012, Section 759); repealing 47 O.S. 2011, Section 759, as amended by Section 1, Chapter 61, O.S.L. 2012 (47 O.S. Supp. 2012, Section 759); amending 51 O.S. 2011, Section 155, as amended by Section 1, Chapter 16, O.S.L. 2012 (51 O.S. Supp. 2012, Section 155); repealing 51 O.S. 2011, Section 155, as amended by Section 1, Chapter 14, O.S.L. 2012 (51 O.S. Supp. 2012, Section 155); amending 56 O.S. 2011, Section 1003, as amended by Section 1, Chapter 244, O.S.L. 2012 (56 O.S. Supp. 2012, Section 1003); repealing 56 O.S. 2011, Section 1003, as amended by Section 240, Chapter 304, O.S.L. 2012 (56 O.S. Supp. 2012, Section 1003); amending 56 O.S. 2011, Section 2002, as amended by Section 1, Chapter 122, O.S.L. 2012 (56 O.S. Supp. 2012, Section 2002); repealing 56 O.S. 2011, Section 2002, as amended by Section 241, Chapter 304, O.S.L. 2012 (56 O.S. Supp. 2012, Section 2002); amending 57 O.S. 2011, Section 549.1, as amended by Section 252, Chapter 304, O.S.L. 2012 (57 O.S. Supp. 2012, Section 549.1); repealing 57 O.S. 2011, Section 549.1, as amended by Section 2, Chapter 219, O.S.L. 2012 (57 O.S. Supp. 2012, Section 549.1); amending 59 O.S. 2011, Section 1203, as amended by Section 279, Chapter 304, O.S.L. 2012 (59 O.S. Supp. 2012, Section 1203); repealing 59 O.S. 2011, Section 1203, as amended by Section 1, Chapter 72, O.S.L. 2012 (59 O.S. Supp. 2012, Section 1203); amending 59 O.S. 2011, Section 1800.14, as amended by Section 16, Chapter 368, O.S.L. 2012 (59 O.S. Supp. 2012, Section 1800.14); repealing 59 O.S. 2011, Section 1800.14, as amended by Section 282, Chapter 304, O.S.L. 2012 (59 O.S. Supp. 2012, Section 1800.14); amending 59 O.S. 2011, Section 1800.15, as amended by Section 17, Chapter 368, O.S.L. 2012 (59 O.S. Supp. 2012, Section 1800.15); repealing 59 O.S. 2011, Section 1800.15, as amended by Section 283, Chapter 304, O.S.L. 2012 (59 O.S. Supp. 2012, Section 1800.15); amending 61 O.S. 2011, Section 202, as amended by Section 1, Chapter 184, O.S.L. 2012 (61 O.S. Supp. 2012, Section 202); repealing 61 O.S. 2011, Section 202, as amended by Section 318, Chapter 304, O.S.L. 2012 (61 O.S. Supp. 2012, Section 202); amending 61 O.S. 2011, Section 204, as amended by Section 2, Chapter 184, O.S.L. 2012 (61 O.S. Supp. 2012, Section 204); repealing 61 O.S. 2011, Section 204, as amended by Section 321, Chapter 304, O.S.L. 2012 (61 O.S. Supp. 2012, Section 204); amending 61 O.S. 2011, Section 208.1, as amended by Section 3, Chapter 184, O.S.L. 2012 (61 O.S. Supp. 2012, Section 208.1); repealing 61 O.S.

2011, Section 208.1, as amended by Section 325, Chapter 304, O.S.L. 2012 (61 O.S. Supp. 2012, Section 208.1); amending 61 O.S. 2011, Section 208.2, as amended by Section 4, Chapter 184, O.S.L. 2012 (61 O.S. Supp. 2012, Section 208.2); repealing 61 O.S. 2011, Section 208.2, as amended by Section 326, Chapter 304, O.S.L. 2012 (61 O.S. Supp. 2012, Section 208.2); amending 62 O.S. 2011, Section 34.11.1, as amended by Section 342, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 34.11.1); repealing 62 O.S. 2011, Section 34.11.1, as last amended by Section 1, Chapter 292, O.S.L. 2012 (62 O.S. Supp. 2012, Section 34.11.1); amending 62 O.S. 2011, Section 34.12, as amended by Section 2, Chapter 292, O.S.L. 2012 (62 O.S. Supp. 2012, Section 34.12); repealing 62 O.S. 2011, Section 34.12, as amended by Section 345, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 34.12); amending 62 O.S. 2011, Section 34.21, as amended by Section 3, Chapter 292, O.S.L. 2012 (62 O.S. Supp. 2012, Section 34.21); repealing 62 O.S. 2011, Section 34.21, as amended by Section 353, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 34.21); amending 62 O.S. 2011, Section 35.5, as amended by Section 414, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 35.5); repealing 62 O.S. 2011, Section 35.5, as amended by Section 4, Chapter 292, O.S.L. 2012 (62 O.S. Supp. 2012, Section 35.5); amending 62 O.S. 2011, Section 35.8, as amended by Section 5, Chapter 292, O.S.L. 2012 (62 O.S. Supp. 2012, Section 35.8); repealing 62 O.S. 2011, Section 35.8, as amended by Section 417, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 35.8); amending 62 O.S. 2011, Section 89.2, as amended by Section 4, Chapter 131, O.S.L. 2012 (62 O.S. Supp. 2012, Section 89.2); repealing 62 O.S. 2011, Section 89.2, as amended by Section 439, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 89.2); amending 62 O.S. 2011, Section 901, as amended by Section 1, Chapter 288, O.S.L. 2012 (62 O.S. Supp. 2012, Section 901); repealing 62 O.S. 2011, Section 901, as last amended by Section 469, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 901); amending 63 O.S. 2011, Section 2-103, as amended by Section 1, Chapter 186, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2-103); repealing 63 O.S. 2011, Section 2-103, as amended by Section 495, Chapter 304, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2-103); repealing 63 O.S. 2011, Section

2-309, as amended by Section 5, Chapter 80, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2-309); amending 63 O.S. 2011, Section 2-309C, as last amended by Section 3, Chapter 206, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2-309C); repealing 63 O.S. 2011, Section 2-309C, as amended by Section 2, Chapter 83, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2-309C); repealing 63 O.S. 2011, Section 2-329, as amended by Section 7, Chapter 80, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2-329); amending 63 O.S. 2011, Section 91, as amended by Section 1, Chapter 119, O.S.L. 2012 (63 O.S. Supp. 2012, Section 91); repealing 63 O.S. 2011, Section 91, as amended by Section 1, Chapter 62, O.S.L. 2012 (63 O.S. Supp. 2012, Section 91); amending 63 O.S. 2011, Section 2418, as amended by Section 3, Chapter 357, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2418); repealing 63 O.S. 2011, Section 2418, as amended by Section 512, Chapter 304, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2418); amending 68 O.S. 2011, Section 205.2, as amended by Section 1, Chapter 240, O.S.L. 2012 (68 O.S. Supp. 2012, Section 205.2); repealing 68 O.S. 2011, Section 205.2, as amended by Section 1, Chapter 256, O.S.L. 2012 (68 O.S. Supp. 2012, Section 205.2); amending 68 O.S. 2011, Section 1357, as amended by Section 2, Chapter 230, O.S.L. 2012 (68 O.S. Supp. 2012, Section 1357); repealing 68 O.S. 2011, Section 1357, as amended by Section 1, Chapter 233, O.S.L. 2012 (68 O.S. Supp. 2012, Section 1357); amending 68 O.S. 2011, Section 2368.14, as amended by Section 2, Chapter 209, O.S.L. 2012 (68 O.S. Supp. 2012, Section 2368.14); repealing 68 O.S. 2011, Section 2368.14, as amended by Section 555, Chapter 304, O.S.L. 2012 (68 O.S. Supp. 2012, Section 2368.14); amending 68 O.S. 2011, Section 2368.16, as amended by Section 3, Chapter 209, O.S.L. 2012 (68 O.S. Supp. 2012, Section 2368.16); repealing 68 O.S. 2011, Section 2368.16, as amended by Section 557, Chapter 304, O.S.L. 2012 (68 O.S. Supp. 2012, Section 2368.16); amending 68 O.S. 2011, Section 3603, as amended by Section 1, Chapter 308, O.S.L. 2012 (68 O.S. Supp. 2012, Section 3603); repealing 68 O.S. 2011, Section 3603, as amended by Section 567, Chapter 304, O.S.L. 2012 (68 O.S. Supp. 2012, Section 3603); repealing 68 O.S. 2011, Section 3603, as amended by Section 1, Chapter 310, O.S.L. 2012 (68 O.S. Supp. 2012, Section 3603); amending 69 O.S. 2011, Section 404, as amended by Section 3, Chapter

356, O.S.L. 2012 (69 O.S. Supp. 2012, Section 404); repealing 69 O.S. 2011, Section 404, as amended by Section 572, Chapter 304, O.S.L. 2012 (69 O.S. Supp. 2012, Section 404); amending 69 O.S. 2011, Section 1521, as amended by Section 1, Chapter 346, O.S.L. 2012 (69 O.S. Supp. 2012, Section 1521); repealing 69 O.S. 2011, Section 1521, as amended by Section 583, Chapter 304, O.S.L. 2012 (69 O.S. Supp. 2012, Section 1521); repealing 70 O.S. 2011, Section 3-117, as amended by Section 590, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2012, Section 3-117); amending 70 O.S. 2011, Section 1210.508C, as last amended by Section 1, Chapter 250, O.S.L. 2012 (70 O.S. Supp. 2012, Section 1210.508C); repealing 70 O.S. 2011, Section 1210.508C, as last amended by Section 9, Chapter 354, O.S.L. 2012 (70 O.S. Supp. 2012, Section 1210.508C); amending 70 O.S. 2011, Section 21-116, as amended by Section 1, Chapter 277, O.S.L. 2012 (70 O.S. Supp. 2012, Section 21-116); repealing 70 O.S. 2011, Section 21-116, as amended by Section 612, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2012, Section 21-116); repealing 74 O.S. 2011, Section 10.3, as amended by Section 694, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 10.3); amending 74 O.S. 2011, Section 85.45k, as amended by Section 4, Chapter 106, O.S.L. 2012 (74 O.S. Supp. 2012, Section 85.45k); repealing 74 O.S. 2011, Section 85.45k, as amended by Section 764, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 85.45k); amending 74 O.S. 2011, Section 85.45l, as amended by Section 6, Chapter 316, O.S.L. 2012 (74 O.S. Supp. 2012, Section 85.45l); repealing 74 O.S. 2011, Section 85.45l, as amended by Section 765, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 85.45l); amending 74 O.S. 2011, Section 110.3, as amended by Section 809, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 110.3); repealing 74 O.S. 2011, Section 110.3, as amended by Section 7, Chapter 316, O.S.L. 2012 (74 O.S. Supp. 2012, Section 110.3); amending 74 O.S. 2011, Section 500.2, as amended by Section 5, Chapter 106, O.S.L. 2012 (74 O.S. Supp. 2012, Section 500.2); repealing 74 O.S. 2011, Section 500.2, as amended by Section 853, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 500.2); amending 74 O.S. 2011, Section 840-4.14, as amended by Section 1, Chapter 285, O.S.L. 2012 (74 O.S. Supp. 2012, Section 840-4.14); repealing 74 O.S. 2011, Section 840-4.14, as amended by Section 909, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 840-4.14); amending 74 O.S. 2011, Section 913, as amended by Section 1, Chapter 155, O.S.L. 2012 (74 O.S. Supp. 2012, Section 913); repealing 74 O.S. 2011, Section 913, as amended by Section 928, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 913); amending 74 O.S. 2011, Section 913.4, as amended by Section 2, Chapter 109, O.S.L. 2012 (74 O.S. Supp. 2012, Section 913.4) repealing 74 O.S. 2011, Section 913.4, as amended by Section 2, Chapter 155, O.S.L. 2012 (74 O.S. Supp. 2012, Section 913.4); amending 74 O.S. 2011, Section 1310.1, as amended by Section 2, Chapter 321, O.S.L. 2012 (74 O.S. Supp. 2012, Section 1310.1); repealing 74 O.S. 2011, Section 1310.1, as amended by Section 949, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 1310.1); amending 74 O.S. 2011, Section 3001, as amended by Section 1, Chapter 289, O.S.L. 2012 (74 O.S. Supp. 2012, Section 3001); repealing 74 O.S. 2011, Section 3001, as amended by Section 1000, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 3001); amending 74 O.S. 2011, Section 3007, as amended by Section 3, Chapter 289, O.S.L. 2012 (74 O.S. Supp. 2012, Section 3007); repealing 74 O.S. 2011, Section 3007, as amended by Section 1003, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 3007); amending 74 O.S. 2011, Section 7005, as amended by Section 1049, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 7005); repealing 74 O.S. 2011, Section 7005, as amended by Section 2, Chapter 301, O.S.L. 2012 (74 O.S. Supp. 2012, Section 7005); providing an effective date; and declaring an emergency.

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

SECTION 1. REPEALER 2 O.S. 2011, Section 2-2, as amended by Section 1, Chapter 133, O.S.L. 2012 (2 O.S. Supp. 2012, Section 2-2), is hereby repealed.

SECTION 2. REPEALER 10 O.S. 2011, Section 1-240, as recodified by Section 6, Chapter 253, O.S.L. 2012 (10 O.S. Supp. 2012, Section 440), is hereby repealed.

SECTION 3. AMENDATORY 10 O.S. 2011, Section 601.3, as amended by Section 1, Chapter 340, O.S.L. 2012 (10 O.S. Supp. 2012, Section 601.3), is amended to read as follows:

Section 601.3. The Oklahoma Commission on Children and Youth is hereby authorized and directed to:

1. Establish and maintain the Office of Planning and Coordination for Services to Children and Youth;

2. Establish and maintain the Office of Juvenile System Oversight;

3. Designate community partnership districts for services to children and youth and, within the limitations of available funds, whether appropriated or otherwise available, provide staff, technical assistance and other assistance as necessary and appropriate to the district boards; and

4. ~~Establish a system of certification in accordance with the Oklahoma Child Care Facilities Licensing Act for the shelters managed and operated by the Department of Human Services pursuant to Section 1-9-111 of Title 10A of the Oklahoma Statutes; and~~

~~5.~~ Establish services for the children of incarcerated parents. Duties designed to improve the lives of children of incarcerated parents shall include:

a. coordinating research,

b. collecting data,

c. creating a resource clearinghouse,

d. developing an educational toolkit describing services available to children of incarcerated parents, and

e. coordinating an advisory committee to work collaboratively with agencies and service providers to better meet the needs and improve the quality of life for children of incarcerated parents.

SECTION 4. REPEALER 10 O.S. 2011, Section 601.3, as amended by Section 2, Chapter 353, O.S.L. 2012 (10 O.S. Supp. 2012, Section 601.3), is hereby repealed.

SECTION 5. AMENDATORY 10A O.S. 2011, Section 2-7-202, as amended by Section 9, Chapter 353, O.S.L. 2012 (10A O.S. Supp. 2012, Section 2-7-202), is amended to read as follows:

Section 2-7-202. A. There is hereby created the Office of Juvenile Affairs which shall be responsible for programs and services for juveniles alleged or adjudicated to be delinquent or in need of supervision. Within the Office of Juvenile Affairs there is hereby created:

1. The Division of Institutional Services which shall be responsible for the institutions operated by or contracted for by the Office of Juvenile Affairs;

2. The Division of Community-based Youth Services which shall be responsible for contracting with, monitoring, evaluation and support of community-based Youth Services Agencies;

3. The Division of Juvenile and Treatment Services which shall be responsible for intake, probation and parole services, supervision and placement of juveniles and the contracting for, monitoring and evaluation of residential and treatment programs other than institutions and community-based Youth Services Agencies; and

4. Such other divisions specifically established by the Executive Director of the Office of Juvenile Affairs, with the approval of the Board.

The Executive Director of the Office of Juvenile Affairs, with the approval of the Board, shall appoint a Director of the Division of Institutional Services, a Director of the Division of Community-based Youth Services, and a Director of the Division of Juvenile and Treatment Services to serve as the administrative head of each division, respectively. The Division Directors shall have at least six (6) years of experience in the same or similar programs or facilities as they are to supervise and a baccalaureate degree or higher level of education.

B. Suitable office space shall be provided by the ~~Department of Central Services~~ Office of Management and Enterprise Services to the Office of Juvenile Affairs, to the extent necessary for the Office to implement its jurisdictional duties provided by the Oklahoma Juvenile Code, and the Office may incur necessary expenses for office rent.

C. Effective July 1, 1995, the Office of Juvenile Affairs shall be a Merit System agency and all employees of the Office of Juvenile Affairs shall be classified employees who are subject to the Oklahoma Personnel Act and the Merit System of Personnel Administration, except as otherwise provided by law.

D. Effective July 1, 1995, within its jurisdictional areas of responsibility, the Office of Juvenile Affairs, acting through the Executive Director, or persons authorized by law, rule or designated by the Executive Director to perform such acts, shall have the power and duty to:

1. Advise, consult, cooperate and enter into agreements with agencies of the state, municipalities and counties, other states and the federal government, and other persons;

2. Enter into agreements for, accept, administer and use, disburse and administer grants of money, personnel and property from the federal government or any department or agency thereof, or from any state or state agency, or from any other source, to promote and carry on in this state any program within its jurisdictional area of responsibility;

3. Require the establishment and maintenance of records and reports;

4. Establish a system of training for personnel in order to assure uniform statewide application of law and rules;

5. Enforce the provisions of the Oklahoma Juvenile Code and rules promulgated thereunder and orders issued pursuant thereto;

6. Charge and receive fees pursuant to fee schedules promulgated by the Board of Juvenile Affairs;

7. Conduct studies, research and planning of programs and functions, pursuant to the authority granted by the Oklahoma Juvenile Code;

8. Enter into interagency agreements;

9. Provide administrative and support services to the Board of Juvenile Affairs as necessary to assist the Board in the performance of their duties;

10. Establish and maintain such facilities and institutions as are necessary or convenient for the operation of programs for children under the jurisdiction of the Office of Juvenile Affairs;

11. Lease, from time to time, any real property which the Board of Juvenile Affairs shall determine advisable to more fully carry into effect the operation of the Office of Juvenile Affairs in accordance with applicable state statutes. All such leases for real property shall be subject to the provisions of Section 63 of Title 74 of the Oklahoma Statutes;

12. Purchase or lease any equipment, supplies or materials pursuant to The Oklahoma Central Purchasing Act;

13. Contract for professional services;

14. Acquire, construct, extend, and operate any and all facilities of all kinds which in the judgment of the Executive Director and the approval of the Legislature shall be necessary or convenient to carry out the duties of the Office of Juvenile Affairs, as authorized by law; and

15. Exercise all incidental powers which are necessary and proper to implement and administer the purposes of the Oklahoma Juvenile Code.

E. The Office of Juvenile Affairs shall maintain a fair, simple and expeditious system for resolution of grievances of all persons committed to the Office of Juvenile Affairs regarding the substance or application of any written or unwritten policy, rule of the Board of Juvenile Affairs or of an agent or contractor of the Office of Juvenile Affairs or any decision, behavior or action by an employee, agent or contractor or by any other person committed to the Office of Juvenile Affairs.

F. Effective November 1, 2012, the Office of Juvenile Affairs shall establish a system of certification in accordance with the Oklahoma Child Care Facilities Licensing Act for the shelters managed and operated by the Department of Human Services pursuant to the requirements of Section 1-9-111 of this title. The Office of Juvenile Affairs shall certify shelters pursuant to the requirements of existing rules as established by the Oklahoma Commission on

Children and Youth until such time the Office of Juvenile Affairs has promulgated rules for the certification of shelters.

SECTION 6. REPEALER 10A O.S. 2011, Section 2-7-202, as amended by Section 41, Chapter 304, O.S.L. 2012 (10A O.S. Supp. 2012, Section 2-7-202), is hereby repealed.

SECTION 7. AMENDATORY 11 O.S. 2011, Section 51-104, as amended by Section 1, Chapter 90, O.S.L. 2012 (11 O.S. Supp. 2012, Section 51-104), is amended to read as follows:

Section 51-104. A. There is hereby re-created, to continue until July 1, ~~2012~~ 2016, in accordance with the provisions of the Oklahoma Sunset Law, ~~Section 3901 et seq. of Title 74,~~ the Public Employees Relations Board, which shall be composed of five (5) members to be appointed or selected as follows:

1. One appointed by the Governor shall be an impartial appointment and designated as Chairman;

2. Two appointed by the President Pro Tempore of the State Senate, one of whom shall be an impartial appointment and one of whom shall be a representative from the labor industry chosen from a list of four nominees to be submitted jointly by an Oklahoma organization the primary purpose of which is to provide services to members who are municipal police officers, which shall provide two nominees, and by an Oklahoma organization the primary purpose of which is to provide services to members who are municipal firefighters, which shall provide two nominees; and

3. Two appointed by the Speaker of the Oklahoma House of Representatives, one of whom shall be an impartial appointment and one of whom shall be a representative of a municipality to be selected from a list of four nominees submitted by a statewide organization the membership of which consists primarily of incorporated cities and towns within Oklahoma.

B. The Chairman shall be appointed for a term of five (5) years, commencing from July 1, 1972. The other members shall be appointed for terms of one (1) and three (3) years, respectively, from July 1, 1972, but their successors shall be appointed for terms of three (3) years. No member shall serve on the Board for more than two terms. No impartial member appointed by either the President Pro Tempore of the Oklahoma State Senate or by the Speaker of the Oklahoma House of Representatives shall, within two (2) years of being appointed to the Board or while serving on the Board, have served or worked in a capacity as an advocate, be a member or receive compensation from a labor union group association or its subordinate affiliates or have served or worked in a capacity as an advocate, appointed or elected official of or received compensation from a municipality or municipalities.

C. Three members of the Board shall constitute a quorum. Any individual chosen to fill a vacancy on the Board shall be appointed only for the unexpired term. The Chairman and members of the Board shall not receive a salary but shall receive compensation in lieu of expenses in the amount of Fifty Dollars ($50.00) per day for any meeting or the conduct of official duties, whether acting singly or collectively.

D. To accomplish the objectives and to perform the duties prescribed by this article, the Board may subpoena witnesses, issue subpoenas to require the production of books, papers, records, and documents which may be needed as evidence of any matter under inquiry, and administer oaths and affirmations. In cases of neglect or refusal to obey a subpoena issued to any person, the district court of the county in which the investigations or the public hearings are taking place, upon application by the Board, may issue an order requiring such person to appear before the Board and produce evidence about the matter under investigation. A failure to obey such order may be punished by the court as a contempt.

E. Any subpoena, notice of hearing, or other process or notice of the Board issued under the provisions of this article may be served personally, by registered mail, or by leaving a copy at the principal office of the person required to be served. A return made and verified by the individual making such service and setting forth the manner of such service is proof of service, and a returned post office receipt, when registered or certified mail is used, is proof of service.

F. The Board shall adopt, promulgate, amend, or rescind such rules as it deems necessary to carry out the provisions of this article. Public hearings shall be held by the Board on any proposed rule of general applicability designed to implement, interpret, or prescribe policy, procedure or practice requirements under the provisions of this article and on any proposed change to such existing rule. Reasonable notice shall be given prior to such hearings, which shall include the time, place, and nature of such hearing and the terms or substance of the proposed rule or the changes to such rule.

SECTION 8. REPEALER 11 O.S. 2011, Section 51-104, as amended by Section 1, Chapter 58, O.S.L. 2012 (11 O.S. Supp. 2012, Section 51-104), is hereby repealed.

SECTION 9. AMENDATORY 17 O.S. 2011, Section 354, as amended by Section 1, Chapter 287, O.S.L. 2012 (17 O.S. Supp. 2012, Section 354), is amended to read as follows:

Section 354. A. Except as otherwise provided by this section, there shall be an assessment of one cent ($0.01) per gallon upon the sale of each gallon of motor fuel used or consumed in this state. The assessment imposed pursuant to the provisions of this section shall be for the purposes of providing revenue to:

1. The Corporation Commission Revolving Fund pursuant to paragraph 1 of subsection C of this section;

2. The Petroleum Storage Tank Indemnity Fund pursuant to paragraphs 3 and 4 of subsection C of this section;

3. The State Transportation Fund pursuant to subparagraph b of paragraph 5 of subsection C of this section;

4. The Corporation Commission Storage Tank Regulation Revolving Fund pursuant to subparagraph a of paragraph 5 of subsection C of this section;

5. The Department of Environmental Quality Revolving Fund pursuant to paragraph 2 of subsection C of this section; and

6. The Weigh Station Improvement Revolving Fund pursuant to paragraph 3 of subsection C of this section.

The assessment shall be imposed at the time of the sale of the motor fuel and shall be precollected and remitted to the Oklahoma Tax Commission in accordance with Section 500.1 et seq. of Title 68 of the Oklahoma Statutes and as provided by Section 355 of this title.

B. 1. Exempt from the assessment imposed pursuant to subsection A of this section are:

a. the state government,

b. the federal government,

c. class I and class II railroads, and

d. sales for exportation outside of this state by a licensed exporter.

2. Exempt from the assessment imposed for purposes specified in paragraph 3 of subsection A of this section are sales of:

a. motor fuel used solely and exclusively in district-owned or leased public school buses, FFA and 4-H club trucks for the purposes of legally transporting public school children, or in the operation of vehicles used in driver training,

b. motor fuels used solely and exclusively to propel motor vehicles on the public roads and highways of this state when leased or owned and being operated for the sole benefit of a county, city, town, volunteer fire department with a state certification and rating, rural electric cooperative, rural water and sewer district, rural ambulance service district, or federally recognized Indian tribe as specified by Section 500.10 of Title 68 of the Oklahoma Statutes,

c. motor fuel to counties and cities and towns,

d. diesel fuel for off-road purposes specified by Section 500.10 of Title 68 of the Oklahoma Statutes,

e. motor fuel used for agricultural purposes specified by Section 500.10 of Title 68 of the Oklahoma Statutes, and

f. motor fuel used in aircraft or in aircraft engines pursuant to Section 500.10 of Title 68 of the Oklahoma Statutes.

C. The assessment imposed by subsection A of this section shall be distributed in the following manner:

1. The first One Million Dollars ($1,000,000.00) collected during each fiscal year shall be deposited into the Corporation Commission Revolving Fund created in Section 180.7 of this title;

2. After deduction of the amount required pursuant to paragraph 1 of this subsection, eight percent (8%) of the remainder of the revenue collected during each fiscal year shall be deposited into the Department of Environmental Quality Revolving Fund created in Section 2-3-401 of Title 27A of the Oklahoma Statutes;

3. Until the total amount deposited since July 1, 2008, in the Weigh Station Improvement Revolving Fund totals Eighty-one Million Dollars ($81,000,000.00), Five Hundred Thousand Dollars ($500,000.00) per month of all revenue from the assessment received over the amount required by paragraphs 1 and 2 of this subsection shall be deposited in the Weigh Station Improvement Revolving Fund, created in Section 1167 of Title 47 of the Oklahoma Statutes and shall be used solely for the purpose of constructing weigh stations;

4. After the total amount deposited in the Weigh Station Improvement Revolving Fund totals Eighty-one Million Dollars ($81,000,000.00), any revenue from the assessment received over the amounts required in paragraphs 1 and 2 of this subsection shall be deposited in the Petroleum Storage Tank Indemnity Fund created in Section 353 of this title in amounts necessary to maintain the

maintenance level of the Indemnity Fund pursuant to subsection D of this section; and

5. The balance of any revenue from the assessment remaining above the amount required in paragraphs 1 through 4 of this subsection shall be deposited as follows:

a. the first One Million Dollars ($1,000,000.00) collected during each fiscal year shall be deposited in the Corporation Commission Storage Tank Regulation Revolving Fund for the purpose of implementing the provisions of the Oklahoma Storage Tank Regulation Act and the rules promulgated thereunder, and

b. the balance of the monies collected during each fiscal year shall be deposited in the State Transportation Fund and shall be used solely for the purpose of matching Federal-Aid funds for the construction of highways and roads in this state.

D. 1. If at any time the Petroleum Storage Tank Indemnity Fund falls below the required maintenance level on or before December 31, ~~2012~~ 2022, the Administrator shall notify the Tax Commission that the Indemnity Fund has fallen below the required maintenance level and that the assessment is to be deposited into the Indemnity Fund for at least three (3) calendar months pursuant to the provisions of paragraph 2 of this subsection.

2. At least fifteen (15) days prior to the calendar month in which the assessment is to be collected for credit to the Indemnity Fund, the Tax Commission, upon notification by the Administrator that the Indemnity Fund has fallen below the required maintenance level, shall notify the suppliers, licensed importers or other appropriate persons that the assessment is being imposed for purposes of maintaining the Indemnity Fund. The notice shall include a date certain upon which to begin collecting the assessment for credit to the Indemnity Fund and a date certain for ending the assessment for credit to the Indemnity Fund. Upon notice by the Tax Commission that the assessment imposed is for credit to the Indemnity Fund, the supplier, licensed importer or other appropriate person shall also assess, for the specified period required by the Tax Commission, the sales of:

a. motor fuel used solely and exclusively in district-owned or leased public school buses, FFA and 4-H Club trucks for the purposes of legally transporting public school children or in the operation of vehicles used in driver's training,

b. motor fuels used solely and exclusively to propel motor vehicles on the public roads and highways of the state when leased or owned and being operated for the sole benefit of a county, city or town, volunteer fire department with a state certification and rating, rural electric cooperative, rural water and sewer district, rural ambulance service district, or federally recognized Indian tribe as specified by Section 500.10 of Title 68 of the Oklahoma Statutes,

c. motor fuel to counties and cities and towns,

d. diesel fuel for off-road purposes specified by Section 500.10 of Title 68 of the Oklahoma Statutes,

e. motor fuel used for agricultural purposes specified by Section 500.10 of Title 68 of the Oklahoma Statutes, and

f. motor fuel used in aircraft and aircraft engines pursuant to Section 500.10 of Title 68 of the Oklahoma Statutes.

3. After the collection period required by this subsection has expired, the revenue collected from the assessment shall be again deposited in the Corporation Commission Storage Tank Regulation Revolving Fund and the State Transportation Fund as provided in paragraph 5 of subsection C of this section.

SECTION 10. REPEALER 17 O.S. 2011, Section 354, as amended by Section 1, Chapter 362, O.S.L. 2012 (17 O.S. Supp. 2012, Section 354), is hereby repealed.

SECTION 11. AMENDATORY 19 O.S. 2011, Section 339, as amended by Section 1, Chapter 22, O.S.L. 2012 (19 O.S. Supp. 2012, Section 339), is amended to read as follows:

Section 339. A. The <u>board of</u> county commissioners shall have power:

1. To make all orders respecting the real property of the county, to sell the public grounds of the county and to purchase other grounds in lieu thereof; and for the purpose of carrying out the provisions of this section it shall be sufficient to convey all the interests of the county in those grounds when an order made for the sale and a deed is executed in the name of the county by the chair of the board of county commissioners, reciting the order, and signed by the chair and acknowledged by the county clerk for and on behalf of the county;

2. To audit the accounts of all officers having the care, management, collection or disbursement of any money belonging to the county or appropriated for its benefit;

3. To construct and repair bridges and to open, lay out and vacate highways; provided, however, that when any state institution, school or department shall own, lease or otherwise control land on both sides of any established highway, the governing board or body of the same shall have the power to vacate, alter or relocate the highway adjoining the property in the following manner:

If it should appear that it would be to the best use and interest of the institution, school or department to vacate, alter or relocate such highway, the governing board or body shall notify the board of county commissioners, in writing, of their intention to hold a public hearing and determine whether to vacate, alter or relocate the highway, setting forth the location and terminals of the road, and all data concerning the proposed right-of-way if changed or relocated, and shall give fifteen (15) days' notice of the hearing by publication in some newspaper in the county or counties in which the road is located, and the hearing shall be held at the county seat of the county in which the road is located, and if a county line road, may be heard in either county. At the hearing testimony may be taken, and any protests or suggestions shall be received as to the proposed measure, and at the conclusion thereof if the governing board or body shall find that it would be to the best use and interest of the institution, school or department, and the public generally, they may make an appropriate order either vacating, altering or relocating the highway, which order shall be final if approved by the board of county commissioners. The institution, school or department may by agreement share the cost of changing any such road. No property owner shall be denied access to a public highway by the order;

4. To recommend or sponsor an employee or prospective employee for job-related training and certification in an area that may require training or certification to comply with state or federal law as such training or certification is provided by the Department of Transportation, the Federal Highway Administration, or any other state agency, technology center school, or university;

5. Until January 1, 1983, to furnish necessary blank books, plats, blanks and stationery for the clerk of the district court, county clerk, register of deeds, county treasurer and county judge, sheriff, county surveyor and county attorney, justices of the peace, and constables, to be paid for out of the county treasury; also a fireproof vault sufficient in which to keep all the books, records, vouchers and papers pertaining to the business of the county;

6. To set off, organize and change the boundaries of townships and to designate and give names therefor; provided, that the boundaries of no township shall be changed within six (6) months next preceding a general election;

7. To lease tools, apparatus, machinery or equipment of the county to another political subdivision or a state agency. The Association of County Commissioners of Oklahoma~~,~~ and the Oklahoma State University Center for Local Government Technology ~~and the Office of the State Auditor and Inspector,~~ together~~,~~ shall establish a system of uniform rates for the leasing of such tools, apparatus, machinery and equipment;

8. To jointly, with other counties, buy heavy equipment and to loan or lease such equipment across county lines;

9. To develop ~~minimum~~ personnel policies for the county with the approval of a majority of all county elected officers, as evidenced in the minutes of a meeting of the board of county commissioners or the county budget board;

10. To purchase, rent, or lease-purchase uniforms, safety devices and equipment for the officers and employees of the county. The county commissioners may pay for any safety training or safety devices and safety equipment out of the general county funds or any county highway funds available to the county commissioners;

11. To provide incentive awards for safety-related job performance. However, no employee shall be recognized more than once per calendar year and the award shall not exceed the value of Two Hundred Fifty Dollars ($250.00); further, no elected official shall be eligible to receive a safety award;

12. To provide for payment of notary commissions, filing fees, and the cost of notary seals and bonds;

13. To do and perform other duties and acts that the board of county commissioners may be required by law to do and perform;

14. To make purchases at a public auction pursuant to the county purchasing procedures in subsection D of Section 1505 of this title;

15. To deposit interest income from highway funds in the general fund of the county;

16. To submit sealed bids for the purchase of equipment from this state, or any agency or political subdivision of this state;

17. To utilize county-owned equipment, labor and supplies at their disposal on property owned by the county, public schools, two-year colleges or technical branches of colleges that are members of

The Oklahoma State System of Higher Education, the state and municipalities according to the provisions of Section 36-113 of Title 11 of the Oklahoma Statutes. Cooperative agreements may be general in terms of routine maintenance or specific in terms of construction and agreed to and renewed on an annual basis. Work performed pursuant to Section 36-113 of Title 11 of the Oklahoma Statutes shall comply with the provisions of this section;

18. To enter into intergovernmental cooperative agreements with the federally recognized Indian tribes within this state to address issues of construction and maintenance of streets, roads, bridges and highways exclusive of the provisions of Section 1221 of Title 74 of the Oklahoma Statutes;

19. To execute hold harmless agreements with the lessor in the manner provided by subsection B of Section 636.5 of Title 69 of the Oklahoma Statutes when leasing or lease-purchasing equipment;

20. To accept donations of right-of-way or right-of-way easements pursuant to Section 381 et seq. of Title 60 of the Oklahoma Statutes;

21. To establish by resolution the use of per diem for specific purposes in accordance with the limitations provided by Sections 500.8 and 500.9 of Title 74 of the Oklahoma Statutes;

22. To apply to the Department of Environmental Quality for a waste tire permit to bale waste tires for use in approved engineering projects;

23. To enter into the National Association of Counties (NACo) Prescription Drug Discount Program; and

24. To work with federal, state, municipal, and public school district properties in an effort to minimize cost to such entities.

B. The county commissioners of a county or, in counties where there is a county budget board, the county budget board may designate money from general county funds for the designated purpose of drug enforcement and drug abuse prevention programs within the county.

C. When any lease or lease purchase is made on behalf of the county by the board pursuant to the provisions of this section, the county shall be allowed to have trade in values for transactions involving The Oklahoma Central Purchasing Act.

D. In order to timely comply with the Oklahoma Vehicle License and Registration Act with regard to county vehicles, the board of county commissioners may, by resolution, create a petty cash account. The board of county commissioners may request a purchase order for petty cash in an amount necessary to pay the expense of license and registration fees for county motor vehicles. Any balance in the petty cash account after the license and registration fees have been paid shall be returned to the account or fund from which the funds originated. The county purchasing agent shall be the custodian of the petty cash account, and the petty cash account shall be subject to audit.

E. When the board of county commissioners ~~approve~~ approves an express trust, pursuant to Sections 176 through 180.4 of Title 60 of the Oklahoma Statutes, for the purpose of operating a county jail, the trustees of the public trust may appoint commissioned peace officers, certified by the Council on Law Enforcement Education and Training, to provide security for inmates that are required to be transported outside of the detention facility, and investigate violations of law within the detention facility. Other personnel necessary to operate the jail may be employed and trained or certified as may be required by applicable state or federal law.

SECTION 12. REPEALER 19 O.S. 2011, Section 339, as amended by Section 1, Chapter 19, O.S.L. 2012 (19 O.S. Supp. 2012, Section 339), is hereby repealed.

SECTION 13. REPEALER 19 O.S. 2011, Section 339, as amended by Section 1, Chapter 144, O.S.L. 2012 (19 O.S. Supp. 2012, Section 339), is hereby repealed.

SECTION 14. AMENDATORY 21 O.S. 2011, Section 1247, as amended by Section 1, Chapter 30, O.S.L. 2012 (21 O.S. Supp. 2012, Section 1247), is amended to read as follows:

Section 1247. A. The possession of lighted tobacco in any form is a public nuisance and dangerous to public health and is hereby prohibited when such possession is in any indoor place used by or open to the public, all parts of a zoo to which the public may be admitted, whether indoors or outdoors, public transportation, or any indoor workplace, except where specifically allowed by law. Commercial airport operators may prohibit the use of lighted tobacco in any area that is open to or used by the public whether located indoors or outdoors, provided that the outdoor area is within one hundred seventy-five (175) feet from an entrance.

As used in this section, "indoor workplace" means any indoor place of employment or employment-type service for or at the request of another individual or individuals, or any public or private entity, whether part-time or full-time and whether for compensation or not. Such services shall include, without limitation, any service performed by an owner, employee, independent contractor, agent, partner, proprietor, manager, officer, director, apprentice, trainee, associate, servant or volunteer. An indoor workplace includes work areas, employee lounges, restrooms, conference rooms, classrooms, employee cafeterias, hallways, any other spaces used or visited by employees, and all space between a floor and ceiling that is predominantly or totally enclosed by walls or windows, regardless of doors, doorways, open or closed windows, stairways, or the like. The provisions of this section shall apply to such indoor workplace at any given time, whether or not work is being performed.

B. All buildings, or portions thereof, owned or operated by this state shall be designated as nonsmoking; provided, however, each building may have one designated smoking room. As used in this paragraph, "buildings" shall not include up to twenty-five percent

(25%) of any hotel or motel rooms rented to guests if the rooms are properly ventilated so that smoke is not circulated to nonsmoking areas.

C. All buildings, or portions thereof, owned or operated by a county or municipal government, at the discretion of the county or municipal governing body, may be designated as entirely nonsmoking or may be designated as nonsmoking with one designated smoking room.

D. All buildings, or portions thereof, owned by an educational facility as is defined in the Smoking in Public Places and Indoor Workplaces Act shall be designated as nonsmoking as provided for in Section 1-1523 of Title 63 of the Oklahoma Statutes. All campuses, buildings and grounds, or portions thereof, owned or operated by an institution within The Oklahoma State System of Higher Education may be designated as tobacco free, including smoking or smokeless tobacco, by the institution upon adoption of a policy stating the tobacco restrictions for the institution and an intent to enforce the penalty for violations as set forth in subsection N of this section.

E. A smoking room as provided for in subsections B and C of this section:

1. Shall not be used for the conduct of public business;

2. Shall be in a location which is fully enclosed, directly exhausted to the outside, under negative air pressure so smoke cannot escape when a door is opened, and no air is recirculated to

nonsmoking areas of the building. No smoking exhaust shall be located within twenty-five (25) feet of any entrance, exit or air intake; and

3. Shall be verified for compliance with the provisions of this subsection by the ~~Department of Central Services~~ Office of Management and Enterprise Services for state buildings, by a county entity designated by the board of county commissioners for county buildings, or by a municipal entity designated by the municipal governing body for municipal buildings.

F. No smoking shall be allowed within twenty-five (25) feet of the entrance or exit of any building specified in subsection B, C or D of this section.

G. The restrictions provided in this section shall not apply to stand-alone bars, stand-alone taverns and cigar bars as defined in Section 1-1522 of Title 63 of the Oklahoma Statutes.

H. The restrictions provided in this section shall not apply to the following:

1. The room or rooms where licensed charitable bingo games are being operated, but only during the hours of operation of such games;

2. Up to twenty-five percent (25%) of the guest rooms at a hotel or other lodging establishment;

3. Retail tobacco stores predominantly engaged in the sale of tobacco products and accessories and in which the sale of other

products is merely incidental and in which no food or beverage is sold or served for consumption on the premises;

4. Workplaces where only the owner or operator of the workplace, or the immediate family of the owner or operator, performs any work in the workplace, and the workplace has only incidental public access. "Incidental public access" means that a place of business has only an occasional person, who is not an employee, present at the business to transact business or make a delivery. It does not include businesses that depend on walk-in customers for any part of their business;

5. Workplaces occupied exclusively by one or more smokers, if the workplace has only incidental public access;

6. Private offices occupied exclusively by one or more smokers;

7. Workplaces within private residences, except that smoking shall not be allowed inside any private residence that is used as a licensed child care facility during hours of operation;

8. Medical research or treatment centers, if smoking is integral to the research or treatment;

9. A facility operated by a post or organization of past or present members of the Armed Forces of the United States which is exempt from taxation pursuant to Section 501(c)(8), 501(c)(10) or 501(c)(19) of the Internal Revenue Code, 26 U.S.C., Section 501(c)(8), 501(c)(10) or 501(c)(19), when such facility is utilized exclusively by its members and their families and for the conduct of

post or organization nonprofit operations except during an event or activity which is open to the public; and

10. Any outdoor seating area of a restaurant; provided, smoking shall not be allowed within fifteen (15) feet of any exterior public doorway or any air intake of a restaurant.

I. An employer not otherwise restricted from doing so may elect to provide smoking rooms where no work is performed except for cleaning and maintenance during the time the room is not in use for smoking, provided each smoking room is fully enclosed and exhausted directly to the outside in such a manner that no smoke can drift or circulate into a nonsmoking area. No exhaust from a smoking room shall be located within fifteen (15) feet of any entrance, exit or air intake.

J. If smoking is to be permitted in any space exempted in subsection G or H of this section or in a smoking room pursuant to subsection I of this section, such smoking space must either occupy the entire enclosed indoor space or, if it shares the enclosed space with any nonsmoking areas, the smoking space shall be fully enclosed, exhausted directly to the outside with no air from the smoking space circulated to any nonsmoking area, and under negative air pressure so that no smoke can drift or circulate into a nonsmoking area when a door to an adjacent nonsmoking area is opened. Air from a smoking room shall not be exhausted within fifteen (15) feet of any entrance, exit or air intake. Any employer may choose a more restrictive smoking policy, including being totally smoke free.

K. Notwithstanding any other provision of this section, until March 1, 2006, restaurants may have designated smoking and nonsmoking areas or may be designated as being a totally nonsmoking area. Beginning March 1, 2006, restaurants shall be totally nonsmoking or may provide nonsmoking areas and designated smoking rooms. Food and beverage may be served in such designated smoking rooms which shall be in a location which is fully enclosed, directly exhausted to the outside, under negative air pressure so smoke cannot escape when a door is opened, and no air is recirculated to nonsmoking areas of the building. No exhaust from such room shall be located within twenty-five (25) feet of any entrance, exit or air intake. Such room shall be subject to verification for compliance with the provisions of this subsection by the State Department of Health.

L. The person who owns or operates a place where smoking or tobacco use is prohibited by law shall be responsible for posting a sign or decal, at least four (4) inches by two (2) inches in size, at each entrance to the building indicating that the place is smoke-free or tobacco-free.

M. Responsibility for posting signs or decals shall be as follows:

1. In privately owned facilities, the owner or lessee, if a lessee is in possession of the facilities, shall be responsible;

2. In corporately owned facilities, the manager and/or supervisor of the facility involved shall be responsible; and

3. In publicly owned facilities, the manager and/or supervisor of the facility shall be responsible.

N. Any person who knowingly violates the provisions of this section is guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not less than Ten Dollars ($10.00) nor more than One Hundred Dollars ($100.00).

SECTION 15. REPEALER 21 O.S. 2011, Section 1247, as amended by Section 90, Chapter 304, O.S.L. 2012 (21 O.S. Supp. 2012, Section 1247), is hereby repealed.

SECTION 16. AMENDATORY 21 O.S. 2011, Section 1290.14, as amended by Section 34, Chapter 259, O.S.L. 2012 (21 O.S. Supp. 2012, Section 1290.14), is amended to read as follows:

Section 1290.14.

SAFETY AND TRAINING COURSE

A. Each applicant for a license to carry a concealed or unconcealed handgun pursuant to the Oklahoma Self-Defense Act must successfully complete a firearms safety and training course in this state conducted by a registered and approved firearms instructor as provided by the provisions of this section. The applicant must further demonstrate competence and qualification with an authorized pistol of the type or types that the applicant desires to carry as a concealed or unconcealed handgun pursuant to the provisions of the Oklahoma Self-Defense Act, except certain persons may be exempt from such training requirement as provided by the provisions of Section 1290.15 of this title.

B. The Council on Law Enforcement Education and Training (CLEET) shall establish criteria for approving firearms instructors for purposes of training and qualifying individuals for a handgun license pursuant to the provisions of the Oklahoma Self-Defense Act. Prior to submitting an application for CLEET approval as a firearms instructor, applicants shall attend a firearms instructor school, meeting the following minimum requirements:

1. Firearms instructor training conducted by one of the following entities:

   a. Council on Law Enforcement Education and Training,

   b. National Rifle Association,

   c. Oklahoma Rifle Association,

   d. federal law enforcement agencies, or

   e. other professionally recognized organizations;

2. The course shall be at least sixteen (16) hours in length;

3. Upon completion of the course, the applicant shall be qualified to provide instruction on revolvers, semiautomatic pistols, or both; and

4. Receive a course completion certificate.

All firearms instructors shall be required to meet the eligibility requirements for a handgun license as provided in Sections 1290.9, 1290.10, and 1290.11 of this title, and the application shall be processed as provided for applicants in Section 1290.12 of this title, including the state and national criminal history records search and fingerprint search. A firearms instructor shall be required to pay a fee of One Hundred Dollars ($100.00) to the Council on Law Enforcement Education and Training (CLEET) each time the person makes application for CLEET approval as a firearms instructor pursuant to the provisions of the Oklahoma Self-Defense Act. The fee shall be retained by CLEET and shall be deposited into the Firearms Instructors Revolving Fund. CLEET shall promulgate the rules, forms and procedures necessary to implement the approval of firearms instructors as authorized by the provisions of this subsection. CLEET shall periodically review each approved instructor during a training and qualification course to assure compliance with the rules and course contents. Any violation of the rules may result in the revocation or suspension of CLEET and Oklahoma State Bureau of Investigation approval. Unless the approval has been revoked or suspended, a firearms instructor's CLEET approval shall be for a term of five (5) years. Beginning on July 1, 2003, any firearms instructor who has been issued a four-year CLEET approval shall not be eligible for the five-year approval until the expiration of the approval previously issued. CLEET shall be responsible for notifying all approved firearms instructors of statutory and policy changes related to the Oklahoma Self-Defense Act.

C. 1. All firearms instructors approved by CLEET to train and qualify individuals for a handgun license shall be required to apply for registration with the Oklahoma State Bureau of Investigation after receiving CLEET approval. All firearms instructors teaching the approved course for a handgun license must display their registration certificate during each training and qualification course. Each approved firearms instructor shall complete a registration form provided by the Bureau and shall pay a registration fee of One Hundred Dollars ($100.00) to the Bureau at the time of each application for registration, except as provided in paragraph 2 of this subsection. Registration certificates issued by the Bureau shall be valid for five (5) years from the date of issuance. The Bureau shall issue a five-year handgun license to an approved firearms instructor at the time of issuance of a registration certificate and no additional fee shall be required or charged. The Bureau shall maintain a current listing of all registered firearms instructors in this state. Nothing in this paragraph shall be construed to eliminate the requirement for registration and training with CLEET as provided in subsection B of this section. Failure to register or be trained as required shall result in a revocation or suspension of the instructor certificate by the Bureau.

2. On or after July 1, 2003, the registered instructors listed in subparagraphs a and b of this paragraph shall not be required to renew the firearms instructor registration certificate with the Oklahoma State Bureau of Investigation at the expiration of the registration term, provided the instructor is not subject to any suspension or revocation of the firearm instructor certificate. The firearms instructor registration with the Oklahoma State Bureau of Investigation shall automatically renew together with the handgun license authorized in paragraph 1 of this subsection for an additional five-year term and no additional cost or fee may be charged for the following individuals:

a. an active duty law enforcement officer of this state or any of its political subdivisions or of the federal government who has a valid CLEET approval as a firearms instructor pursuant to the Oklahoma Self-Defense Act, and

b. a retired law enforcement officer authorized to carry a firearm pursuant to Section 1289.8 of this title who has a valid CLEET approval as a firearms instructor pursuant to the Oklahoma Self-Defense Act.

D. The Oklahoma State Bureau of Investigation shall approve registration for a firearms instructor applicant who is in full compliance with CLEET rules regarding firearms instructors and the provisions of subsection B of this section, if completion of the federal fingerprint search is the only reason for delay of registration of that firearms instructor applicant. Upon receipt of the federal fingerprint search information, if the Bureau receives information which precludes the person from having a handgun license, the Bureau shall revoke both the registration and the handgun license previously issued to the firearms instructor.

E. The required firearms safety and training course and the actual demonstration of competency and qualification required of the applicant shall be designed and conducted in such a manner that the course can be reasonably completed by the applicant within an eight-hour period. CLEET shall establish the course content and promulgate rules, procedures and forms necessary to implement the provisions of this subsection. For the training and qualification course, an applicant may be charged a fee not to exceed Sixty Dollars ($60.00). The instructor to student ratio shall not exceed ten students to any one instructor. CLEET may establish criteria for assistant instructors, maximum class size and any other requirements deemed necessary to conduct a safe and effective training and qualification course. The course content shall include a safety inspection of the firearm to be used by the applicant in the training course; instruction on pistol handling, safety and storage; dynamics of ammunition and firing; methods or positions for firing a pistol; information about the criminal provisions of the Oklahoma law relating to firearms; the requirements of the Oklahoma Self-Defense Act as it relates to the applicant; self-defense and the use of appropriate force; a practice shooting session; and a familiarization course. The firearms instructor shall refuse to train or qualify any person when the pistol to be used or carried by the person is either deemed unsafe or unfit for firing or is a weapon not authorized by the Oklahoma Self-Defense Act. The course shall provide an opportunity for the applicant to qualify himself or herself on either a derringer, a revolver, a semiautomatic pistol or any combination of a derringer, a revolver and a semiautomatic pistol, provided no pistol shall be capable of firing larger than .45 caliber ammunition. Any applicant who successfully trains and qualifies himself or herself with a semiautomatic pistol may be approved by the firearms instructor on the training certificate for a semiautomatic pistol, a revolver and a derringer upon request of the applicant. Any person who qualifies on a derringer or revolver shall not be eligible for a semiautomatic rating until the person has demonstrated competence and qualifications on a semiautomatic pistol. Upon successful completion of the training and qualification course, a certificate shall be issued to each applicant who successfully completes the course. The certificate of training shall comply with the form established by CLEET and shall be submitted with an application for a handgun license pursuant to the provisions of paragraph 2 of Section 1290.12 of this title.

F. There is hereby created a revolving fund for the Council on Law Enforcement Education and Training (CLEET), to be designated the "Firearms Instructors Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all funds received for approval of firearms instructors for purposes of the Oklahoma Self-Defense Act. All funds received shall be deposited to the fund. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Council on Law Enforcement Education and Training, for implementation of the training and qualification course contents, approval of firearms instructors and any other CLEET requirement pursuant to the provisions of the Oklahoma Self-Defense Act or as may otherwise be deemed appropriate by CLEET. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 17. REPEALER 21 O.S. 2011, Section 1290.14, as amended by Section 91, Chapter 304, O.S.L. 2012 (21 O.S. Supp. 2012, Section 1290.14), is hereby repealed.

SECTION 18. AMENDATORY 21 O.S. 2011, Section 1290.26, as amended by Section 1, Chapter 195, O.S.L. 2012 (21 O.S. Supp. 2012, Section 1290.26), is amended to read as follows:

Section 1290.26.

RECIPROCAL AGREEMENT AUTHORITY

The State of Oklahoma hereby recognizes any valid concealed <u>or unconcealed</u> carry weapons permit or license issued by another state, or if the state is a nonpermitting carry state, this state shall reciprocate under the permitting law of that state.

A. Any person entering this state in possession of a firearm authorized for concealed <u>or unconcealed</u> carry upon the authority and license of another state is authorized to continue to carry a concealed <u>or unconcealed</u> firearm and license in this state; provided the license from the other state remains valid. The firearm must <u>either</u> be carried ~~fully~~ <u>unconcealed or</u> concealed from detection and view, and upon coming in contact with any peace officer of this state, the person must disclose the fact that he or she is in possession of a concealed <u>or unconcealed</u> firearm pursuant to a valid concealed <u>or unconcealed</u> carry weapons permit or license issued in another state.

B. Any person entering this state in possession of a firearm authorized for concealed carry upon the authority of a state that is a nonpermitted carry state and the person is in compliance with the Oklahoma Self-Defense Act, the person is authorized to carry a concealed firearm in this state. The firearm must be carried fully concealed from detection and view, and upon coming in contact with any peace officer of this state, the person must disclose the fact that he or she is in possession of a concealed firearm pursuant to the nonpermitting laws of the state in which he or she is a legal resident. The person shall present proper identification by a valid photo ID as proof that he or she is a legal resident in such a non-permitting state. The Department of Public Safety shall keep a current list of non-permitting states for law enforcement officers to confirm that a state is nonpermitting.

C. Any person who is twenty-one (21) years of age or older having a valid firearm license from another state may apply for a ~~concealed~~ handgun license in this state immediately upon establishing a residence in this state.

SECTION 19. REPEALER 21 O.S. 2011, Section 1290.26, as amended by Section 44, Chapter 259, O.S.L. 2012 (21 O.S. Supp. 2012, Section 1290.26), is hereby repealed.

SECTION 20. AMENDATORY 26 O.S. 2011, Section 3-101, as amended by Section 2, Chapter 31, O.S.L. 2012 (26 O.S. Supp. 2012, Section 3-101), is amended to read as follows:

Section 3-101. A. No election required to be conducted by any county election board shall be scheduled for a day other than Tuesday.

B. Except as otherwise provided by law, no special election shall be held by any county, school district, technology center school district, municipality or other entity authorized to call elections except on:

1. The second Tuesday of January, February, May, June, July, August, September, October and November and the first Tuesday in March and April in odd-numbered years; <u>provided, a municipality with a population in excess of two hundred fifty thousand (250,000) persons, according to the most recent federal decennial census, may also hold an election on the second Tuesday of December in odd-numbered years; and</u>

2. The second Tuesday of January and February, the first Tuesday in March and April, the last Tuesday in June, the fourth Tuesday in August, and the first Tuesday after the first Monday in November of any even-numbered year.

C. In the event that a regular or special election date occurs on an official state holiday, the election shall be scheduled for the next following Tuesday.

D. Notwithstanding any other provision of law or any provision of a municipal charter, any municipality, school district, technology center district, county, rural fire protection district, or any other entity seeking to hold a regular or special election to be conducted by a county election board on the same date as a regular or special federal or state election, shall file the resolution calling for the election with the county election board secretary no later than seventy-five (75) days prior to the election date. A candidate filing period, if so required by the resolution, shall begin no later than ten (10) days following the deadline to file the resolution with the secretary of the county election board; provided, the filing period for such municipal office may be scheduled on the same dates as the filing period for state or federal office to be filled at such election.

SECTION 21. REPEALER 26 O.S. 2011, Section 3-101, as amended by Section 1, Chapter 152, O.S.L. 2012 (26 O.S. Supp. 2012, Section 3-101), is hereby repealed.

SECTION 22. AMENDATORY 36 O.S. 2011, Section 6670, as amended by Section 1, Chapter 147, O.S.L. 2012 (36 O.S. Supp. 2012, Section 6670), is amended to read as follows:

Section 6670. As used in ~~Sections 6670~~ this section through Section 6676 of this title:

1. "Commissioner" means the Insurance Commissioner;

2. "Enrolled customer" means a customer who elects coverage under a portable electronics insurance policy issued to a vendor of portable electronics;

3. "Customer" means a person who purchases portable electronics or services;

4. "Location" means any physical location in the State of Oklahoma or any website, call center site, or similar location directed to residents of the State of Oklahoma;

5. "Portable electronics" means electronic devices that are portable in nature, their accessories and services related to the use of the device;

6. "Portable electronics insurance" means insurance providing coverage for the repair or replacement of portable electronics which may provide coverage for portable electronics against any one or more of the following causes of loss: loss, theft, inoperability due to mechanical failure, malfunction, damage or other similar causes of loss. "Portable electronics insurance" does not include:

a. a service contract governed by the Service Warranty ~~Insurance~~ Act,

b. a policy of insurance covering a seller's or a manufacturer's obligations under a warranty,

c. a homeowner's, renter's, private passenger automobile, commercial multi-peril, or similar policy, or

d. a contract excluded from the definition of a service warranty as set forth by subparagraphs a through e of paragraph 14 of Section 6602 of this title;

7. "Portable electronics transaction" means:

a. the sale or lease of portable electronics by a vendor to a customer, or

b. the sale of a service related to the use of portable electronics by a vendor to a customer;

8. "Supervising entity" means a business entity that is a licensed insurer or insurance producer; and

9. "Vendor" means a person in the business of engaging in portable electronics transactions directly or indirectly.

SECTION 23. REPEALER 36 O.S. 2011, Section 6670, as amended by Section 36, Chapter 150, O.S.L. 2012 (36 O.S. Supp. 2012, Section 6670), is hereby repealed.

SECTION 24. AMENDATORY 47 O.S. 2011, Section 2-110, as amended by Section 3, Chapter 242, O.S.L. 2012 (47 O.S. Supp. 2012, Section 2-110), is amended to read as follows:

Section 2-110. A. Officers and employees of the Department of Public Safety designated by the Commissioner, for the purpose of administering the motor vehicle laws, are authorized to administer oaths and acknowledge signatures and shall do so without fee.

B. The Commissioner and such officers of the Department as the Commissioner may designate are hereby authorized to prepare under the seal of the Department and deliver upon request a certified copy of any record of the Department, charging a fee of Three Dollars ($3.00) for each record so certified, and every such certified copy shall be admissible in any proceeding in any court in like manner as the original thereof. A certification fee shall be charged:

1. Only if the person requesting the record specifically requests that the record be certified; and

2. In addition to the copying and reproduction fees provided by the Oklahoma Open Records Act or any other applicable law.

C. The Commissioner and any other officers of the Department as the Commissioner may designate are hereby authorized to provide a copy of any record required to be maintained by the Department at no charge to any of the following government agencies when requested in the performance of official governmental duties:

1. The driver license agency of any other state;

2. Any court, district attorney or municipal prosecutor in this state or any other state;

3. Any law enforcement agency in this state or any other state or any federal agency empowered by law to make arrests for public offenses;

4. Any public school district in this state for purposes of providing the Motor Vehicle Report of a currently employed school bus driver or person making application for employment as a school bus driver;

5. The Department of Human Services for the purpose of providing the Motor Vehicle Report to ascertain the suitability of any person being considered by the Department of Human Services for placement of a child in foster care or for adoption of the child;

6. The Office of Juvenile Affairs for the purpose of providing the Motor Vehicle Report to ascertain the suitability of any person being considered by the Office of Juvenile Affairs for placement of a child in foster care; ~~or~~

7. Any nonprofit provider exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986 and contracted by the Developmental Disabilities Services Division of the Oklahoma Department of Human Services; or

8. Any state agency in this state.

D. Any record required to be maintained by the Department may be released to any other entity free of charge when the release of the record would be for the benefit of the public, as determined by the Commissioner or a designee of the Commissioner.

E. The following records shall be provided by the Department to any authorized recipient, pursuant to the provisions of the Driver's Privacy Protection Act, 18 United States Code, Sections 2721 through 2725, upon payment of the appropriate fees for the records:

1. A Motor Vehicle Report, as defined in Section 6-117 of this title; and

2. A copy of any driving record related to the Motor Vehicle Report.

F. 1. The provisions of subsections B, D, and E of this section and the Oklahoma Open Records Act shall not apply to the release of personal information from any driving record of any person. Such personal information shall be confidential except as provided for in this subsection or in the provisions of the Driver's Privacy Protection Act, 18 United States Code, Sections 2721 through 2725. Upon written request to the Commissioner of Public Safety by a law enforcement agency or another state's or country's driver licensing agency for personal information on a specific individual, as named or otherwise identified in the written request, to be used in the official capacity of the agency, the Commissioner may release such personal information to the agency pursuant to the provisions of the Driver's Privacy Protection Act, 18 United States Code, Sections 2721 through 2725.

2. For the purposes of this subsection, "personal information" means information which identifies a person, including but not limited to a photograph or image in computerized format of the person, fingerprint image in computerized format, signature or signature in computerized format, social security number, residence address, mailing address, and medical or disability information.

SECTION 25. REPEALER 47 O.S. 2011, Section 2-110, as amended by Section 1, Chapter 255, O.S.L. 2012 (47 O.S. Supp. 2012, Section 2-110), is hereby repealed.

SECTION 26. AMENDATORY 47 O.S. 2011, Section 6-101, as amended by Section 1, Chapter 280, O.S.L. 2012 (47 O.S. Supp. 2012, Section 6-101), is amended to read as follows:

Section 6-101. A. No person, except those hereinafter expressly exempted in Section 6-102 of this title, shall operate any motor vehicle upon a highway in this state unless the person has a valid Oklahoma driver license for the class of vehicle being operated under the provisions of this title. No person shall be permitted to possess more than one valid license at any time.

B. 1. No person shall operate a Class A commercial motor vehicle unless the person is eighteen (18) years of age or older and holds a valid Class A commercial license, except as provided in paragraph 5 of this subsection. Any person holding a valid Class A commercial license shall be permitted to operate motor vehicles in Classes A, B, C and D, except as provided for in paragraph 4 of this subsection.

2. No person shall operate a Class B commercial motor vehicle unless the person is eighteen (18) years of age or older and holds a valid Class B commercial license. Any person holding a valid Class B commercial license shall be permitted to operate motor vehicles in Classes B, C and D, except as provided for in paragraph 4 of this subsection.

3. No person shall operate a Class C commercial motor vehicle unless the person is eighteen (18) years of age or older and holds a valid Class C commercial license. Any person holding a valid Class C commercial license shall be permitted to operate motor vehicles in

Classes C and D, except as provided for in paragraph 4 of this subsection.

4. No person under twenty-one (21) years of age shall be licensed to operate any motor vehicle which is required to be placarded for hazardous materials pursuant to 49 C.F.R., Part 172, subpart F; provided, a person eighteen (18) years of age or older may be licensed to operate a farm vehicle which is required to be placarded for hazardous materials pursuant to 49 C.F.R., Part 172, subpart F.

5. A person at least seventeen (17) years of age who successfully completes all examinations required by law may be issued by the Department:

a. a restricted Class A commercial license which shall grant to the licensee the privilege to operate a Class A or Class B commercial motor vehicle for harvest purposes or a Class D motor vehicle, or

b. a restricted Class B commercial license which shall grant to the licensee the privilege to operate a Class B commercial motor vehicle for harvest purposes or a Class D motor vehicle.

6. No person shall operate a Class D motor vehicle unless the person is sixteen (16) years of age or older and holds a valid Class D license, except as provided for in Section 6-102 or 6-105 of this

title. Any person holding a valid Class D license shall be permitted to operate motor vehicles in Class D only.

C. Any person issued a driver license pursuant to this section may exercise the privilege thereby granted upon all streets and highways in this state.

D. No person shall operate a motorcycle or motor-driven cycle without having a valid Class A, B, C or D license with a motorcycle endorsement. Except as otherwise provided by law, any new applicant for an original driver license shall be required to successfully complete a written examination, vision examination, and driving examination for a motorcycle as prescribed by the Department of Public Safety to be eligible for a motorcycle endorsement thereon. The written examination and driving examination for a motorcycle may be waived by the Department of Public Safety upon verification that the person has successfully completed a certified Motorcycle Safety Foundation rider course approved by the Department.

E. Except as otherwise provided by law, any person who lawfully possesses a valid Oklahoma driver license which is eligible for renewal shall be required to successfully complete a written examination, vision examination, and driving examination for a motorcycle as prescribed by the Department to be eligible for a motorcycle endorsement. The written examination and driving examination for a motorcycle may be waived by the Department of Public Safety upon verification that the person has successfully completed a certified Motorcycle Safety Foundation rider course approved by the Department.

F. 1. Any person eighteen (18) years of age or older may apply for a restricted Class A, B or C commercial license. The Department, after the applicant has passed all parts of the examination for a Class D license and has successfully passed all parts of the examination for a Class A, B or C commercial license other than the driving examination, may issue to the applicant a restricted driver license which shall entitle the applicant having immediate possession of the license to operate a Class A, B or C commercial motor vehicle upon the public highways solely for the purpose of behind-the-wheel training in accordance with rules promulgated by the Department.

2. This restricted driver license shall be issued for a period as provided in Section 6-115 of this title; provided, such restricted license may be suspended, revoked, canceled, or denied at the discretion of the Department for violation of the restrictions, for failing to give the required or correct information on the application, or for violation of any traffic laws of this state pertaining to the operation of a motor vehicle. Except as otherwise provided, the lawful possessor of a restricted license who has been issued a restricted license for a minimum of thirty (30) days may have the restriction requiring an accompanying driver removed by satisfactorily completing a driver's examination; provided, the

removal of a restriction shall not authorize the operation of a Class A, B or C commercial motor vehicle if such operation is otherwise prohibited by law.

G. 1. The fee charged for an approved application for an original Oklahoma driver license or an approved application for the addition of an endorsement to a current valid Oklahoma driver license shall be assessed in accordance with the following schedule:

Class A Commercial License	$25.00
Class B Commercial License	$15.00
Class C Commercial License	$15.00
Class D License	$ 4.00
Motorcycle Endorsement	$ 4.00

2. Notwithstanding the provisions of Section 1104 of this title, all monies collected from the fees charged for Class A, B and C commercial licenses pursuant to the provisions of this subsection shall be deposited in the General Revenue Fund of this state.

H. The fee charged for any failed examination shall be Four Dollars ($4.00) for any license classification. Notwithstanding the provisions of Section 1104 of this title, all monies collected from such examination fees pursuant to the provisions of this subsection shall be deposited in the General Revenue Fund of this state.

I. 1. In addition to any fee charged pursuant to the provisions of subsection G of this section, the fee charged for the issuance or renewal of an Oklahoma license which is not in a computerized image format shall be in accordance with the following schedule:

Class A Commercial License	$40.50
Class B Commercial License	$40.50
Class C Commercial License	$30.50
Class D License	$20.50

Notwithstanding the provisions of Section 1104 of this title, of each fee charged pursuant to this paragraph:

a. Five Dollars and fifty cents ($5.50) shall be deposited to the Trauma Care Assistance Revolving Fund created in Section 1-2530.9 of Title 63 of the Oklahoma Statutes, and

b. Five Dollars and seventy-five cents ($5.75) shall be deposited to the Department of Public Safety Computer Imaging System Revolving Fund to be used solely for the purpose of administration and maintenance of the computerized imaging system of the Department.

2. In addition to any fee charged pursuant to the provisions of subsection G of this section, the fee charged for the issuance or renewal of an Oklahoma license which is in a computerized image format shall be in accordance with the following schedule:

Class A Commercial License	$41.50
Class B Commercial License	$41.50
Class C Commercial License	$31.50

Class D License	$21.50

Notwithstanding the provisions of Section 1104 of this title, of each fee charged pursuant to the provisions of this paragraph:

a. Five Dollars and fifty cents ($5.50) shall be deposited to the Trauma Care Assistance Revolving Fund created in Section 1-2530.9 of Title 63 of the Oklahoma Statutes, and

b. Six Dollars and seventy-five cents ($6.75) shall be deposited to the Department of Public Safety Computer Imaging System Revolving Fund to be used solely for the purpose of administration and maintenance of the computerized imaging system of the Department.

J. All original and renewal driver licenses shall expire as provided in Section 6-115 of this title.

K. Any person sixty-two (62) years of age or older during the calendar year of issuance of a Class D license or motorcycle endorsement shall be charged the following prorated fee:

Age 62	$11.25
Age 63	$ 7.50
Age 64	$ 3.75
Age 65	-0-

L. No person who has been honorably discharged from active service in any branch of the Armed Forces of the United States or Oklahoma National Guard and who has been certified by the United

States Department of Veterans Affairs, its successor, or the Armed Forces of the United States to be a disabled veteran in receipt of compensation at the one-hundred-percent rate for a permanent disability sustained through military action or accident resulting from disease contracted while in such active service shall be charged a fee for the issuance or renewal of an Oklahoma driver license.

M. The Department of Public Safety and the Oklahoma Tax Commission are authorized to promulgate rules for the issuance and renewal of driver licenses authorized pursuant to the provisions of Sections 6-101 through 6-309 of this title. Applications, upon forms approved by the Department of Public Safety, for such licenses shall be handled by the motor license agents; provided, the Department of Public Safety is authorized to assume these duties in any county of this state. Each motor license agent accepting applications for driver licenses shall receive Two Dollars ($2.00) to be deducted from the total collected for each license or renewal application accepted. The two-dollar fee received by the motor license agent shall be used for operating expenses.

N. Notwithstanding the provisions of Section 1104 of this title and subsection M of this section and except as provided in subsections G and I of this section, the first Sixty Thousand Dollars ($60,000.00) of all monies collected pursuant to this section shall be paid by the Oklahoma Tax Commission to the State

Treasurer to be deposited in the General Revenue Fund of the State Treasury.

The next Five Hundred Thousand Dollars ($500,000.00) of monies collected pursuant to this section shall be paid by the Tax Commission to the State Treasurer to be deposited each fiscal year under the provisions of this section to the credit of the ~~Department of Public Safety Revolving Fund~~ Department of Public Safety Restricted Revolving Fund for the purpose of the Statewide Law Enforcement Communications System. All other monies collected in excess of Five Hundred Sixty Thousand Dollars ($560,000.00) each fiscal year shall be apportioned as provided in Section 1104 of this title, except as otherwise provided in this section.

O. The Department of Public Safety shall implement a procedure whereby images displayed on licenses and identification cards issued pursuant to the provisions of Sections 6-101 through 6-309 of this title are maintained by the Department to create photographs or computerized images which may be used only:

1. By a law enforcement agency for purposes of criminal investigations, missing person investigations, or any law enforcement purpose which is deemed necessary by the Commissioner of Public Safety;

2. By the driver licensing agency of another state for its official purpose; and

3. As provided in Section 2-110 of this title.

The computer system and related equipment acquired for this purpose must conform to industry standards for interoperability and open architecture. The Department of Public Safety may promulgate rules to implement the provisions of this subsection.

SECTION 27. REPEALER 47 O.S. 2011, Section 6-101, as amended by Section 5, Chapter 283, O.S.L. 2012 (47 O.S. Supp. 2012, Section 6-101), is hereby repealed.

SECTION 28. AMENDATORY 47 O.S. 2011, Section 11-1401.2, as amended by Section 1, Chapter 43, O.S.L. 2012 (47 O.S. Supp. 2012, Section 11-1401.2), is amended to read as follows:

Section 11-1401.2. A. For purposes of this section:

1. "Authority" means the Oklahoma Turnpike Authority;

2. "Commission" means the Oklahoma Tax Commission;

3. "Electronic toll collection system" means a system of collecting tolls or charges which is capable of charging an account holder the appropriate toll or charge by transmission of information from an electronic device on a motor vehicle to the toll lane, which information is used to charge the account the appropriate toll or charge;

4. "Owner" means any person, corporation, partnership, firm, agency, association, or organization who, at the time of the violation and with respect to the vehicle identified in the notice of toll evasion violation:

a. is the beneficial or equitable owner of the vehicle,

b. has title to the vehicle,

c. is the registrant or coregistrant of the vehicle which is registered with the Oklahoma Tax Commission or similar registering agency of any other state, territory, district, province, nation or other jurisdiction,

d. subject to the liability limitations set forth in paragraph 12 of subsection B of this section, uses the vehicle in its vehicle renting and/or leasing businesses, or

e. is a person entitled to the use and possession of a vehicle subject to a security interest in another person;

5. "Photo-monitoring system" means a vehicle sensor installed to work in conjunction with a toll collection facility which automatically produces one or more photographs, one or more microphotographs, a videotape or other recorded images of each vehicle at the time it is used or operated in violation of toll collection regulations;

6. "Toll collection regulations" means those rules and regulations of the Oklahoma Turnpike Authority or statutes providing for and requiring the payment of tolls and/or charges prescribed by the Authority for the use of turnpikes under its jurisdiction or those rules and regulations of the Authority or statutes making it

unlawful to refuse to pay or to evade or to attempt to evade the payment of all or part of any toll and/or charge for the use of turnpikes under the jurisdiction of the Authority; and

7. "Vehicle" means every device in, upon or by which a person or property is or may be transported or drawn upon a highway, except devices used exclusively upon stationary rails or tracks.

B. 1. Notwithstanding any other provision of law, there shall be imposed monetary liability on the owner of a vehicle for failure of an operator thereof to comply with the toll collection regulations of the Oklahoma Turnpike Authority in accordance with the provisions of this section.

2. The owner of a vehicle shall be liable for a civil penalty imposed pursuant to this section if the vehicle was used or operated with the permission of the owner, express or implied, in violation of the toll collection regulations, and such violation is evidence by information obtained from a photo-monitoring system. However, no owner of a vehicle shall be liable for a penalty imposed pursuant to this section where the operator of the vehicle has been convicted of a violation of toll collection regulations for the same incident.

3. A certificate, sworn to or affirmed by an agent of the Authority, or facsimile thereof, based upon inspection of photographs, microphotographs, videotape or other recorded images produced by a photo-monitoring system shall be prima facie evidence of the facts contained therein and shall be admissible in any

proceeding charging a violation of toll collection regulations. The photographs, microphotographs, videotape or other recorded images evidencing such a violation shall be available for inspection and admission into evidence in any proceeding to adjudicate the liability for the violation. Each photo-monitoring system shall be checked bi-monthly for accuracy, and shall be maintained, adjusted or replaced if necessary to ensure the systems are operating properly.

4. An owner found liable for a violation of toll collection regulations pursuant to this section ~~for a first violation~~ shall be liable for a monetary penalty of Twenty-five Dollars ($25.00)~~; for a second violation within eighteen (18) months of the first violation, shall be liable for a monetary penalty of Fifty Dollars ($50.00); and for a third or any subsequent violation within eighteen (18) months of the first violation, shall be liable for a monetary penalty of Seventy-five Dollars ($75.00)~~ <u>for each violation</u>.

5. An imposition of liability pursuant to this section shall be based upon a preponderance of evidence as submitted. An imposition of liability pursuant to this section shall not be deemed a conviction as an operator and shall not be made part of the motor vehicle operating record of the person upon whom such liability is imposed nor shall it be used for insurance purposes in the provision of motor vehicle insurance coverage.

6. a. A notice of toll evasion violation shall be sent by regular first-class mail to each person alleged to be liable as an owner for a violation of toll collection regulations. The notice shall be mailed no later than forty-five (45) days after the alleged violation. A manual or automatic record of mailing prepared in the ordinary course of business shall be prima facie evidence of the receipt of the notice.

b. A notice of toll evasion violation shall contain the name and address of the person alleged to be liable as an owner for a violation of toll collection regulations pursuant to this section, the registration or the license tag number of the vehicle involved in the violation, the location where the violation took place, the date and time of the violation and the identification number of the photo-monitoring system which recorded the violation or other document locator number.

c. Notice of toll evasion violation shall be prepared and mailed by the Authority or its agents and shall contain information advising the person of the applicable monetary penalty and method of payment thereof and the manner and the time in which the person may contest the liability alleged in the notice. The notice of toll evasion violation shall contain, or be accompanied with, an affidavit of nonliability and information of what constitutes nonliability, information as to the effect of executing the affidavit and instructions for returning the affidavit to the Authority and shall also contain a warning to advise the persons charged that failure to contest in the manner and time provided shall be deemed an admission of liability and that the penalty shall be imposed and may be collected as authorized by law. In addition to the notice required by subparagraph a of this paragraph, the Authority may elect to send a subsequent notice of toll evasion violation by certified mail. Such notice shall contain a statement to the registered owner that, unless the registered owner pays the toll evasion penalty or contests the notice within twenty-one (21) days after receipt of the certified mail notice of toll evasion violation or completes and files the affidavit of nonliability, the renewal of the vehicle registration shall be contingent upon compliance with the notice of toll evasion violation.

d. If the toll evasion penalty is received by the Authority and there is no contest as to that toll evasion violation, the proceedings under this section shall terminate.

e. If the registered owner fails to pay the toll evasion penalty as required in this section, or fails to contest the notice of toll evasion violation issued pursuant to subparagraph c of this paragraph as provided in subparagraph a of paragraph 7 of this subsection, the registered owner shall be deemed liable for the violation by operation of law. The toll evasion penalty and any administrative fees or charges shall be considered a debt due and owing the Authority by the registered owner and the Authority may proceed to collect such penalty, fees or charges under paragraph 9 of this subsection.

7. a. Within twenty-one (21) days after receipt of a notice of toll evasion violation a person may contest a notice of toll evasion violation. In that case, the Authority shall do the following:

(1) the Authority shall investigate the circumstances of the notice with respect to the contestant's written explanation of reasons for contesting the toll evasion violation. If, based upon the results of the investigation, the Authority is satisfied that the violation did not occur or

that the registered owner was not responsible for the violation, the Authority shall maintain an adequate record of the findings of the investigation. Within thirty (30) days of receipt of a notice of contest the Authority shall complete such investigation and mail the results of the investigation to the person who contested the notice of toll evasion violation, and

(2) if the person contesting a notice of toll evasion violation is not satisfied with the results of the investigation provided for in division (1) of this subparagraph, the person may, within fifteen (15) days of the mailing of the results of the investigation, deposit the amount of the toll evasion penalty and request an administrative review. An administrative review shall be held within ninety (90) calendar days following the receipt of a request for an administrative review, excluding any continuance time. The person requesting the review may request and shall be allowed one continuance, not to exceed twenty-one (21) calendar days.

b. The administrative review procedure shall consist of the following:

(1) the person requesting an administrative review shall indicate to the Authority his or her election for a review by mail or personal conference and may provide materials in support of the contest of the results of the investigation,

(2) upon ten (10) days' written notice mailed to the contestant, the administrative review shall be conducted before an examiner designated to conduct review by the Authority's governing body or Director of the Oklahoma Turnpike Authority. In addition to any other requirements of employment, an examiner shall demonstrate those qualifications, training, and objectivity prescribed by the Authority's governing body or Director as are necessary and which are consistent with the duties and responsibilities set forth in this ~~act~~ section and Section 11-1401.1 et seq. of this title,

(3) the officer or person authorized to issue a notice of toll evasion violation shall be required to participate in an administrative

review. The Authority shall not be required to produce any evidence other than the notice of toll evasion violation or copy thereof, a photograph of the rear of the vehicle, information received from the Commission identifying the registered owner of the vehicle, and a notarized statement from the person reporting the violations. The documentation in proper form shall be considered prima facie evidence of the violation, and

(4) the review shall be conducted in accordance with paragraph 5 of this subsection and in accordance with the written procedure established by the Authority which shall ensure fair and impartial review of contested toll evasion violations. The examiner's final decision shall be in writing and shall be delivered personally or by registered mail to the contestant within ten (10) days of the review. A manual or automatic record of mailing prepared in the ordinary course of business shall be prima facie evidence of the receipt of such decision.

8. a. Within twenty (20) days after receipt of the final decision described in division (4) of subparagraph b

of paragraph 7 of this subsection, the contestant may seek review by filing an appeal to the district court having jurisdiction in the county in which the contestant lives, where the same shall be heard on the record. A copy of the notice of appeal shall be served in person or by first-class mail upon the Authority by the contestants. For purposes of computing the twenty-day period, the Code of Civil Procedure, Section 2006 of Title 12 of the Oklahoma Statutes, shall be applicable.

b. The conduct of the hearing on appeal under this section is a subordinate judicial duty which may be performed by referees, masters or other subordinate judicial officials at the direction of the district court.

c. If no notice of appeal of the Authority's decision is filed within the period set forth in subparagraph a of this paragraph, the examiner's decision shall be deemed final.

9. Except as otherwise provided in paragraphs 10 and 11 of this subsection, the Authority shall proceed under one or more of the following options to collect an unpaid toll evasion penalty:

a. the Authority may file an itemization of unpaid toll evasion penalties and administrative and service fees with the Commission for collection at the time of registration of the vehicle pursuant to paragraph 17 of this subsection, or

b. the Authority may contract with a collection agency to collect unpaid toll evasion penalties, fees, and charges.

10. The Authority shall not file a civil judgment with the district court relating to a toll evasion violation which has been filed with the Commission unless the Authority has determined that the registration of the vehicle has not been renewed for sixty (60) days beyond the renewal date and the notice has not been mailed by the Commission pursuant to paragraph 17 of this subsection.

11. If an owner receives a notice of toll evasion violation pursuant to this paragraph for any time period during which the vehicle was reported to the police department as having been stolen, it shall be a valid defense to an allegation of liability for a violation of toll collection regulations that the vehicle had been reported to the police as stolen prior to the time the violation occurred and had not been recovered by such time. If an owner receives a notice of toll evasion violation pursuant to this paragraph for any time period during which the vehicle was stolen, but not yet reported to the police as having been stolen, it shall be a valid defense to an allegation of liability for a violation of toll collection regulations pursuant to this paragraph that the

vehicle was reported as stolen within two (2) hours after the discovery of the theft by the owner. For purposes of asserting the defense provided by this subsection it shall be sufficient that a certified copy of the police report of the stolen vehicle be sent by first-class mail to the Authority and the district court having jurisdiction.

12. An owner of a vehicle to which a notice of toll evasion violation was issued pursuant to paragraph 6 of this subsection shall not be liable for the violation of the toll collection regulations provided that the owner sends to the Authority the affidavit of nonliability described in paragraph 6 of this subsection, within twenty-one (21) days after receiving the original notice of toll evasion violation. Failure to send such information within the time period shall render the owner liable for the penalty prescribed by this section. If the owner complies with the provisions of this subsection, the operator of the vehicle on the date of the violation shall be subject to liability for the violation of toll collection regulations, provided that the Authority mails a notice of toll evasion violation to the operator within ten (10) days after receipt of such information.

13. In connection with the preparation and mailing of a notice of toll evasion violation, the Authority shall ensure adequate and timely notice to all electronic toll collection system account holders to inform them when their accounts are delinquent. An owner

who is an account holder under the electronic toll collection system shall not be found liable for a violation of this section unless the Authority has first sent a notice of delinquency to the account holder and the account holder was in fact delinquent at the time of the violation.

14. Nothing in this section shall be construed to limit the liability of an operator of a vehicle for any violation of toll collection laws or regulations.

15. Notwithstanding any other provision of law, all photographs, microphotographs, videotape or other recorded images prepared pursuant to this section shall be for the exclusive use of the Authority in the discharge of its duties under this section and shall not be open to the public nor be used in any court in any action or proceeding pending therein unless the action or proceeding relates to the imposition of or indemnification for liability pursuant to this section. The Authority shall not sell, distribute or make available in any way, the names and addresses of electronic toll collection system account holders, without the consent of the account holders, to any entity that will use the information for any commercial purpose.

16. a. Except as provided in subparagraph c of this paragraph, the Commission shall refuse to renew the registration of any vehicle if the registered owner or lessee has been mailed by certified mail a notice of

toll evasion violation as provided in subparagraph c of paragraph 6 of this subsection, the Authority has transmitted to the Commission an itemization of unpaid toll evasion penalties, including administrative fees, pursuant to paragraph 9 of this subsection, and the toll evasion penalty and administrative fee have not been paid pursuant to paragraph 8 of this subsection, unless the full amount of all outstanding toll evasion penalties and administrative fees, as shown by records of the Commission are paid to the Commission at the time of application for renewal.

b. The Authority shall issue a notice of disposition of toll evasion violation to a lessor, if the lessor provides the Authority with the name, address, and driver's license number of the lessee at the time of the occurrence of the toll evasion violation.

c. The Commission shall renew the registration of any vehicle if the applicant provides the Commission with the notice of disposition of toll evasion violation issued pursuant to subparagraph b of this paragraph for clearing all outstanding toll evasion penalties, fees and assessments, as shown by the records of the Commission, and the applicant has met all other requirements for registration.

17. The Commission shall include on each vehicle registration renewal notice issued for use at the time of renewal, or on an accompanying document, an itemization of unpaid toll evasion penalties, fees and assessments, showing the amount thereof and the date of toll evasion relating thereto, which the registered owner or lessee is required to pay pursuant to paragraph 16 of this subsection.

18. a. Except as provided in subparagraph b of this paragraph, the Commission shall remit all toll evasion penalties, fees and assessments collected, after deducting the administrative fee authorized by paragraph 19 of this subsection, for each notice of toll evasion violation for which toll evasion penalties, fees and assessments have been collected pursuant to paragraph 16 of this subsection, to the Authority. Within forty-five (45) days from the time penalties, fees and assessments are paid to the Commission, the Commission shall inform the Authority which of its notices of toll evasion violation have been collected.

b. For each notice of toll evasion violation for which toll evasion penalties, fees and assessments have been collected by the Commission pursuant to paragraph 16 of this subsection, the Authority is due an amount equal to the sum of the unpaid toll, administrative fees, other costs incurred by the Authority that are related to toll evasion, process service fees, and fees and collection costs related to civil debt collection. After deducting the Commission's administrative fee authorized by paragraph 19 of this subsection, the Commission shall promptly pay to the Authority the amounts due the Authority for unpaid tolls, administrative fees, other costs incurred by the Authority that are related to toll evasion, process service fees, and fees and collection costs related to civil debt collection.

19. The Commission shall assess a fee for the recording of the notice of toll evasion violation, which is given to the Commission pursuant to paragraph 9 of this subsection, in an amount, as determined by the Commission, that is sufficient to provide a total amount equal to at least its actual costs of administering paragraphs 16, 17 and 20 of this subsection.

20. Whenever a vehicle is transferred or not renewed for two (2) renewal periods and the former registered owner or lessee of the vehicle owes a toll evasion penalty and administrative fees for a notice of toll evasion violation filed with the Commission pursuant to paragraph 9 of this subsection, the Commission shall notify the

Authority of that fact and is not required thereafter to attempt collection of the toll evasion penalty and administrative fees.

This legislation shall not be construed to affect in any way the power which the Oklahoma Turnpike Authority possesses to establish tolls and other charges in connection with their turnpike facilities, including the authority to establish a one-way toll collection system for any of its facilities or a toll discount structure for certain classes of patrons using any of its facilities.

SECTION 29. REPEALER 47 O.S. 2011, Section 11-1401.2, as amended by Section 1, Chapter 132, O.S.L. 2012 (47 O.S. Supp. 2012, Section 11-1401.2), is hereby repealed.

SECTION 30. AMENDATORY 47 O.S. 2011, Section 14-118, as amended by Section 1, Chapter 162, O.S.L. 2012 (47 O.S. Supp. 2012, Section 14-118), is amended to read as follows:

Section 14-118. A. 1. Pursuant to such rules as may be prescribed by Oklahoma agencies of jurisdiction, Oklahoma motor carriers may engage in any activity in which carriers subject to the jurisdiction of the federal government may be authorized by federal legislation to engage. Provided further, the Transportation Commission shall formulate, for the State Trunk Highway System, including the National System of Interstate and Defense Highways, and for all other highways or portions thereof, rules governing the movement of vehicles or loads which exceed the size or weight limitations specified by the provisions of this chapter.

2. Such rules shall be the basis for the development of a system by the Commissioner of Public Safety for the issuance of permits for the movement of oversize or overweight vehicles or loads. Such system shall include, but not be limited to, provisions for duration, seasonal factors, hours of the day or days when valid, special requirements as to flags, flagmen and warning or safety devices, and other such items as may be consistent with the intent of this section. The permit system shall include provisions for the collection of permit fees as well as for the issuance of the permits by telephone, electronic transfer or such other methods of issuance as may be deemed feasible.

3. The Department of Public Safety is authorized to charge a fee of Two Dollars ($2.00) for each permit requested to be issued by facsimile machine or by any other means of electronic transmission, transfer or delivery. The fee shall be in addition to any other fee or fees assessed for the permit. The fee shall be deposited in the State Treasury to the credit of the ~~Department of Public Safety Revolving Fund~~ Department of Public Safety Restricted Revolving Fund and the monies shall be expended by the Department solely for the purposes provided for in this chapter.

4. It is the purpose of this section to permit the movement of necessary overweight and oversize vehicles or loads consistent with the following obligations:

a. protection of the motoring public from potential traffic hazards,

b. protection of highway surfaces, structures, and private property, and

c. provision for normal flow of traffic with a minimum of interference.

B. The Transportation Commission shall prepare and publish a map of the State of Oklahoma showing by appropriate symbols the various highway structures and bridges in terms of maximum size and weight restrictions. This map shall be titled "Oklahoma Load Limit Map" and shall be revised periodically to maintain a reasonably current status and in no event shall a period of two (2) years lapse between revisions and publication of same. Provided, further, the Secretary of the Department of Transportation shall prepare and publish a map of the State of Oklahoma showing the advantages of this state as a marketing, warehousing and distribution network center for motor transportation sensitive industries.

C. The Commissioner of Public Safety, or an authorized representative, shall have the authority, within the limitations formulated under provisions of this chapter, to issue, withhold or revoke special permits for the operation of vehicles or combinations of vehicles or loads which exceed the size or weight limitations of this chapter. Every such permit shall be carried in the vehicle or combination of vehicles to which it refers and shall be open to inspection by any law enforcement officer or authorized agent of any authority granting such permit, and no person shall violate any of the terms or conditions of such special permit.

D. It shall be permissible in the transportation of empty trucks on any road or highway to tow by use of saddlemounts; i.e., mounting the front wheels of one vehicle on the bed of another leaving the rear wheels only of such towed vehicle in contact with the roadway. One vehicle may be fullmounted on the towing or towed vehicles engaged in any driveaway or towaway operation. No more than three saddlemounts may be permitted in such combinations. The towed vehicles shall be securely fastened and operated under the applicable safety requirements of the United States Department of Transportation and such combinations shall not exceed an overall length of seventy-five (75) feet. Provided, a driveaway saddlemount with fullmount vehicle transporter combination may reach an overall length of ninety-seven (97) feet on the National Network of Highways.

E. The Commissioner of Public Safety, upon application of any person engaged in the transportation of forest products in the raw state, which is defined to be tree-length logs moving from the forest directly to the mill, or upon application of any person engaged in the hauling for hire or for resale, of round baled hay with a total outside width of eleven (11) feet or less, shall issue an annual permit, upon payment of a fee of Twenty-five Dollars ($25.00) each year, authorizing the operation by such persons of such motor vehicle load lengths and widths upon the highways of this state except on the National System of Interstate and Defense Highways. Provided, however, the restriction on use of the National System of Interstate and Defense Highways shall not be applicable to persons engaged in the hauling of round baled hay with a total outside width of eleven (11) feet or less.

F. The Commissioner of Public Safety, upon application of any person engaged in the transportation of overwidth or overheight equipment used in soil conservation work with a total outside width of twelve (12) feet or less, shall issue an annual permit, upon payment of a fee of Twenty-five Dollars ($25.00) each year, authorizing the operation by such persons of such motor vehicle load lengths and widths upon the highways of this state except on the National System of Interstate and Defense Highways.

G. Farm equipment including, but not limited to, implements of husbandry as defined in Section 1-125 of this title shall be exempted from the requirement for special permits due to size. Such equipment may move on any highway, except those highways which are part of the National System of Interstate and Defense Highways, during the hours of darkness and shall be subject to the requirements as provided in Section 12-215 of this title. In addition to those requirements, tractors pulling machinery over thirteen (13) feet wide must have two amber flashing warning lamps symmetrically mounted, laterally and widely spaced as practicable, visible from both front and rear, mounted at least thirty-nine (39) inches high.

H. Any rubber-tired road construction vehicle including rubber-tired truck cranes and special mobilized machinery either self-propelled or drawn carrying no load other than component parts safely secured to the machinery and its own weight, but which is overweight by any provisions of this chapter, shall be authorized to move on the highways of the State of Oklahoma. Movement of such vehicles shall be authorized on the Federal Interstate System of Highways only by special permit secured from the Commissioner of Public Safety or an authorized representative upon determination that the objectives of this section will be served by such a permit and that federal weight restrictions will not be violated. The special permit shall be:

1. A single-trip permit issued under the provisions of this section and Section 14-116 of this title; or

2. A special annual overweight permit which shall be issued for one calendar year period upon payment of a fee of Sixty Dollars ($60.00).

The weight of any such vehicle shall not exceed six hundred fifty (650) pounds multiplied by the nominal width of the tire. The vehicle shall be required to carry the safety equipment adjudged necessary for the health and welfare of the driving public. If any oversized vehicle does not come under the other limitations of the present laws, it shall be deemed that the same shall travel only between the hours of sunrise and sunset. The vehicle, being overweight but of legal dimension, shall be allowed continuous travel. The vehicles, except special mobilized machinery, shall be exempt from the laws of this state relating to motor vehicle registration, licensing or other fees or taxes in lieu of ad valorem taxes.

I. 1. When such machinery has a width greater than eight and one-half (8 1/2) feet, or a length, exclusive of load, of forty-five (45) feet, or a height in excess of thirteen and one-half (13 1/2) feet, then the permit may restrict movement to a fifty-mile radius from an established operating base, and may designate highways to be traveled, hours of travel and when flagmen may be required to precede or follow the equipment.

2. Possession of a permit shall in no way be construed as exempting such equipment from the authority of the Director of the Department of Transportation to restrict use of particular highways, nor shall it exempt owners or operators of such equipment from the responsibility for damage to highways caused by movement of the

equipment. Nothing in this subsection shall apply to machinery used in highway construction or road material production.

3. Upon the issuance of a special mobilized machinery driveaway permit as provided in this subsection, special mobilized machinery manufactured in Oklahoma shall be permitted to move upon the highways of this state from the place of manufacture to the state line for delivery and exclusive use outside the state, and may be temporarily returned to Oklahoma for modification and repair, with subsequent movement back out of the state. Special driveaway permits for such movements shall be issued by the Commissioner of Public Safety, who may act through designated agents, upon the payment of a fee in the amount of Fifteen Dollars ($15.00) for each movement.

4. The size of the special mobilized machinery shall not be such as to create a safety hazard in the judgment of the Commissioner of Public Safety. Permits for such special mobilized machinery shall specify a maximum permissible road speed of sixty (60) miles per hour, designate safety equipment to be carried and may exclude use of highways of the interstate system.

5. When such equipment has a width greater than eight and one-half (8 1/2) feet, or a length exclusive of load of forty-five (45) feet, or a height in excess of thirteen and one-half (13 1/2) feet, the permit may designate highways to be traveled, hours of travel and when flagmen may be required to precede or follow the equipment.

6. Possession of a special driveaway permit shall in no way be construed as exempting such equipment from the authority of the Director of the Department of Transportation to restrict use of particular highways, nor shall it exempt the owners or operators of such equipment from the responsibility for damage to highways caused by the movement of such equipment.

SECTION 31. REPEALER 47 O.S. 2011, Section 14-118, as amended by Section 11, Chapter 283, O.S.L. 2012 (47 O.S. Supp. 2012, Section 14-118), is hereby repealed.

SECTION 32. AMENDATORY 47 O.S. 2011, Section 759, as amended by Section 181, Chapter 304, O.S.L. 2012 (47 O.S. Supp. 2012, Section 759), is amended to read as follows:

Section 759. A. There is hereby re-created, to continue until July 1, ~~2012~~ 2015, in accordance with the provisions of the Oklahoma Sunset Law, the Board of Tests for Alcohol and Drug Influence to be composed of the Dean of the University of Oklahoma College of Medicine, or the Dean's designee who shall receive an appointment in writing, as Chairman, and the Commissioner of Public Safety or a designee, the Director of the Oklahoma State Bureau of Investigation or a designee, the State Commissioner of Health or a designee, the Director of the Council on Law Enforcement Education and Training or a designee, one certified peace officer who is a member of a local law enforcement agency selected by the Oklahoma Sheriffs and Peace Officers Association and one person selected by the Oklahoma

Association of Chiefs of Police, as members, to serve without pay other than reimbursement of necessary and actual expenses as provided in the State Travel Reimbursement Act~~, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes~~. Each designee shall receive an appointment in writing which shall become a permanent part of the records of the Board. The Board is authorized to appoint a State Director of Tests for Alcohol and Drug Influence, an Administrative Assistant to the Board, and other employees, including but not limited to persons to conduct training and provide administrative assistance as necessary for the performance of its functions, subject to available funding and authorized full-time equivalent employee limitations. The Board may expend appropriated funds for purposes consistent with Sections 751 through 761 of this title and Sections 301 through 308 of Title 3 of the Oklahoma Statutes. The Legislature shall appropriate funds to the Department of Public Safety for the support of the Board of Tests For Alcohol and Drug Influence and its employees, if any. Upon the transfer of any employees from the Alcohol Drug Countermeasures Unit of the Department of Public Safety to the Board of Tests For Alcohol and Drug Influence on July 1, 2003, all funds of the Unit appropriated and budgeted shall be transferred to the Board, and may be budgeted and expended to support the functions and personnel of the Board.

B. Collection and analysis of a person's blood, breath, saliva or urine, to be considered valid and admissible in evidence, whether performed by or at the direction of a law enforcement officer or at the request of the tested person, shall have been performed in compliance with the rules adopted by the Board of Tests for Alcohol and Drug Influence and by an individual possessing a valid permit issued by the Board for this purpose or shall have been performed by a laboratory accredited in Toxicology by the American Society of Crime Laboratory Directors/Laboratory Accreditation Board (ASCLD/LAB) or accredited by the American Board of Forensic Toxicology (ABFT).

C. The Board of Tests for Alcohol and Drug Influence is authorized to approve laboratories for the analysis, provided by the provisions of this title, of specimens of blood, breath, saliva and urine, and to administer a program for regular monitoring of such laboratories. The Board is authorized to prescribe uniform standards and conditions for, and to approve satisfactory methods, procedures, techniques, devices, equipment and records for tests and analyses and to prescribe and approve the requisite education and training for the performance of such tests and analyses. The Board shall establish standards for and ascertain the qualifications and competence of individuals to administer and conduct such tests and analyses, and to issue permits to laboratories and to individuals which shall be subject to suspension or revocation at the discretion of the Board. The Board is authorized to prescribe uniform standards, conditions, methods, procedures, techniques, devices, equipment and records for the collection, handling, retention, storage, preservation and delivery of specimens of blood, breath, saliva and urine obtained for the purpose of determining the alcohol concentration thereof or the presence or concentration of any other intoxicating substance therein. The Board may take such other actions as may be reasonably necessary or appropriate to effectuate the purposes of Sections 751 through 761 of this title and Sections 301 through 308 of Title 3 of the Oklahoma Statutes, and may adopt, amend and repeal such other rules consistent with this chapter as the Board shall determine proper. Laboratories accredited in Toxicology by the American Society of Crime Laboratory Directors/Laboratory Accreditation Board (ASCLD/LAB) or accredited by the American Board of Forensic Toxicology (ABFT) are exempt from the provisions of this subsection.

D. The Board may set rules and charge appropriate fees for operations incidental to its required duties and responsibilities.

E. There is hereby created in the State Treasury a revolving fund for the Board of Tests for Alcohol and Drug Influence to be designated the "Board of Tests for Alcohol and Drug Influence Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of monies received pursuant to the provisions of subsection D of this section and any funds previously deposited in the Board of Tests for Alcohol and Drug Influence Revolving Fund. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Board of Tests for Alcohol and Drug Influence for operating expenses of the Board. Expenditures from the funds shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 33. REPEALER 47 O.S. 2011, Section 759, as amended by Section 1, Chapter 61, O.S.L. 2012 (47 O.S. Supp. 2012, Section 759), is hereby repealed.

SECTION 34. AMENDATORY 51 O.S. 2011, Section 155, as amended by Section 1, Chapter 16, O.S.L. 2012 (51 O.S. Supp. 2012, Section 155), is amended to read as follows:

Section 155. The state or a political subdivision shall not be liable if a loss or claim results from:

1. Legislative functions;

2. Judicial, quasi-judicial, or prosecutorial functions, other than claims for wrongful criminal felony conviction resulting in imprisonment provided for in Section 154 of this title;

3. Execution or enforcement of the lawful orders of any court;

4. Adoption or enforcement of or failure to adopt or enforce a law, whether valid or invalid, including, but not limited to, any statute, charter provision, ordinance, resolution, rule, regulation or written policy;

5. Performance of or the failure to exercise or perform any act or service which is in the discretion of the state or political subdivision or its employees;

6. Civil disobedience, riot, insurrection or rebellion or the failure to provide, or the method of providing, police, law enforcement or fire protection;

7. Any claim based on the theory of attractive nuisance;

8. Snow or ice conditions or temporary or natural conditions on any public way or other public place due to weather conditions, unless the condition is affirmatively caused by the negligent act of the state or a political subdivision;

9. Entry upon any property where that entry is expressly or implied authorized by law;

10. Natural conditions of property of the state or political subdivision;

11. Assessment or collection of taxes or special assessments, license or registration fees, or other fees or charges imposed by law;

12. Licensing powers or functions including, but not limited to, the issuance, denial, suspension or revocation of or failure or refusal to issue, deny, suspend or revoke any permit, license, certificate, approval, order or similar authority;

13. Inspection powers or functions, including failure to make an inspection, review or approval, or making an inadequate or

negligent inspection, review or approval of any property, real or personal, to determine whether the property complies with or violates any law or contains a hazard to health or safety, or fails to conform to a recognized standard;

14. Any loss to any person covered by any workers' compensation act or any employer's liability act;

15. Absence, condition, location or malfunction of any traffic or road sign, signal or warning device unless the absence, condition, location or malfunction is not corrected by the state or political subdivision responsible within a reasonable time after actual or constructive notice or the removal or destruction of such signs, signals or warning devices by third parties, action of weather elements or as a result of traffic collision except on failure of the state or political subdivision to correct the same within a reasonable time after actual or constructive notice. Nothing herein shall give rise to liability arising from the failure of the state or any political subdivision to initially place any of the above signs, signals or warning devices. The signs, signals and warning devices referred to herein are those used in connection with hazards normally connected with the use of roadways or public ways and do not apply to the duty to warn of special defects such as excavations or roadway obstructions;

16. Any claim which is limited or barred by any other law;

17. Misrepresentation, if unintentional;

18. An act or omission of an independent contractor or consultant or his or her employees, agents, subcontractors or suppliers or of a person other than an employee of the state or political subdivision at the time the act or omission occurred;

19. Theft by a third person of money in the custody of an employee unless the loss was sustained because of the negligence or wrongful act or omission of the employee;

20. Participation in or practice for any interscholastic or other athletic contest sponsored or conducted by or on the property of the state or a political subdivision;

21. Participation in any activity approved by a local board of education and held within a building or on the grounds of the school district served by that local board of education before or after normal school hours or on weekends;

22. Use of indoor or outdoor school property and facilities made available for public recreation before or after normal school hours or on weekends or school vacations, except those claims resulting from willful and wanton acts of negligence. For purposes of this paragraph:

a. "public" includes, but is not limited to, students during nonschool hours and school staff when not working as employees of the school, and

b. "recreation" means any indoor or outdoor physical activity, either organized or unorganized, undertaken for exercise, relaxation, diversion, sport or pleasure, and that is not otherwise covered by paragraph 20 or 21 of this section;

23. Any court-ordered or Department of Corrections approved work release program; provided, however, this provision shall not apply to claims from individuals not in the custody of the Department of Corrections based on accidents involving motor vehicles owned or operated by the Department of Corrections;

24. The activities of the National Guard, the militia or other military organization administered by the Military Department of the state when on duty pursuant to the lawful orders of competent authority:

a. in an effort to quell a riot,

b. in response to a natural disaster or military attack, or

c. if participating in a military mentor program ordered by the court;

25. Provision, equipping, operation or maintenance of any prison, jail or correctional facility, or injuries resulting from the parole or escape of a prisoner or injuries by a prisoner to any other prisoner; provided, however, this provision shall not apply to claims from individuals not in the custody of the Department of Corrections based on accidents involving motor vehicles owned or operated by the Department of Corrections;

26. Provision, equipping, operation or maintenance of any juvenile detention facility, or injuries resulting from the escape of a juvenile detainee, or injuries by a juvenile detainee to any other juvenile detainee;

27. Any claim or action based on the theory of manufacturer's products liability or breach of warranty, either expressed or implied;

28. Any claim or action based on the theory of indemnification or subrogation;

29. Any claim based upon an act or omission of an employee in the placement of children;

30. Acts or omissions done in conformance with then current recognized standards;

31. Maintenance of the state highway system or any portion thereof unless the claimant presents evidence which establishes either that the state failed to warn of the unsafe condition or that the loss would not have occurred but for a negligent affirmative act of the state;

32. Any confirmation of the existence or nonexistence of any effective financing statement on file in the office of the Secretary of State made in good faith by an employee of the office of the Secretary of State as required by the provisions of Section 1-9-320.6 of Title 12A of the Oklahoma Statutes;

33. Any court-ordered community sentence;

34. Remedial action and any subsequent related maintenance of property pursuant to and in compliance with an authorized environmental remediation program, order, or requirement of a federal or state environmental agency;

35. The use of necessary and reasonable force by a school district employee to control and discipline a student during the time the student is in attendance or in transit to and from the school, or any other function authorized by the school district; ~~or~~

36. Actions taken in good faith by a school district employee for the out-of-school suspension of a student pursuant to applicable Oklahoma Statutes; or

37. Use of a public facility opened to the general public during an emergency.

SECTION 35. REPEALER 51 O.S. 2011, Section 155, as amended by Section 1, Chapter 14, O.S.L. 2012 (51 O.S. Supp. 2012, Section 155), is hereby repealed.

SECTION 36. AMENDATORY 56 O.S. 2011, Section 1003, as amended by Section 1, Chapter 244, O.S.L. 2012 (56 O.S. Supp. 2012, Section 1003), is amended to read as follows:

Section 1003. A. There is hereby created within the Office of the Attorney General, a Medicaid fraud control unit.

B. The Medicaid fraud control unit shall be the state entity to which all cases of suspected Medicaid fraud shall be referred by the Oklahoma Health Care Authority or its fiscal agents for the purposes of investigation, civil action, criminal action or referral to the district attorney. Provided however, nothing contained in the Oklahoma Medicaid Program Integrity Act shall prohibit the Oklahoma Health Care Authority from investigating or additionally referring to other proper law enforcement agencies cases of suspected Medicaid fraud, nor the Attorney General from pursuing cases of suspected Medicaid fraud without a referral from the Oklahoma Health Care Authority if there is credible evidence of fraud.

C. 1. In carrying out these responsibilities, the Attorney General shall have all the powers necessary to comply with federal laws and regulations relative to the operation of a Medicaid fraud unit, the power to cross-designate assistant United States attorneys as assistant attorneys general, the power to investigate cases of patient abuse, the power to issue or cause to be issued subpoenas or other process in aid of investigations and prosecutions, the power to administer oaths and take sworn statements under penalty of perjury, the power to serve and execute in any county, search warrants which relate to investigations authorized by the Oklahoma Medicaid Program Integrity Act and shall have all the powers of a district attorney.

2. Subpoenas ad testificandum or duces tecum issued pursuant to the Oklahoma Medicaid Program Integrity Act may be served by the Attorney General, any peace officer, or any competent person over eighteen (18) years of age, and may require attendance or production

at any place in this state. A refusal to obey such subpoena, or willful failure to appear, be sworn, testify, or produce records at the place and time specified shall constitute contempt and shall be enforced by the district court of the county where issued or the county where served, at the election of the Attorney General, as if it was a contempt on that court.

D. The Attorney General shall have authority to collect all fines, penalties, amounts of restitution, or interest accruing on any amount of restitution to be made and any penalties to be paid from and after default in the payment thereof levied pursuant to the provisions of the Oklahoma Medicaid Program Integrity Act, the Oklahoma Medicaid False Claims Act, or any other charge, cause of action, prelitigation settlement or other settlement which recovers money wrongfully paid by the Oklahoma Health Care Authority on a claim submitted to the Oklahoma Health Care Authority. However, this subsection is not in any way intended to affect the contempt power of any court. Funds collected by the Attorney General pursuant to this section shall be deposited as follows:

1. Restitution recovered and interest thereon shall be returned to the Oklahoma Health Care Authority for deposit to the Oklahoma Health Care Authority Medicaid Program Fund created pursuant to Section 5020 of Title 63 of the Oklahoma Statutes~~.~~;

2. Costs of investigation, litigation, attorney fees, and other expenses shall be retained by the Office of the Attorney General and

shall be deposited in the Attorney General's Medicaid Fraud Revolving Fund created pursuant to subsection E of this section~~.~~; and

3. Fines and penalties and other funds recovered and interest thereon shall be deposited in the Attorney General's Medicaid Fraud Revolving Fund; provided, the balance in the Attorney General's Medicaid Fraud Revolving Fund shall not exceed an amount equal to fifty percent (50%) of the current-year budget for operating costs of the Medicaid Fraud Control Unit. Any funds exceeding that amount shall be deposited as follows:

a. seventy-five percent (75%) to the General Revenue Fund, and

b. twenty-five percent (25%) to the Attorney General's Evidence Fund created pursuant to Section 19 of Title 74 of the Oklahoma Statutes.

E. There is hereby created in the State Treasury a revolving fund for the Office of the Attorney General, to be designated the "Attorney General's Medicaid Fraud Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of any monies designated to the fund by law. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Attorney General for activities related to the Medicaid Fraud Control Unit. Expenditures from said fund shall be made upon warrants issued by the State

Treasurer against claims filed as prescribed by law with the Director of the Office of ~~State Finance~~ Management and Enterprise Services for approval and payment.

SECTION 37. REPEALER 56 O.S. 2011, Section 1003, as amended by Section 240, Chapter 304, O.S.L. 2012 (56 O.S. Supp. 2012, Section 1003), is hereby repealed.

SECTION 38. AMENDATORY 56 O.S. 2011, Section 2002, as amended by Section 1, Chapter 122, O.S.L. 2012 (56 O.S. Supp. 2012, Section 2002), is amended to read as follows:

Section 2002. A. For the purpose of providing quality care enhancements, the Oklahoma Health Care Authority is authorized to and shall assess a Nursing Facilities Quality of Care Fee pursuant to this section upon each nursing facility licensed in this state. Quality of care enhancements include, but are not limited to, the purposes specified in this section.

B. As a basis for determining the Nursing Facilities Quality of Care Fee assessed upon each licensed nursing facility, the Authority shall calculate a uniform per-patient day rate. The rate shall be calculated by dividing six percent (6%) of the total annual patient gross receipts of all licensed nursing facilities in this state by the total number of patient days for all licensed nursing facilities in this state. The result shall be the per-patient day rate. Beginning July 15, 2004, the Nursing Facilities Quality of Care Fee shall not be increased unless specifically authorized by the Legislature.

C. Pursuant to any approved Medicaid waiver and pursuant to subsection N of this section, the Nursing Facilities Quality of Care Fee shall not exceed the amount or rate allowed by federal law for nursing home licensed bed days.

D. The Nursing Facilities Quality of Care Fee owed by a licensed nursing facility shall be calculated by the Authority by adding the daily patient census of a licensed nursing facility, as reported by the facility for each day of the month, and by multiplying the ensuing figure by the per-patient day rate determined pursuant to the provisions of subsection B of this section.

E. Each licensed nursing facility which is assessed the Nursing Facilities Quality of Care Fee shall be required to file a report on a monthly basis with the Authority detailing the daily patient census and patient gross receipts at such time and in such manner as required by the Authority.

F. 1. The Nursing Facilities Quality of Care Fee for a licensed nursing facility for the period beginning October 1, 2000, shall be determined using the daily patient census and annual patient gross receipts figures reported to the Authority for the calendar year 1999 upon forms supplied by the Authority.

2. Annually the Nursing Facilities Quality of Care Fee shall be determined by:

a. using the daily patient census and patient gross receipts reports received by the Authority for the most recent available twelve (12) months, and

b. annualizing those figures.

Each year thereafter, the annualization of the Nursing Facilities Quality of Care Fee specified in this paragraph shall be subject to the limitation in subsection B of this section unless the provision of subsection C of this section is met.

G. The payment of the Nursing Facilities Quality of Care Fee by licensed nursing facilities shall be an allowable cost for Medicaid reimbursement purposes.

H. 1. There is hereby created in the State Treasury a revolving fund to be designated the "Nursing Facility Quality of Care Fund".

2. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of:

a. all monies received by the Authority pursuant to this section and otherwise specified or authorized by law,

b. monies received by the Authority due to federal financial participation pursuant to Title XIX of the Social Security Act, and

c. interest attributable to investment of money in the fund.

3. All monies accruing to the credit of the fund are hereby appropriated and shall be budgeted and expended by the Authority for:

a. reimbursement of the additional costs paid to Medicaid-certified nursing facilities for purposes specified by Sections 1-1925.2, 5022.1 and 5022.2 of Title 63 of the Oklahoma Statutes,

b. reimbursement of the Medicaid rate increases for intermediate care facilities for the mentally retarded (ICFs/MR),

c. nonemergency transportation services for Medicaid-eligible nursing home clients,

d. eyeglass and denture services for Medicaid-eligible nursing home clients,

e. ten additional ombudsmen employed by the Department of Human Services,

f. ten additional nursing facility inspectors employed by the State Department of Health,

g. pharmacy and other Medicaid services to qualified Medicare beneficiaries whose incomes are at or below one hundred percent (100%) of the federal poverty level; provided however, pharmacy benefits authorized for such qualified Medicare beneficiaries shall be suspended if the federal government subsequently extends pharmacy benefits to this population,

h. costs incurred by the Authority in the administration of the provisions of this section and any programs created pursuant to this section,

i. durable medical equipment and supplies services for Medicaid-eligible elderly adults, and

j. personal needs allowance increases for residents of nursing homes and Intermediate Care Facilities for the Mentally Retarded (ICFs/MR) from Thirty Dollars ($30.00) to Fifty Dollars ($50.00) per month per resident.

4. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of ~~State Finance~~ Management and Enterprise Services for approval and payment.

5. The fund and the programs specified in this section funded by revenues collected from the Nursing Facilities Quality of Care Fee pursuant to this section are exempt from budgetary cuts, reductions, or eliminations.

6. The Medicaid rate increases for intermediate care facilities for the mentally retarded (ICFs/MR) shall not exceed the net Medicaid rate increase for nursing facilities including, but not

limited to, the Medicaid rate increase for which Medicaid-certified nursing facilities are eligible due to the Nursing Facilities Quality of Care Fee less the portion of that increase attributable to treating the Nursing Facilities Quality of Care Fee as an allowable cost.

7. The reimbursement rate for nursing facilities shall be made in accordance with Oklahoma's Medicaid reimbursement rate methodology and the provisions of this section.

8. No nursing facility shall be guaranteed, expressly or otherwise, that any additional costs reimbursed to the facility will equal or exceed the amount of the Nursing Facilities Quality of Care Fee paid by the nursing facility.

I. 1. In the event that federal financial participation pursuant to Title XIX of the Social Security Act is not available to the Oklahoma Medicaid program, for purposes of matching expenditures from the Nursing Facility Quality of Care Fund at the approved federal medical assistance percentage for the applicable fiscal year, the Nursing Facilities Quality of Care Fee shall be null and void as of the date of the nonavailability of such federal funding, through and during any period of nonavailability.

2. In the event of an invalidation of this section by any court of last resort under circumstances not covered in subsection J of this section, the Nursing Facilities Quality of Care Fee shall be null and void as of the effective date of that invalidation.

3. In the event that the Nursing Facilities Quality of Care Fee is determined to be null and void for any of the reasons enumerated in this subsection, any Nursing Facilities Quality of Care Fee assessed and collected for any periods after such invalidation shall be returned in full within sixty (60) days by the Authority to the nursing facility from which it was collected.

J. 1. If any provision of this section or the application thereof shall be adjudged to be invalid by any court of last resort, such judgment shall not affect, impair or invalidate the provisions of the section, but shall be confined in its operation to the provision thereof directly involved in the controversy in which such judgment was rendered. The applicability of such provision to other persons or circumstances shall not be affected thereby.

2. This subsection shall not apply to any judgment that affects the rate of the Nursing Facilities Quality of Care Fee, its applicability to all licensed nursing homes in the state, the usage of the fee for the purposes prescribed in this section, and/or the ability of the Authority to obtain full federal participation to match its expenditures of the proceeds of the fee.

K. The Authority shall promulgate rules for the implementation and enforcement of the Nursing Facilities Quality of Care Fee established by this section.

L. The Authority shall provide for administrative penalties in the event nursing facilities fail to:

1. Submit the Quality of Care Fee;

2. Submit the fee in a timely manner;

3. Submit reports as required by this section; or

4. Submit reports timely.

M. As used in this section:

1. "Nursing facility" means any home, establishment or institution, or any portion thereof, licensed by the State Department of Health as defined in Section 1-1902 of Title 63 of the Oklahoma Statutes;

2. "Medicaid" means the medical assistance program established in Title XIX of the federal Social Security Act and administered in this state by the Authority;

3. "Patient gross revenues" means gross revenues received in compensation for services provided to residents of nursing facilities including, but not limited to, client participation. The term "patient gross revenues" shall not include amounts received by nursing facilities as charitable contributions; and

4. "Additional costs paid to Medicaid-certified nursing facilities under Oklahoma's Medicaid reimbursement methodology" means both state and federal Medicaid expenditures including, but not limited to, funds in excess of the aggregate amounts that would otherwise have been paid to Medicaid-certified nursing facilities under the Medicaid reimbursement methodology which have been updated for inflationary, economic, and regulatory trends and which are in

effect immediately prior to the inception of the Nursing Facilities Quality of Care Fee.

N. 1. As per any approved federal Medicaid waiver, the assessment rate subject to the provision of subsection C of this section is to remain the same as those rates that were in effect prior to January 1, 2012, for all state-licensed continuum of care facilities.

2. Any facilities that made application to the State Department of Health to become a licensed continuum of care facility no later than January 1, 2012, shall be assessed at the same rate as those facilities assessed pursuant to paragraph 1 of this subsection; provided, that any facility making said application shall receive the license on or before September 1, 2012. Any facility that fails to receive such license from the State Department of Health by September 1, 2012, shall be assessed at the rate established by subsection C of this section subsequent to September 1, 2012.

O. If any provision of this section, or the application thereof, is determined by any controlling federal agency, or any court of last resort to prevent the state from obtaining federal financial participation in the state's Medicaid program, such provision shall be deemed null and void as of the date of the nonavailability of such federal funding and through and during any period of nonavailability. All other provisions of the bill shall remain valid and enforceable.

SECTION 39. REPEALER 56 O.S. 2011, Section 2002, as amended by Section 241, Chapter 304, O.S.L. 2012 (56 O.S. Supp. 2012, Section 2002), is hereby repealed.

SECTION 40. AMENDATORY 57 O.S. 2011, Section 549.1, as amended by Section 252, Chapter 304, O.S.L. 2012 (57 O.S. Supp. 2012, Section 549.1), is amended to read as follows:

Section 549.1. A. The Department of Corrections is authorized to purchase in the manner prescribed by law, facilities, equipment, raw materials and supplies, and to engage the supervisory personnel necessary to establish and maintain for this state at the penal institutions, now or hereafter under the control of the State Board of Corrections, industries and agricultural programs for the utilization of services of prisoners in the manufacture or production of the articles or products as may be needed for the construction, operation, maintenance or use of any office, department, institution or agency supported in whole or in part by this state and the political subdivisions thereof. Upon the request of the Oklahoma Historical Society or the Oklahoma Tourism and Recreation Department, the Department of Corrections shall provide labor for and shall produce or manufacture articles, products or materials needed for the repair, construction and maintenance of historical sites and state parks including, but not limited to, the production of materials and products needed for the reconstruction of historic forts in the state.

B. All articles and services provided by the Department of Corrections in the state correctional institutions, and not required for use therein, shall be purchased as required by all offices, departments, institutions, agencies, counties, schools, colleges, universities, or political subdivisions or any agency thereof of this state which are supported in whole or in part by this state, if such article or service is the lowest and best bid, and no such article or product may be purchased by any such office, department, institution, agency, county, school, college, university, or political subdivisions or agency thereof from any other source unless excepted from the provisions as hereinafter provided. Purchases made by the above-described state agencies may be made by submitting the proper requisition through the Office of Management and Enterprise Services or by direct order to the prison industries program of the Department of Corrections.

C. If a requisition is received by the Office of Management and Enterprise Services or a direct order is received by the Prison Industries Program of the Department of Corrections from a state agency for any product or service provided by the Department of Corrections and such product or service is also available from a severely handicapped person or a qualified nonprofit agency for the severely handicapped as provided in Section 3001 et seq. of Title 74 of the Oklahoma Statutes at a comparable price, then the product or service shall be purchased from such severely handicapped person or qualified nonprofit agency for the severely handicapped. If the product or service is not available within the time period required by the purchasing state agency, then such product or service shall be purchased from the Department of Corrections under the provisions of this section.

D. All offices, departments, institutions, agencies, counties, cities, districts or political subdivisions, schools, colleges, or universities, or any agency thereof, or any agencies of the state, which are supported in whole or in part by this state, may purchase the goods or services produced by the prison industries of the Department of Corrections through their properly authorized purchasing authority, or they may place a direct order without competitive bid, with the prison industries of the Department of Corrections.

E. Not-for-profit corporations or charitable agencies chartered in Oklahoma or other states may purchase such goods and services. Units of the federal government and units of government in other states may also purchase such goods and services. All entities which contract with the state, its political units, its agencies, its public institutions, not-for-profit corporations or charitable agencies chartered in Oklahoma may purchase goods or services from the Department of Corrections which are used in the performance of such contracts. Any church located in the State of Oklahoma may also purchase goods and services produced by the prison industries of the Department of Corrections. Any community action agency or council of governments within this state may purchase housing components produced by the prison industries of the Department of Corrections. Nothing shall prohibit the Department from bidding on portions of a state contract which are subcontracted by the primary contractor.

F. Others are prohibited from purchasing such goods and services, with the exception that all surplus agricultural products may be sold on the open market or bartered and exchanged for other food, feed or seed products of comparable value. The Department of Corrections shall keep complete and accurate records of any such barters or exchanges in such form and manner as the Office of Management and Enterprise Services may prescribe. A copy of such records shall be filed with the Office of Management and Enterprise Services no later than March 1 of each year for all barters or exchanges occurring in the previous calendar year. When practicable, the Department of Corrections may accept and process agricultural products from the public and may export the resulting products to foreign markets.

G. Products manufactured by the Department of Corrections shall be of styles, patterns, designs and quantities specified by the Department of Corrections except where the same have been or may be specified by the Office of Management and Enterprise Services.

Products shall be provided at a fair market price for comparable quality.

H. State agencies shall make maximum utilization of such products and no similar products shall be purchased by state agencies from any other source than the Department of Corrections except as provided in subsection C of this section, unless the Department of Corrections certifies to the State Purchasing Director that it is not able to provide products, and no claim therefor shall be paid without such certification.

I. Exceptions from the mandatory provisions hereof may be made in any case where, in the opinion of the Office of Management and Enterprise Services, the article or product does not meet the reasonable requirements of or for such offices, departments, institutions or agencies, or in any case where the requisitions made cannot be reasonably complied with. No such offices, departments, institutions or agencies, shall be allowed to evade the intent and meaning of this section by slight variations from standards adopted by the Office of Management and Enterprise Services, when the articles, services or products produced or manufactured by the Department of Corrections, in accordance with established standards, are reasonably adapted to the actual needs of such offices, departments, institutions or agencies.

J. In the event of disagreement between the Department of Corrections and the State Purchasing Director on fairness of price, ability to comply to specifications, reasonableness of specifications and timeliness of delivery of products the matter will be resolved by the Central Purchasing Director.

K. The Office of Management and Enterprise Services shall cooperate with the Department of Corrections in seeking to promote for use in state agencies and by all other eligible customers, the products manufactured and services provided by the prison industries.

L. The Department of Corrections shall prepare catalogs containing the description of all goods and services provided, with the pricing of each item. Copies of such catalog shall be sent by the Department of Corrections to all offices, departments, institutions and agencies of this state, and shall be available for distribution to all other eligible customers.

SECTION 41. REPEALER 57 O.S. 2011, Section 549.1, as amended by Section 2, Chapter 219, O.S.L. 2012 (57 O.S. Supp. 2012, Section 549.1), is hereby repealed.

SECTION 42. AMENDATORY 59 O.S. 2011, Section 1203, as amended by Section 279, Chapter 304, O.S.L. 2012 (59 O.S. Supp. 2012, Section 1203), is amended to read as follows:

Section 1203. A. A State Board of Registration for Foresters is hereby created, to continue until July 1, ~~2012~~ 2016, in accordance with the provisions of the Oklahoma Sunset Law, whose duty it shall be to administer the provisions of Sections 1201 through 1220 of this title.

B. On the effective date of this act:

1. The persons serving on the Board on June 30, 1988, shall continue to serve the full terms for which they were originally appointed until their successors have been duly appointed and approved with the advice and consent of the Senate. All future Boards shall continue the staggered terms of office established for the State Board of Registration for Foresters prior to July 1, 1988.

2. Any actions taken by any state agency on behalf of the State Board of Registration for Foresters or in an attempt to enforce the provisions of Sections 1201 through 1220 of this title shall be subject to review by the Board on and after the effective date of this act. Any such acts may be rescinded or modified as deemed appropriate by the Board, provided that such action shall not affect any accrued right, or penalty incurred, or proceeding begun between July 1, 1988, and the effective date of this act.

3. All funds collected after June 30, 1988, equipment, files, fixtures, furniture, and supplies of the Board which were transferred to the Office of Management and Enterprise Services or State Treasury pursuant to Section 3909 of Title 74 of the Oklahoma Statutes shall be returned to the care and custody of the Board on the effective date of this act.

4. All orders, determinations, rules, regulations, permits, certificates, licenses, contracts, rates, and privileges which have been issued, made, granted, or allowed by the Board and are in effect on June 30, 1988, shall continue in effect according to their terms until further action is taken by the Board after the effective date of this act or as modified by law.

C. The Board shall consist of five (5) foresters who shall be selected and appointed by the Governor of Oklahoma, with the advice and consent of the Oklahoma State Senate, and who shall possess the qualifications set forth pursuant to the provisions of Section 1204 of this title. Each qualified member of the Board shall receive a certificate of his appointment from the Governor and before beginning his term of office shall file with the Secretary of State his written oath or affirmation for the faithful discharge of his official duties.

D. The five members of the initial Board appointed after the creation of the Board on May 27, 1963, shall be appointed for terms of one (1), two (2), three (3), four (4) and five (5) years respectively. The initial Board and all future Boards shall always be composed of at least one member from each of the following fields: education, industry and public agency. On the expiration of the term of any member of the initial Board, the Governor shall, in the manner hereinbefore provided, appoint for a term of five (5) years a registered forester having the qualifications set forth in

Section 1204 of this title to take the place of the member whose term on said Board is expiring. Each member shall hold office until the expiration of the term for which such member is appointed and until a successor shall have been duly appointed and qualified.

SECTION 43. REPEALER 59 O.S. 2011, Section 1203, as amended by Section 1, Chapter 72, O.S.L. 2012 (59 O.S. Supp. 2012, Section 1203), is hereby repealed.

SECTION 44. AMENDATORY 59 O.S. 2011, Section 1800.14, as amended by Section 16, Chapter 368, O.S.L. 2012 (59 O.S. Supp. 2012, Section 1800.14), is amended to read as follows:

Section 1800.14. There is hereby created in the State Treasury a revolving fund for the Department of Labor, to be designated the "Alarm and Locksmith Industry Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Alarm and Locksmith Industry Committee or the Department of Labor pursuant to the Alarm and Locksmith Industry Act. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Commissioner of Labor for the purpose of administration, implementing, and enforcement of the Alarm and Locksmith Industry Act, including, but not limited to, office administration and personnel expense, licensing and training, reimbursements in accordance with the State Travel Reimbursement Act, and other necessary expenses relating to the Alarm and Locksmith Industry Act.

The Commissioner shall not expend or transfer any monies from this fund for any purpose not relating to the Alarm and Locksmith Industry Act. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 45. REPEALER 59 O.S. 2011, Section 1800.14, as amended by Section 282, Chapter 304, O.S.L. 2012 (59 O.S. Supp. 2012, Section 1800.14), is hereby repealed.

SECTION 46. AMENDATORY 59 O.S. 2011, Section 1800.15, as amended by Section 17, Chapter 368, O.S.L. 2012 (59 O.S. Supp. 2012, Section 1800.15), is amended to read as follows:

Section 1800.15. The Commissioner of Labor shall pay all costs of administration of the Alarm and Locksmith Industry Act from fees, monies and other revenue collected pursuant to the provisions of the Alarm and Locksmith Industry Act. At no time shall a claim for payment be submitted to the Director of the Office of ~~State Finance~~ Management and Enterprise Services or the State Treasurer if the revenue deposited in the Alarm and Locksmith Industry Revolving Fund to the current date does not equal or exceed the total claims for payments made to that date.

SECTION 47. REPEALER 59 O.S. 2011, Section 1800.15, as amended by Section 283, Chapter 304, O.S.L. 2012 (59 O.S. Supp. 2012, Section 1800.15), is hereby repealed.

SECTION 48. AMENDATORY 61 O.S. 2011, Section 202, as amended by Section 1, Chapter 184, O.S.L. 2012 (61 O.S. Supp. 2012, Section 202), is amended to read as follows:

Section 202. As used in the Public Building Construction and Planning Act:

1. "Administrator" means the State Construction Administrator of the Construction and Properties Division of the ~~Department of Central Services of the Office of State Finance~~ Office of Management and Enterprise Services;

2. "Annual capital plan" means the collective state facility capital improvements and real property transactions approved by the Legislature relative to state construction, maintenance, and real estate services;

3. "Capital planning and asset management" means the processes delegated to the Construction and Properties Department for real property data acquisition, data analysis and determination of capital construction projects, disposition of real property and leasing of facility space;

4. "Construction" means the process of planning, acquiring, designing, building, equipping, altering, repairing, improving, maintaining, leasing, disposing or demolishing any structure or appurtenance thereto including facilities, utilities, or other improvements to any real property but not including highways,

bridges, airports, railroads, tunnels, sewers not related to a structure or appurtenance thereto, or dams;

5. "Construction administration" means a series of actions required of the State Construction Administrator, of other state agency employees, or, under a construction administration contract or contract provision, to ensure the full, timely, and proper performance of all phases of a construction project by all contractors, suppliers, and other persons having responsibility for project work and any guarantees or warranties pertaining thereto;

6. "Construction management" means a project delivery method based on an agreement whereby the owner acquires from a construction entity a series of services that include, but are not necessarily limited to, design review, scheduling, cost control, value engineering, constructability evaluation, preparation and coordination of bid packages, and construction administration; "construction management" includes:

a. "agency construction management" whereby the construction entity provides services to the owner without taking on financial risks for the execution of the actual construction, and

b. "at-risk construction management" whereby the construction entity, after providing agency services during the pre-construction period, takes on the financial obligation to carry out construction under a specified cost agreement;

7. "Consultant" means an individual or legal entity possessing the qualifications to provide licensed architectural, registered engineering, registered land surveying, certified appraisal, land title, or abstract services or possessing specialized credentials and qualifications as may be needed to evaluate, plan or design for any construction or public work improvement project, or to lease, acquire or dispose of state-owned real property;

8. "Design-build" means a project delivery method whereby the state acquires both design and construction services in the same contract from a single legal entity, referred to as the design-builder, without the bid component of the traditional design-bid-build process;

9. ~~"Department" means the Department of Central Services of the Office of State Finance;~~

~~10.~~ "Director" means the Director of the Office of ~~State Finance~~ Management and Enterprise Services;

~~11.~~ 10. "Division" means the Construction and Properties Division of the ~~Department of Central Services of the Office of State Finance~~ Office of Management and Enterprise Services;

~~12.~~ 11. "Energy performance index or indices" (EPI) means a number describing the energy requirements at the building boundary of a structure, per square foot of floor space or per cubic foot of occupied volume, as appropriate under defined internal and external ambient conditions over an entire seasonal cycle. As experience develops on the energy performance achieved with state construction, the indices (EPI) will serve as a measure of structure performance with respect to energy consumption;

~~13.~~ 12. "Life cycle costs" means the cost of owning, operating, and maintaining the structure over the life of the structure. This may be expressed as an annual cost for each year of the facility's use;

13. "Office" means the Office of Management and Enterprise Services;

14. "Procurement" means buying, purchasing, renting, leasing, or otherwise acquiring or disposing of supplies, services, or construction;

15. "Public improvement" means any beneficial or valuable change or addition, betterment, enhancement or amelioration of or upon any real property, or interest therein, belonging to a public agency, intended to enhance its value, beauty or utility or to adapt it to new or further purposes. The term does not include the direct purchase of materials, provided that the materials are not purchased in increments for an amount of less than Twenty-five Thousand Dollars ($25,000.00) and used for the purposes of completing a single project, equipment or supplies by a public agency, or any

personal property as defined in paragraphs 1 and 4 of subsection B of Section 430.1 of Title 62 of the Oklahoma Statutes;

16. "Shared savings financing" means the financing of energy conservation measures and maintenance services through a private firm which may own any purchased equipment for the duration of a contract. Such contract shall specify that the private firm will be recompensed either out of a negotiated portion of the savings resulting from the conservation measures and maintenance services provided by the private firm or, in the case of a cogeneration project, through the payment of a rate for energy lower than would otherwise have been paid for the same energy from current sources; and

17. "State agency" means an agency, board, commission, counsel, court, office, officer, bureau, institution, unit, division, body, or house of the executive or judicial branches of government of this state, whether elected or appointed, excluding only political subdivisions.

SECTION 49. REPEALER 61 O.S. 2011, Section 202, as amended by Section 318, Chapter 304, O.S.L. 2012 (61 O.S. Supp. 2012, Section 202), is hereby repealed.

SECTION 50. AMENDATORY 61 O.S. 2011, Section 204, as amended by Section 2, Chapter 184, O.S.L. 2012 (61 O.S. Supp. 2012, Section 204), is amended to read as follows:

Section 204. A. The Construction and Properties Division <u>of the Office of Management and Enterprise Services</u> shall:

1. Maintain a comprehensive master plan for utilization and construction of buildings for state agencies, capital improvements, and utilization of land owned by this state. Requirements of the master planning process shall include:

a. reporting by each state agency concerning facility needs,

b. data acquisition of condition and performance benchmarking of state agency facilities,

c. analyses and audits of state agency facilities, properties and leaseholds to determine critical and long-range needs,

d. development of state agency long-range strategic facility plans,

e. short-range project programming to identify budget requests for facility capital improvements and asset management decisions, and

f. an annual capital plan for all state agencies submitted to the Legislature for line-item appropriation requests;

2. Review and approve all construction plans and specifications to ensure compliance with good construction practices and space standards, costs of project, proposed construction timetables, and

agency need for the project, except as otherwise provided in subsection B of this section;

3. Inspect prior to acceptance and final payment all completed projects for which the Division issued bid solicitations to ensure compliance with the plans and specifications of the project;

4. Provide assistance to state agencies when a state agency desires to hire a consultant or construction manager for a project. Except as provided by subsection B of this section, the Division shall award and execute contracts to consultants and construction managers that provide services to state agencies for construction projects;

5. Develop and issue solicitations for award of state agency contracts for construction. The Division shall have final approval authority for contracts and contract documents. Neither the Division nor any state agency shall, for performance of work that requires that a contractor be licensed by this state, issue a solicitation to, or make a contract with, a contractor not licensed by this state;

6. Review inspections performed by consultants and construction managers during construction, primary inspections when consultants or construction managers are not used, and final inspections after completion;

7. Recommend standards, including, but not limited to, building codes, space utilization, material testing, indexes of efficiency,

economy, and effectiveness, pursuant to rules the Director promulgates;

8. Monitor construction projects to ensure maximum efficiency in the expenditure of state funds for construction;

9. Report fraud or waste in any construction project by written notification with documentation for the report to the Attorney General. The Attorney General shall take appropriate action to protect the interest of the state; and

10. Prequalify as good and sufficient insurance carriers, bonding companies and surety companies to meet provisions of Sections 1 and 134 of this title. The Director shall promulgate rules to establish criteria to determine whether a carrier or company is good and sufficient. The prequalification requirement and process shall not violate the provisions of Section 135 of this title.

B. When a state agency has a licensed architect or licensed engineer, as a full-time employee, to review construction plans and specifications, the review and approval of all construction plans and specifications required pursuant to paragraph 2 of subsection A of this section shall not apply to:

1. The common schools subject to the jurisdiction of the State Department of Education;

2. The Department of Transportation with respect to highways, bridges and dams;

3. The Oklahoma State System of Higher Education;

4. The Military Department of the State of Oklahoma;

5. The Oklahoma Tourism and Recreation Department; and

6. The Department of Human Services.

C. Not later than December 31, 2012, with the advice of the State Construction Administrator, the Director of the Office of ~~State Finance~~ Management and Enterprise Services shall provide a report containing recommendations to the Legislature for the streamlining, integration, and consolidation of state construction, maintenance, and real property management processes to maximize capital assets and achieve cost savings to the state. The report shall identify the necessary planning processes for transitioning from a decentralized capital budgeting process to a centralized annual capital plan appropriation process, to be implemented no later than January 1, 2014.

SECTION 51. REPEALER 61 O.S. 2011, Section 204, as amended by Section 321, Chapter 304, O.S.L. 2012 (61 O.S. Supp. 2012, Section 204), is hereby repealed.

SECTION 52. AMENDATORY 61 O.S. 2011, Section 208.1, as amended by Section 3, Chapter 184, O.S.L. 2012 (61 O.S. Supp. 2012, Section 208.1), is amended to read as follows:

Section 208.1. The Construction and Properties Division of the Office of Management and Enterprise Services may collect a reasonable fee for the purpose of providing or contracting for architectural, engineering, land surveying, planning, real estate and related services to state agencies and political subdivisions of the state, and from persons requesting plans and notification of solicitations issued by the Division. The Division may collect a reasonable fee for management services. Annual fees to the Division may be calculated as a percentage of annual construction and real estate services in an amount necessary to support Division operation as designated in the annual capital plan. All fees collected in accordance with the provisions of this section shall be deposited in the "State Construction Revolving Fund" created in Section 208.2 of this title.

SECTION 53. REPEALER 61 O.S. 2011, Section 208.1, as amended by Section 325, Chapter 304, O.S.L. 2012 (61 O.S. Supp. 2012, Section 208.1), is hereby repealed.

SECTION 54. AMENDATORY 61 O.S. 2011, Section 208.2, as amended by Section 4, Chapter 184, O.S.L. 2012 (61 O.S. Supp. 2012, Section 208.2), is amended to read as follows:

Section 208.2. There is hereby created in the State Treasury a revolving fund for the Construction and Properties Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services, to be designated the "State Construction Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all funds appropriated by the Legislature for projects included in the annual capital plan; funds from nonappropriated sources designated for projects within a capital plan; and fees collected by the Division in accordance with the provisions of this section or as otherwise provided by law. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Division. The fund shall be used to pay expenses resulting from contracts awarded by the Division and to defray Division operating costs and expenses the Department incurs to support Division operations. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

SECTION 55. REPEALER 61 O.S. 2011, Section 208.2, as amended by Section 326, Chapter 304, O.S.L. 2012 (61 O.S. Supp. 2012, Section 208.2), is hereby repealed.

SECTION 56. AMENDATORY 62 O.S. 2011, Section 34.11.1, as amended by Section 342, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 34.11.1), is amended to read as follows:

Section 34.11.1. A. There is hereby created the position of Chief Information Officer who shall be appointed by the Governor. The Chief Information Officer, in addition to having authority over the Information Services Division of the Office of Management and Enterprise Services, shall also serve as Secretary of Information Technology and Telecommunications or successor cabinet position and shall have jurisdictional areas of responsibility related to information technology and telecommunications systems of all state agencies as provided for in the Oklahoma Information Services Act. The salary of the Chief Information Officer shall not be less than One Hundred Thirty Thousand Dollars ($130,000.00) or more than One Hundred Sixty Thousand Dollars ($160,000.00). The first Chief Information Officer shall be appointed no later than January 1, 2010.

B. Any person appointed to the position of Chief Information Officer shall meet the following eligibility requirements:

1. A baccalaureate degree in Computer Information Systems, Information Systems or Technology Management, Business Administration, Finance, or other similar degree;

2. A minimum of ten (10) years of professional experience with responsibilities for management and support of information systems and information technology, including seven (7) years of direct management of a major information technology operation;

3. Familiarity with local and wide-area network design, implementation, and operation;

4. Experience with data and voice convergence service offerings;

5. Experience in developing technology budgets;

6. Experience in developing requests for proposal and administering the bid process;

7. Experience managing professional staff, teams, and consultants;

8. Knowledge of telecommunications operations;

9. Ability to develop and set strategic direction for information technology and telecommunications and to manage daily development and operations functions;

10. An effective communicator who is able to build consensus;

11. Ability to analyze and resolve complex issues, both logical and interpersonal;

12. Effective verbal and written communications skills and effective presentation skills, geared toward coordination and education;

13. Ability to negotiate and defuse conflict; and

14. A self-motivator, independent, cooperative, flexible and creative.

C. The salary and any other expenses for the Chief Information Officer shall be budgeted as a separate line item through the Office of Management and Enterprise Services. The operating expenses of the Information Services Division shall be set by the Chief Information Officer and shall be budgeted as a separate line item through the Office of Management and Enterprise Services. The Office of Management and Enterprise Services shall provide adequate office space, equipment and support necessary to enable the Chief Information Officer to carry out the information technology and telecommunications duties and responsibilities of the Officer and the Information Services Division.

D. 1. Within twelve (12) months of appointment, the first Chief Information Officer shall complete an assessment of the implementation of the transfer, coordination, and modernization of all information technology and telecommunication systems of all state agencies in the state as provided for in the Oklahoma Information Services Act. The assessment shall include the information technology and telecommunications systems of all institutions within The Oklahoma State System of Higher Education, the Oklahoma State Regents for Higher Education and the telecommunications network known as OneNet.

2. Within twelve (12) months of appointment, the first Chief Information Officer shall issue a report setting out a plan of action which will include the following:

a. define the shared service model organization structure and the reporting relationship of the recommended organization,

b. the implementation of an information technology and telecommunications shared services model that defines the statewide infrastructure environment needed by most state agencies that is not specific to individual agencies and the shared applications that are utilized across multiple agencies,

c. define the services that shall be in the shared services model under the control of the Information Services Division of the Office of Management and Enterprise Services,

d. define the roadmap to implement the proposed shared services model. The roadmap shall include recommendations on the transfer, coordination, and modernization of all information technology and telecommunication systems of all the state agencies in the state,

e. recommendations on the reallocation of information technology and telecommunication resources and personnel,

f. recommendations on maximizing the benefits to the state by the alignment and operation of the communications and data transfer network assets known as OneNet,

g. a cost benefit analysis to support the recommendations on the reallocation of information technology and telecommunication resources and personnel,

h. a calculation of the net savings realized through the reallocation and consolidation of information technology and telecommunication resources and personnel after compensating for the cost of contracting with a private consultant as authorized in paragraph 4 of this subsection, implementing the plan of action, and ongoing costs of the Information Services Division of the Office of Management and Enterprise Services, and

i. the information required in subsection B of Section 35.5 of this title.

3. The plan of action report shall be presented to the Governor, Speaker of the House of Representatives, and the President Pro Tempore of the State Senate.

4. The Chief Information Officer may contract with a private consultant or consultants to assist in the assessment and development of the plan of action report as required in this subsection.

E. Beginning on the effective date of appointment, the Chief Information Officer shall be authorized to employ personnel, fix the duties and compensation of the personnel, not otherwise prescribed by law, and otherwise direct the work of the personnel in performing the function and accomplishing the purposes of the Information Services Division of the Office of Management and Enterprise Services.

F. Beginning on the effective date of the appointment of the first Chief Information Officer, the Information Services Division of the Office of Management and Enterprise Services shall be responsible for the following duties:

1. Formulate and implement the information technology strategy for all state agencies;

2. Define, design, and implement a shared services statewide infrastructure and application environment for information technology and telecommunications for all state agencies;

3. Direct the development and operation of a scalable telecommunications infrastructure that supports data and voice communications reliability, integrity, and security;

4. Supervise the applications development process for those applications that are utilized across multiple agencies;

5. Provide direction for the professional development of information technology staff of state agencies and oversee the professional development of the staff of the Information Services Division of the Office of Management and Enterprise Services;

6. Evaluate all technology and telecommunication investment choices for all state agencies;

7. Create a plan to ensure alignment of current systems, tools, and processes with the strategic information technology plan for all state agencies;

8. Set direction and provide oversight for the support and continuous upgrading of the current information technology and

telecommunication infrastructure in the state in support of enhanced reliability, user service levels, and security;

9. Direct the development, implementation, and management of appropriate standards, policies and procedures to ensure the success of state information technology and telecommunication initiatives;

10. Recruit, hire and transfer the required technical staff in the Information Services Division of the Office of Management and Enterprise Services to support the services provided by the Division and the execution of the strategic information technology plan;

11. Establish, maintain, and enforce information technology and telecommunication standards;

12. Delegate, coordinate, and review all work to ensure quality and efficient operation of the Information Services Division of the Office of Management and Enterprise Services;

13. Create and implement a communication plan that disseminates pertinent information to state agencies on standards, policies, procedures, service levels, project status, and other important information to customers of the Information Services Division of the Office of Management and Enterprise Services and provide for agency feedback and performance evaluation by customers of the Division;

14. Develop and implement training programs for state agencies using the shared services of the Information Services Division of the Office of Management and Enterprise Services and recommend

training programs to state agencies on information technology and telecommunication systems, products and procedures;

15. Provide counseling, performance evaluation, training, motivation, discipline, and assign duties for employees of the Information Services Division of the Office of Management and Enterprise Services;

16. Approve the purchasing of all information technology and telecommunication products and services for all state agencies;

17. Develop and enforce an overall infrastructure architecture strategy and associated roadmaps for desktop, network, server, storage, and statewide management systems for state agencies;

18. Effectively manage the design, implementation and support of complex, highly available infrastructure to ensure optimal performance, on-time delivery of features, and new products, and scalable growth;

19. Define and implement a governance model for requesting services and monitoring service level metrics for all shared services; and

20. Create the budget for the Information Services Division of the Office of Management and Enterprise Services to be submitted to the Legislature each year.

G. Upon receiving approval of the State Governmental Technology Applications Review Board, the Chief Information Officer shall implement the plan of action as set forth in subsection D of this section; provided, the plan of action for the Department of Human Services shall not be implemented until July 1, 2011. The State Governmental Technology Applications Review Board shall provide ongoing oversight of the implementation of the plan of action. Any proposed amendments to the plan of action shall be approved by the Board prior to adoption. The net savings realized through the reallocation and consolidation of information technology and telecommunication resources and personnel after compensating for the up-front costs and ongoing costs of the Information Services Division of the Office of Management and Enterprise Services which are identified and reported in the plan of action shall be realized no later than July 1, 2012, and shall at a minimum be not less than fifteen percent (15%) of the overall statewide information technology and telecommunications expenditures made by all state agencies during the fiscal year ending June 30, 2009.

H. 1. Beginning on the effective date of appointment, the Chief Information Officer shall act as the Information Technology and Telecommunications Purchasing Director for all state agencies and shall be responsible for the procurement of all information technology and telecommunication software, hardware, equipment, peripheral devices, maintenance, consulting services, high technology systems, and other related information technology, data processing, telecommunication and related peripherals and services for all state agencies. The Chief Information Officer shall establish, implement, and enforce policies and procedures for the procurement of information technology and telecommunication software, hardware, equipment, peripheral devices, maintenance, consulting services, high technology systems, and other related information technology, data processing, telecommunication and related peripherals and services by purchase, lease-purchase, lease with option to purchase, lease and rental for all state agencies. The procurement policies and procedures established by the Chief Information Officer shall be consistent with The Oklahoma Central Purchasing Act and Section 85.7h of Title 74 of the Oklahoma Statutes.

2. The Chief Information Officer, or any employee or agent of the Chief Information Officer acting within the scope of delegated authority, shall have the same power and authority regarding the procurement of all information and telecommunication technology, equipment, software, products and related peripherals and services for all state agencies as the State Purchasing Director has for all acquisitions used or consumed by state agencies as established in The Oklahoma Central Purchasing Act. Such authority shall, consistent with the authority granted to the State Purchasing Director pursuant to Section 85.10 of Title 74 of the Oklahoma Statutes, include the power to designate financial or proprietary information submitted by a bidder confidential and reject all requests to disclose the information so designated, if the Chief

Information Officer requires the bidder to submit the financial or proprietary information with a bid, proposal, or quotation.

I. The Information Services Division of the Office of Management and Enterprise Services and the Chief Information Officer shall be subject to The Oklahoma Central Purchasing Act for the approval and purchase of equipment and products not related to information and telecommunications technology, equipment, software, products and related peripherals and services and shall also be subject to the requirements of the Public Competitive Bidding Act of 1974, the Oklahoma Lighting Energy Conservation Act and the Public Building Construction and Planning Act when procuring data processing, information technology, telecommunication, and related peripherals and services and when constructing information technology and telecommunication facilities, telecommunication networks and supporting infrastructure. The Chief Information Officer shall be authorized to delegate all or some of the procurement of information technology and telecommunication products and services and construction of facilities and telecommunication networks to another state entity if the Chief Information Officer determines it to be cost-effective and in the best interest of the state. The Chief Information Officer shall have authority to designate information technology and telecommunication contracts as statewide contracts and mandatory statewide contracts pursuant to Section 85.5 of Title 74 of the Oklahoma Statutes. Any contract entered into by a state agency for which the Chief Information Officer has not acted as the Information Technology and Telecommunications Purchasing Director as required in this subsection or subsection H of this section, shall be deemed to be unenforceable and the Office of Management and Enterprise Services shall not process any claim associated with the provisions thereof.

J. The Chief Information Officer shall establish and implement charges and a system to assess the charges to state agencies for their use of shared information technology and telecommunication services subject to the approval of the State Governmental Technology Applications Review Board.

K. The Chief Information Officer shall establish, implement, and enforce policies and procedure for the development and procurement of an interoperable radio communications system for state agencies. The Chief Information Officer shall work with local governmental entities in developing the interoperable radio communications system.

L. The Chief Information Officer shall develop and implement a plan to utilize open source technology and products for the information technology and telecommunication systems of all state agencies.

M. All state agencies and authorities of this state and all officers and employees of those entities shall work and cooperate with and lend assistance to the Chief Information Officer and the

Information Services Division of the Office of Management and Enterprise Services and provide any and all information requested by the Chief Information Officer.

N. The Chief Information Officer shall prepare an annual report detailing the ongoing net saving attributable to the reallocation and consolidation of information technology and telecommunication resources and personnel and shall submit the report to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate.

O. For purposes of the Oklahoma Information Services Act, unless otherwise provided for, "state agencies" shall include any office, officer, bureau, board, commission, counsel, unit, division, body, authority or institution of the executive branch of state government, whether elected or appointed; provided, except with respect to the provisions of subsection D of this section, the term "state agencies" shall not include institutions within The Oklahoma State System of Higher Education, the Oklahoma State Regents for Higher Education and the telecommunications network known as OneNet.

SECTION 57. REPEALER 62 O.S. 2011, Section 34.11.1, as last amended by Section 1, Chapter 292, O.S.L. 2012 (62 O.S. Supp. 2012, Section 34.11.1), is hereby repealed.

SECTION 58. AMENDATORY 62 O.S. 2011, Section 34.12, as amended by Section 2, Chapter 292, O.S.L. 2012 (62 O.S. Supp. 2012, Section 34.12), is amended to read as follows:

Section 34.12. A. The Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services shall:

1. Coordinate information technology planning through analysis of the long-term information technology plans for each agency;

2. Develop a statewide information technology plan with annual modifications to include, but not be limited to, individual agency plans and information systems plans for the statewide electronic information technology function;

3. Establish and enforce minimum mandatory standards for:

a. information systems planning,

b. systems development methodology,

c. documentation,

d. hardware requirements and compatibility,

e. operating systems compatibility,

f. acquisition of software, hardware and technology-related services,

g. information security and internal controls,

h. data base compatibility,

i. contingency planning and disaster recovery, and

j. imaging systems, copiers, facsimile systems, printers, scanning systems and any associated supplies.

The standards shall, upon adoption, be the minimum requirements applicable to all agencies. These standards shall be compatible with the standards established for the Oklahoma Government Telecommunications Network. Individual agency standards may be more specific than statewide requirements but shall in no case be less than the minimum mandatory standards. Where standards required of an individual agency of the state by agencies of the federal government are more strict than the state minimum standards, such federal requirements shall be applicable;

4. Develop and maintain applications for agencies not having the capacity to do so;

5. Operate an information technology service center to provide operations and hardware support for agencies requiring such services and for statewide systems;

6. Maintain a directory of the following which have a value of Five Hundred Dollars ($500.00) or more: application systems, systems software, hardware, internal and external information technology, communication or telecommunication equipment owned, leased, or rented for use in communication services for state government, including communication services provided as part of any other total system to be used by the state or any of its agencies, and studies and training courses in use by all agencies of the state; and facilitate the utilization of the resources by any agency having requirements which are found to be available within any agency of the state;

7. Assist agencies in the acquisition and utilization of information technology systems and hardware to effectuate the maximum benefit for the provision of services and accomplishment of the duties and responsibilities of agencies of the state;

8. Coordinate for the executive branch of state government agency information technology activities, encourage joint projects and common systems, linking of agency systems through the review of agency plans, review and approval of all statewide contracts for software, hardware and information technology consulting services and development of a statewide plan and its integration with the budget process to ensure that developments or acquisitions are consistent with statewide objectives and that proposed systems are justified and cost effective;

9. Develop performance reporting guidelines for information technology facilities and conduct an annual review to compare agency plans and budgets with results and expenditures;

10. Establish operations review procedures for information technology installations operated by agencies of the state for independent assessment of productivity, efficiency, cost effectiveness, and security;

11. Establish service center user charges for billing costs to agencies based on the use of all resources;

12. Provide system development and consultant support to state agencies on a contractual, cost reimbursement basis; and

13. In conjunction with the Oklahoma Office of Homeland Security, enforce the minimum information security and internal control standards established by the Information Services Division. An enforcement team consisting of the Chief Information Officer of the Information Services Division or a designee, a representative of the Oklahoma Office of Homeland Security, and a representative of the Oklahoma State Bureau of Investigation shall enforce the minimum information security and internal control standards. If the enforcement team determines that an agency is not in compliance with the minimum information security and internal control standards, the Chief Information Officer shall take immediate action to mitigate the noncompliance, including the removal of the agency from the infrastructure of the state until the agency becomes compliant, taking control of the information technology function of the agency until the agency is compliant, and transferring the administration and management of the information technology function of the agency to the Information Services Division or another state agency.

B. No agency of the executive branch of the state shall use state funds for or enter into any agreement for the acquisition of any category of computer hardware, software or any contract for information technology services and equipment, service costs, maintenance costs, or any other costs or fees associated with the acquisition of the services or equipment, without written authorization of the Chief Information Officer or a designee. If written authorization is not obtained prior to incurring an expenditure or entering into any agreement as required in this subsection or as required in Section 35.4 of this title, the ~~Office of State Finance~~ Office of Management and Enterprise Services may not process any claim associated with the expenditure and the provisions of any agreement shall not be enforceable. The provisions of this subsection shall not be applicable to any member of The Oklahoma State System of Higher Education, any public elementary or secondary schools of the state, any technology center school district as defined in Section 14-108 of Title 70 of the Oklahoma Statutes, or CompSource Oklahoma if CompSource Oklahoma is operating pursuant to a pilot program authorized by Sections 3316 and 3317 of Title 74 of the Oklahoma Statutes.

C. The Chief Information Officer and Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services and all agencies of the executive branch of the state shall not be required to disclose, directly or indirectly, any information of a state agency which is declared to be confidential or privileged by state or federal statute or the disclosure of which is restricted by agreement with the United States or one of its agencies, nor disclose information technology system details that may permit the access to confidential information or any information affecting personal security, personal identity, or physical security of state assets.

SECTION 59. REPEALER 62 O.S. 2011, Section 34.12, as amended by Section 345, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 34.12), is hereby repealed.

SECTION 60. AMENDATORY 62 O.S. 2011, Section 34.21, as amended by Section 3, Chapter 292, O.S.L. 2012 (62 O.S. Supp. 2012, Section 34.21), is amended to read as follows:

Section 34.21. A. No agency of the executive branch of the state shall use state funds for or enter into any agreement for the acquisition, development or enhancement of a communication or telecommunication system including voice, data, radio, video, Internet, eGovernment, as referenced in Sections 34.24 and 34.25 of this title, printers, scanners, copiers, facsimile systems and associated supplies, service costs, maintenance costs, or any other costs or fees associated with the acquisition of the system or equipment, without written authorization of the Chief Information Officer or a designee. The Chief Information Officer or a designee shall verify that any acquisition, development or enhancement is compatible with the operation of the Oklahoma Government Telecommunications Network.

B. No agency of the executive branch of the state shall enter into any agreement for the acquisition, development or enhancement of a communication or telecommunication system or service including voice, data, radio, video, Internet, eGovernment, printers, scanners, copiers, and facsimile systems, unless the cost of such addition, change, improvement or development has been included in the statewide communications plan of the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services, as said plan may have been amended or revised.

C. State agencies may enter into interagency contracts to share communications and telecommunications resources for mutually beneficial purposes. The contract shall clearly state how its purpose contributes to the development or enhancement or cost reduction of a state network which includes voice, data, radio, video, Internet, eGovernment, or facsimile systems. The contract shall be approved by the Information Services Division before any payments are made.

D. The provisions of subsections A, B and C of this section shall not apply to the telecommunications network known as OneNet whether said network is governed or operated by the Oklahoma State Regents for Higher Education or any other state entity assigned responsibility for OneNet.

E. The provisions of this section shall not apply to CompSource Oklahoma if CompSource Oklahoma is operating pursuant to a pilot program authorized by Sections 3316 and 3317 of Title 74 of the Oklahoma Statutes.

F. No state agency shall use state funds or enter into any agreement for the acquisition, development or enhancement of a public safety communication system unless the request is consistent with the Statewide Communications Interoperability Plan and the public safety communications standards issued by the Oklahoma Office of Homeland Security. Agencies interested in acquiring, developing or enhancing a public safety communications system shall submit a proposal to the Oklahoma Office of Homeland Security. The Oklahoma Office of Homeland Security shall issue a proposal review which summarizes whether the proposal is consistent with the Statewide Communications Interoperability Plan and the technology standards issued. The proposal review shall be submitted to the requesting agency and to the Chief Information Officer.

SECTION 61. REPEALER 62 O.S. 2011, Section 34.21, as amended by Section 353, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 34.21), is hereby repealed.

SECTION 62. AMENDATORY 62 O.S. 2011, Section 35.5, as amended by Section 414, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 35.5), is amended to read as follows:

Section 35.5. A. 1. Not later than thirty (30) days ~~after the effective date of this act~~ August 26, 2011, all state agencies shall provide to the Chief Information Officer a list of information technology assets of the agency which are integral to agency-specific applications or functions and a list of information technology positions which are directly associated with the assets. The agency shall further provide the reference to federal or state statutory or constitutional provisions which require it to perform the applications or functions.

2. If the Chief Information Officer disputes the identification of assets or positions provided by a state agency as being integral to agency-specific applications or functions, the Director of the Office of Management and Enterprise Services shall make the final determination.

B. Not later than December 1, 2011, and not later than December 1 of each year thereafter, the Chief Information Officer shall modify the assessment required by subsection D of Section 34.11.1 of this title to include identification of:

1. All information technology assets of all state agencies, which are not integral to agency-specific applications or functions, and the transfer of which to the Information Services Division of the Office of Management and Enterprise Services and the Chief Information Officer would result in a cost savings to the taxpayers of this state or improved efficiency of state government operations, including all furniture, equipment, vehicles, supplies, records, current and future liabilities, fund balances, encumbrances, obligations, and indebtedness associated with the information technology assets; and

2. All information technology positions associated with the information technology assets identified pursuant to paragraph 1 of this subsection. The assessment shall identify the amount of

compensation and related liabilities for accrued sick leave, annual leave, holidays, unemployment benefits, and workers' compensation benefits for the positions.

C. The information technology assets and positions identified in the assessment pursuant to subsection B of this section of appropriated state agencies shall be transferred to the Information Services Division of the Office of Management and Enterprise Services subject to the following provisions:

1. Information technology assets identified in the assessment pursuant to the provisions of paragraph 1 of subsection B of this section of appropriated state agencies shall be transferred effective January 1, 2012. The costs of operation, maintenance, licensing and service of the assets shall remain the responsibility of the state agency from which they are transferred until July 1, 2012, unless otherwise agreed to by the state agency and the Division. Appropriate conveyances and other documents shall be executed to effectuate the transfer of the information technology assets and positions to the Information Services Division of the Office of Management and Enterprise Services; and

2. Information technology positions identified in the assessment pursuant to the provisions of paragraph 2 of subsection B of this section of appropriated state agencies shall be transferred effective February 1, 2012. Each state agency shall enter into an agreement with the Division not later than January 1, 2012, for the

remainder of fiscal year 2012, specifying the terms of the transfers, including provisions for the Division to provide information technology services to the agency and for the agency to reimburse the Division for the cost of the services. If an agreement cannot be reached, the Director of the Office of Management and Enterprise Services shall be authorized to negotiate the terms of the agreement, which shall then be entered into by the state agency and the Division.

D. 1. For modifications of the assessment required by subsection D of Section 34.11.1 of this title made in fiscal year 2013 and subsequent fiscal years, the Chief Information Officer shall identify:

a. the amount of savings to the taxpayers of this state resulting from the provisions of the Information Technology Consolidation and Coordination Act, and

b. any changes in law required or any changes to the amount of state appropriations or other state funds associated with the transfer of the information technology assets or positions.

2. The Chief Information Officer shall recommend changes to the Director of the Office of Management and Enterprise Services and the Governor for inclusion in the next executive budget to be submitted to the Legislature.

E. For fiscal year 2013 and subsequent fiscal years, the Information Services Division shall provide information technology services to each state agency for shared services ~~at no~~ and shall bill agencies for those services at an estimated cost to ~~the agency. The Legislature shall appropriate sufficient funds to the Office of Management and Enterprise Services for the Division to provide the services. The amount of appropriations shall not exceed the amount appropriated to other state agencies for such services prior to the effective date of this act~~ provide the services. The estimated cost shall include the full cost of the services, including materials, depreciation related to capital costs, labor, and administrative expenses of the Information Services Division of the Office of Management and Enterprise Services in connection with the operation of the data center and Division operations and shall include expenses associated with acquiring, installing, and operating information technology infrastructure, hardware and software for use by state agencies. The Information Services Division shall publish a schedule of costs for each information technology service provided and shall enter into an agreement with each state agency for the services that will be provided prior to providing the services. The total amount charged to a state agency for the information technology services shall not exceed the amount appropriated to that agency for such services. State agencies shall process payments as provided for under the agreement entered into with the Information

Services Division in a timely manner and when payments are deemed to be delinquent, the Information Services Division may request the Division of Central Accounting and Reporting of the Office of Management and Enterprise Services to create vouchers and process payments to the Information Services Division against the funds of the delinquent agency. If the state agency for which information technology services were provided disputes the provision of services in accordance with its agreement with the Information Services Division, no voucher shall be processed against the funds of the delinquent agency until the dispute over services has been resolved, at which point a voucher may be processed in accordance with the terms of the dispute resolution.

F. The Information Services Division of the Office of Management and Enterprise Services shall succeed to any contractual rights, easement rights, lease rights, and responsibilities related to the information technology assets that are transferred as provided for in this section and incurred by an appropriated state agency.

SECTION 63. REPEALER 62 O.S. 2011, Section 35.5, as amended by Section 4, Chapter 292, O.S.L. 2012 (62 O.S. Supp. 2012, Section 35.5), is hereby repealed.

SECTION 64. AMENDATORY 62 O.S. 2011, Section 35.8, as amended by Section 5, Chapter 292, O.S.L. 2012 (62 O.S. Supp. 2012, Section 35.8), is amended to read as follows:

Section 35.8. A. Notwithstanding any other provision of law, the provisions of the Information Technology Consolidation and Coordination Act shall operate to maintain or increase security standards and shall not jeopardize confidentiality or compliance with state or federal laws or regulations. The State Governmental Technology Applications Review Board, with the advice of the Oklahoma Integrated Justice Information Systems Steering Committee, shall consider and approve security protocols which shall be followed by the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services. The Board, in conjunction with the Committee, shall make recommendations to state officers and employees related to continuity of criminal justice information system security protocols.

B. Notwithstanding the provisions of Section 35.5 of this title, the transfer of information technology assets and positions of the Department of Public Safety shall occur prior to the transfer of assets and positions of other public safety agencies.

C. Unless otherwise provided for in law, the transfer of information technology assets and positions of any state agency pursuant to the Information Technology Consolidation and Coordination Act shall not act to transfer to the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services or to the Chief Information Officer the duties of a state agency to keep, maintain and open to any person all records of the agency in compliance with the Oklahoma Open Records Act. Each state agency shall continue to be responsible for records created by, received by, under the authority of, or coming into the custody, control or possession of the agency including the duty to organize and categorize the records in a retrievable form and the duty to respond to requests for records, even if the records have been transmitted to or stored by the Information Services Division of the ~~Office of State Finance~~ Office of Management and Enterprise Services or the Chief Information Officer.

D. State employees who are members of the Teachers' Retirement System of Oklahoma and are transferred pursuant to the Information Technology Consolidation and Coordination Act may elect to continue their participation in the Teachers' Retirement System of Oklahoma in lieu of participating in the Oklahoma Public Employees Retirement System. Any transferred employee who wishes to make such election shall do so in writing within thirty (30) days of the effective date of this act. If any transferred employee has already started participating in the Oklahoma Public Employees Retirement System, the employee may make an election to return to the Teachers' Retirement System of Oklahoma if the election is made in writing within thirty (30) days of the effective date of this act. In the event a transferred employee who has already begun participating in the Oklahoma Public Employees Retirement System elects to return to the Teachers' Retirement System of Oklahoma, the Oklahoma Public Employees Retirement System shall transfer the service credit and contributions to the Teachers' Retirement System of Oklahoma for any credit that accrued after the initial transfer. The election to continue or return to participation in the Teachers' Retirement System of Oklahoma pursuant to this subsection shall be irrevocable and shall be effective until the employment with the ~~Office of State Finance~~ Office of Management and Enterprise Services is terminated.

SECTION 65. REPEALER 62 O.S. 2011, Section 35.8, as amended by Section 417, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 35.8), is hereby repealed.

SECTION 66. AMENDATORY 62 O.S. 2011, Section 89.2, as amended by Section 4, Chapter 131, O.S.L. 2012 (62 O.S. Supp. 2012, Section 89.2), is amended to read as follows:

Section 89.2. A. The State Treasurer is directed to invest the maximum amount of funds under control of the State Treasurer consistent with good business practices. Except as otherwise provided for by law, the investments shall earn not less than the rate for comparable maturities on United States Treasury obligations. Except as otherwise provided for by law, the State Treasurer may purchase and invest only in:

1. Obligations of the United States Government, its agencies and instrumentalities, or other obligations fully insured or unconditionally guaranteed as to the payment of principal and

interest by the United States government or any of its agencies and instrumentalities;

2. Collateralized or insured certificates of deposit and other evidences of deposit at banks, savings banks, savings and loan associations and credit unions located in this state;

3. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings bank, a savings and loan association or a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed ten percent (10%) of the cash available for investment which may be invested pursuant to this section. Not more than one-half (1/2) of the ten percent (10%) limit shall be invested in any one financial institution specified in this paragraph;

4. Prime banker's acceptances which are eligible for purchase by the Federal Reserve System and which do not exceed two hundred seventy (270) days' maturity. Purchases of prime banker's acceptances shall not exceed ten percent (10%) of the cash available for investment which may be invested pursuant to this section. Not more than three-fourths (3/4) of the ten percent (10%) limit shall be invested in any one commercial bank pursuant to this paragraph;

5. Prime commercial paper which shall not have a maturity that exceeds one hundred eighty (180) days nor represent more than ten percent (10%) of the outstanding paper of an issuing corporation. Purchases of prime commercial paper shall not exceed seven and one-

half percent (7 1/2%) of the cash available for investment which may be invested pursuant to this section;

6. Investment grade obligations of state and local governments, including obligations of Oklahoma state public trusts which possess the highest rating from at least one nationally recognized rating agency acceptable to the State Treasurer. Purchases of investment grade obligations of state and local governments shall not exceed ten percent (10%) of the cash available for investment which may be invested pursuant to this section;

7. Repurchase agreements, provided that such agreements are included within the written investment policy required by subsection D of this section that have underlying collateral consisting of those items and those restrictions specified in paragraphs 1 through 6 of this subsection;

8. Money market funds and short term bond funds regulated by the Securities and Exchange Commission and which investments consist of those items and those restrictions specified in paragraphs 1 through 7 of this subsection; and

9. Bonds, notes, debentures or other similar obligations of a foreign government which the International Monetary Fund lists as an industrialized country and for which the full faith and credit of such nation has been pledged for the payment of principal and interest; provided, that any such security shall be rated at least A- or better by Standard & Poor's Corporation or A3 or better by

Moody's Investors Service, or an equivalent investment grade by a securities ratings organization accepted by the National Association of Insurance Commissioners; and provided further, that the total investment in such foreign securities at any one time shall not exceed five percent (5%) of the cash available for investment which may be invested pursuant to this section. In no circumstance shall investments be made in bonds, notes, debentures or any similar obligations of a foreign government that:

a. is identified as a state sponsor of terrorism by the United States Department of State, or

b. any authoritarian or totalitarian government the sovereign powers of which are exercised through a single person or group of persons who are not elected by any form of legitimate popular voting.

B. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

C. The State Treasurer shall appoint an investment officer who shall perform duties related to the investment of state funds in the Office of the State Treasurer. The investment officer shall not perform or supervise any accounting functions, data processing functions or duties related to the documentation or settlement of investment transactions.

D. Investments of public funds by the State Treasurer shall be made in accordance with written policies developed by the State Treasurer. The written investment policies shall address:

1. Liquidity;

2. Diversification;

3. Safety of principal;

4. Yield;

5. Maturity and quality; and

6. Capability of investment management.

The State Treasurer shall place primary emphasis on safety and liquidity in the investment of public funds. To the extent practicable taking into account the need to use sound investment judgment, the written investment policies shall include provision for utilization of a system of competitive bidding in the investment of state funds. The written investment policies shall be designed to maximize yield within each class of investment instrument, consistent with the safety of the funds invested.

E. The State Treasurer shall select one custodial bank to settle transactions involving the investment of state funds under the control of the State Treasurer. The State Treasurer shall review the performance of the custodial bank at least once every year. The State Treasurer shall require a written competitive bid every five (5) years. The custodial bank shall have a minimum of Five Hundred Million Dollars ($500,000,000.00) in assets to be eligible for selection. Any out-of-state custodial bank shall have a service agent in the State of Oklahoma so that service of summons or legal notice may be had on such designated agent as is now or may hereafter be provided by law. In order to be eligible for selection, the custodial bank shall allow electronic access to all transaction and portfolio reports maintained by the custodial bank involving the investment of state funds under control of the State Treasurer. The access shall be given to both the State Treasurer and to the Cash Management and Investment Oversight Commission. The requirement for electronic access shall be incorporated into any contract between the State Treasurer and the custodial bank. Neither the State Treasurer nor the custodial bank shall permit any of the funds under the control of the State Treasurer or any of the documents, instruments, securities or other evidence of a right to be paid money to be located in any place other than within a jurisdiction or territory under the control or regulatory power of the United States Government.

F. The investment policy shall specify the general philosophy, policies and procedures to be followed in the investment of state monies by the State Treasurer. The investment policy shall include, but not be limited to, the following:

1. Policy objectives;

2. Performance measure objectives;

3. Authority for investment program;

4. Possible use of an investment advisory committee;

5. Reporting and documentation of investments;

6. Authorized investment instruments;

7. Diversification of investment risk;

8. Maturity limitations;

9. Selections of financial institutions;

10. Interest controls;

11. Safekeeping of investments;

12. Investment ethics; and

13. Formal adoption of policy.

G. The State Treasurer shall provide weekly reports of all investments made by the State Treasurer if requested by the Cash Management and Investment Oversight Commission, and list any commissions, fees or payments made for services regarding such investments. The reports required by this subsection shall be delivered to the Commission within three (3) business days of the end of the applicable week.

H. Not later than July 1 of each year, the State Treasurer shall forward a copy of the written investment policy to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Attorney General, the Bank Commissioner, and the Director of ~~State Finance~~ <u>the Office of</u>

Management and Enterprise Services. In addition, the State Treasurer shall maintain one copy of the investment policy in the office of the State Treasurer for public inspection during regular business hours. Copies of any modifications to the investment policy shall be forwarded to the Governor, Speaker of the House of Representatives, President Pro Tempore of the Senate, and each member of the Cash Management and Investment Oversight Commission.

SECTION 67. REPEALER 62 O.S. 2011, Section 89.2, as amended by Section 439, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 89.2), is hereby repealed.

SECTION 68. AMENDATORY 62 O.S. 2011, Section 901, as amended by Section 1, Chapter 288, O.S.L. 2012 (62 O.S. Supp. 2012, Section 901), is amended to read as follows:

Section 901. A. 1. There is hereby created a Long-Range Capital Planning Commission to advise and assist the Legislature in providing for capital facilities in this state. The Commission shall consist of nine (9) members as follows:

a. three members appointed by the President Pro Tempore of the Senate to serve at the pleasure of the appointing authority. Of these appointees two shall be members of the Senate and one shall be from the public at large,

b. three members appointed by the Speaker of the House of Representatives to serve at the pleasure of the appointing authority. Of these appointees two shall be members of the House of Representatives and one shall be from the public at large, and

c. three members shall be appointed by the Governor to serve at the pleasure of the appointing authority. These appointees shall be from the public at large.

2. A chairman of the Commission shall be elected from its membership. Five members of the Commission shall constitute a quorum. Members of the Commission shall serve without compensation, but all public members shall be entitled to reimbursement, pursuant to the State Travel Reimbursement Act, for expenses incurred in the performance of their duties.

3. Initial appointments to the Commission shall be made within thirty (30) days of the effective date of this act.

B. The Commission shall have the authority to promulgate rules and regulations necessary to implement the provisions of this act.

C. The Office of ~~State Finance~~ Management and Enterprise Services, with the advice and assistance of the Oklahoma State Bond Advisor, shall provide staffing for the Commission and other such assistance as the Commission may require.

D. 1. The Commission shall prepare each year a state capital plan for addressing state capital facility needs for the next ensuing five (5) years. The Oklahoma State Regents for Higher Education and each state governmental entity as defined in Section

695.3 of this title shall cooperate with the Commission in the preparation of the state plan. Each year, on or about December 1, the plan shall be submitted to the Governor, Speaker of the House of Representatives and President Pro Tempore of the Senate.

2. a. The capital plan should supplement and integrate, not replace, existing capital planning processes. The plan shall consider and incorporate, as appropriate, the local and regional plans that may be developed.

b. The plan shall assess long-term needs for capital facilities provided by both state and local governments as determined by the Commission. The plan shall include:

(1) an inventory of capital facilities held by the state, and when available, by units of local government or special districts. The inventory shall include such information as is reasonably available on the physical and economic condition of these assets,

(2) a projection of economic and demographic trends likely to influence the needs for new or expanded capital facilities,

(3) an estimate of mandatory, essential, desirable and deferrable repair, replacement and expansions,

(4) estimates of life cycle costs for new and substantially expanded or renovated facilities,

(5) an analysis of recent trends and projections of revenues available from general obligation and revenue bonds, general and dedicated taxes used for capital facilities finance, user fees, the federal government and other sources,

(6) an analysis of the capacity of the state and local governments to incur debt or finance public capital facilities,

(7) a detailed list of all capital projects of the state which the Commission recommends be undertaken or continued for any state agency in the next two (2) fiscal years, together with information as to the effect of such capital projects on future operating expenses of the state, and with recommendations as to the priority of such capital projects and the means of funding them,

(8) the forecasts of the Commission as to the requirements for capital projects of state agencies for the three (3) fiscal years next following such two (2) fiscal years and for such additional periods, if any, as may be necessary

or desirable for adequate presentation of particular capital projects, and a schedule for the planning and implementation or construction of such capital projects,

(9) a schedule for the next fiscal year of recommended projects,

(10) recommendations as to the maintenance of physical properties and equipment of state agencies, ~~and~~

(11) such other information as the Commission deems relevant to the foregoing matters, and

(12) the inclusion of the findings of the Oklahoma State Government Asset Reduction and Cost Savings Program and the indexing of the most necessary capital improvements to the expenditure of funds from the Maintenance of State Buildings Revolving Fund.

3. The Governor shall prepare at the same time as the state budget document is prepared, a capital budget. The capital budget shall be prepared and submitted by the Governor or Governor-elect in accordance with the procedures for preparing the state budget document. The capital budget shall embrace all expenditures of the state government for facilities and equipment and all revenues to be raised for purpose of meeting expenditure commitments during the next ensuing fiscal year and shall include the following:

a. for each expenditure and class of expenditures, the costs to be incurred during the next ensuing fiscal year, plus where appropriate, the annual operating and maintenance costs of such facilities and a schedule of depreciation calculated in accordance with the principles and standards of capital budgeting authorized by paragraph 4 of this subsection,

b. the revenues and sources required to meet projected expenditures. Revenue sources to be indicated include, but are not limited to: the General Revenue Fund, the Transportation Fund, any special funds, proceeds of bond sales, federal funds, local government revenue or other sources. Where additional revenues in the form of additional taxes, user fees or new bond issues are proposed to meet expenditure requests, any funds created for such purposes shall be included in this act, and

c. a statement regarding the relationship between the proposals contained in the capital budget and the capital plan. The capital budget shall be based upon the capital plan prepared by the Commission.

4. The Commission, with the assistance of the Office of ~~State Finance~~ Management and Enterprise Services, shall prepare and publish rules and regulations that set forth principles and

standards for capital planning and budgeting to be used by state agencies. The rules and regulations shall set forth definitions of relevant terms to be used in the capital planning and budgeting processes, establish accounting standards and standards for costs and benefits of public facility investments.

E. 1. The Commission, the Office of ~~State Finance~~ Management and Enterprise Services, and the Oklahoma State Bond Advisor may call to their assistance such personnel or any state agency in order to perform their duties pursuant to the State Capital Improvement Planning Act and such agencies shall respond and provide any such assistance as may be required. The Commission may use existing studies, surveys, plans, data and other materials in the possession of any state agency or any municipality or political subdivision of this state. Each such agency, municipality or subdivision may make the same available to the Commission so that the Commission may have available to it current information with respect to the capital plans and programs of each such agency, municipality or subdivision.

2. The officers and personnel of any state agency may serve at the request of the Commission upon such advisory committees as the Commission may create and such officers and personnel may serve upon such committees without forfeiture of office or employment and with no loss or diminution of the compensation, status, rights and privileges which they otherwise enjoy.

SECTION 69. REPEALER 62 O.S. 2011, Section 901, as last amended by Section 469, Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2012, Section 901), is hereby repealed.

SECTION 70. AMENDATORY 63 O.S. 2011, Section 2-103, as amended by Section 1, Chapter 186, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2-103), is amended to read as follows:

Section 2-103. A. The Director shall be appointed by the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control Commission. The Director of Narcotics and Dangerous Drugs Control on January 1, 1984, shall be initially appointed as Director. The succeeding Director shall, at the time of the appointment, have a Bachelor's Degree from an accredited college or university and at least five (5) years of experience in drug law enforcement. The Director may appoint necessary assistants, agents, and other personnel to perform the work of the office and may prescribe their titles and duties and fix their compensation, other than the salaries established in subsection A of Section 2-103a of this title, pursuant to Merit System rules. The Director may appoint employees to the positions of Chief of Law Enforcement Information and Technology, Public Information/Education Officer, Training Officer, Program Administrators, Grants Administrator, Criminal Analysts, Legal Secretary, and Typist Clerk/Spanish Transcriptionists. The positions shall be unclassified and exempt from the rules and procedures of the ~~Office of Personnel Management~~

Office of Management and Enterprise Services, except leave regulations. The office of the Director shall be located at a suitable place in Oklahoma City, Oklahoma.

B. 1. Agents appointed by the Director shall have the powers of peace officers generally; provided, the Director may appoint special agents and reserve special agents, who shall be unclassified employees of the state, to meet specific investigatory needs. Special agents and reserve special agents shall not be required to meet the age and educational requirements as specified in this section.

2. Agents appointed on and after November 1, 1998, shall be at least twenty-one (21) years of age and shall have a Bachelor's Degree from an accredited college or university.

3. Each entering agent, with the exception of special agents, shall be required to serve one (1) year in a probationary status as a prerequisite to being placed on permanent status.

C. Agents appointed pursuant to the provisions of this section shall have the responsibility of investigating alleged violations and shall have the authority to arrest those suspected of having violated the provisions of the Uniform Controlled Dangerous Substances Act, as well as the crimes of money laundering and human trafficking, as otherwise set forth by laws of this state.

D. The Director may appoint reserve special agents who shall not be considered employees of the state and shall serve at the will of the Director. Reserve special agents shall complete a minimum of one hundred sixty (160) hours of training pursuant to Section 3311 of Title 70 of the Oklahoma Statutes and may not serve more than one hundred forty (140) hours per calendar month. Upon completion of training, reserve special agents appointed by the Director shall have general peace officer powers and the authority to arrest those suspected of having violated the provisions of the Uniform Controlled Dangerous Substances Act. The agency may expend funds related to training and special reserve agents may receive travel expenses pursuant to the State Travel Reimbursement Act.

E. A commissioned employee of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control shall be entitled to receive upon retirement by reason of length of service, the continued custody and possession of the sidearm and badge carried by such employee immediately prior to retirement.

F. A commissioned employee of the Bureau may be entitled to receive, upon retirement by reason of disability, the continued custody and possession of the sidearm and badge carried by such employee immediately prior to retirement upon written approval of the Director.

G. Custody and possession of the sidearm and badge of a commissioned employee killed in the line of duty may be awarded by the Director to the spouse or next of kin of the deceased employee.

H. Custody and possession of the sidearm and badge of a commissioned employee who dies while employed at the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control may be awarded by the Director to the spouse or next of kin of the deceased employee.

I. Any Director appointed on or after July 1, 2003, shall be eligible to participate in either the Oklahoma Public Employees Retirement System or in the Oklahoma Law Enforcement Retirement System and shall make an irrevocable election in writing to participate in one of the two retirement systems.

SECTION 71. REPEALER 63 O.S. 2011, Section 2-103, as amended by Section 495, Chapter 304, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2-103), is hereby repealed.

SECTION 72. REPEALER 63 O.S. 2011, Section 2-309, as amended by Section 5, Chapter 80, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2-309), is hereby repealed.

SECTION 73. AMENDATORY 63 O.S. 2011, Section 2-309C, as last amended by Section 3, Chapter 206, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2-309C), is amended to read as follows:

Section 2-309C. A. A dispenser of a Schedule II, III, IV or V controlled dangerous substance dispensed pursuant to a valid prescription shall transmit to a central repository designated by the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control using the American Society for Automation in Pharmacy's (ASAP) Telecommunications Format for Controlled Substances version designated in rules by the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the following information for each dispensation ~~to a recipient or agent of a recipient~~:

1. ~~Name~~ Recipient's and recipient's agent's name;

2. ~~Address~~ Recipient's and recipient's agent's address;

3. ~~Date of~~ Recipient's and recipient's agent's date of birth;

4. ~~Identification~~ Recipient's and recipient's agent's identification number;

5. National Drug Code number of the substance dispensed;

6. Date of the dispensation;

7. Quantity of the substance dispensed;

8. Prescriber's United States Drug Enforcement Agency registration number;

9. Dispenser's registration number; and

10. Other information as required by administrative rule.

B. The information required by this section shall be transmitted:

1. In a format or other media designated acceptable by the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control; and

2. Within twenty-four (24) hours of the time that the substance is dispensed. Beginning January 1, 2012, all information shall be submitted on a real-time log.

C. When a prescription is written or dispensed to a resident of a nursing home or a person who is under the care of a hospice program licensed pursuant to the provisions of the Oklahoma Hospice Licensing Act who does not have an identification card issued by the state or another form of a recipient identification number pursuant to Section 2-309B of this title, a Social Security number may be used for the purpose of complying with the reporting requirements provided for in this section.

D. Willful failure to transmit accurate information as required by this section shall be a misdemeanor punishable, upon conviction, by not more than one (1) year in the county jail, or by a fine of not more than One Thousand Dollars ($1,000.00), or by both such imprisonment and fine, or administrative action may be taken pursuant to Section 2-304 of this title.

E. The Director of the Bureau shall have the authority to allow paper submissions on a form designated by the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, if the dispenser has an appropriate hardship.

SECTION 74. REPEALER 63 O.S. 2011, Section 2-309C, as amended by Section 2, Chapter 83, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2-309C), is hereby repealed.

SECTION 75. REPEALER 63 O.S. 2011, Section 2-329, as amended by Section 7, Chapter 80, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2-329), is hereby repealed.

SECTION 76. AMENDATORY 63 O.S. 2011, Section 91, as amended by Section 1, Chapter 119, O.S.L. 2012 (63 O.S. Supp. 2012, Section 91), is amended to read as follows:

Section 91. A. There is hereby re-created, to continue until July 1, ~~2012~~ 2016, in accordance with the provisions of the Oklahoma Sunset Law, an oversight Board to be known as the State Anatomical Board, to be composed of the following members:

1. The Deans or their designee of each accredited medical school and osteopathic medical school within the State of Oklahoma;

2. The persons heading the Department of Anatomy, or comparable department, in the medical and osteopathic medical schools or their designee;

3. Two persons appointed jointly by the presidents of institutions of higher education within the state which have educational programs other than medical which require on a regular basis human anatomical materials, provided that these programs have been approved by the State Regents for Higher Education; and

4. One at-large member appointed by the Governor to represent the interests of the citizens of this state.

B. It shall be the duty of the State Anatomical Board to register all anatomical donor programs and non-transplant tissue banks and to designate agents to provide for the collection, preservation, storage, distribution, delivery, recovery from users, cremation and final disposition of all dead human bodies used for health science education and research in the State of Oklahoma.

C. The Board shall elect from its membership a chairperson who shall perform such other duties as the Board may prescribe by rule. The Board shall have full power to establish rules for its government, to appoint and remove officers, and to appoint an executive director who shall keep full and complete minutes of its transactions and manage the affairs of the Board. The expenditures authorized in this section shall not be a charge against the state, but shall be paid by the agent designated by the Board to receive, store, issue, and cremate human anatomical materials. Records shall also be kept by the agent of all bodies received and distributed for the period of time authorized by the Records Disposition Schedule. The name of the oversight Board shall be the State Anatomical Board, hereinafter called the Anatomical Board. The Anatomical Board may, in its discretion, exempt any county, district, or institution from the provisions of this act in any calendar year for any length of time.

SECTION 77. REPEALER 63 O.S. 2011, Section 91, as amended by Section 1, Chapter 62, O.S.L. 2012 (63 O.S. Supp. 2012, Section 91), is hereby repealed.

SECTION 78. AMENDATORY 63 O.S. 2011, Section 2418, as amended by Section 3, Chapter 357, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2418), is amended to read as follows:

Section 2418. A. There is hereby imposed a surcharge of five cents ($0.05) per local exchange telephone access line per month to pay for the equipment and maintenance program provided for in Section 2417 of this title and to provide for other needed services for the deaf, severely hard-of-hearing, severely speech-impaired and deaf-blind programs administered through the State Department of Rehabilitation Services, such surcharge to be paid by each local exchange subscriber to local telephone service in this state, unless such subscriber is otherwise exempt from taxation.

B. The surcharge shall be collected on the regular monthly bill by each local exchange telephone company operating in this state and shall be remitted quarterly to the Oklahoma Tax Commission no later than twenty (20) days following the end of each quarter.

C. There is hereby created in the State Treasury the Telecommunications for the Deaf and Hard-of-Hearing Revolving Fund. The fund shall consist of monies imposed in subsection A of this section. All monies accruing to the fund are hereby appropriated and may be budgeted and expended by the State Department of Rehabilitation Services. The fund shall be a continuing fund not subject to fiscal year limitations and expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims submitted to the Director of ~~State Finance~~ the Office of Management and Enterprise Services for the purpose of implementation of this act.

SECTION 79. REPEALER 63 O.S. 2011, Section 2418, as amended by Section 512, Chapter 304, O.S.L. 2012 (63 O.S. Supp. 2012, Section 2418), is hereby repealed.

SECTION 80. AMENDATORY 68 O.S. 2011, Section 205.2, as amended by Section 1, Chapter 240, O.S.L. 2012 (68 O.S. Supp. 2012, Section 205.2), is amended to read as follows:

Section 205.2. A. A state agency, a municipal court, a district court or a public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes seeking to collect a debt, unpaid fines and cost or final judgment of at least Fifty Dollars ($50.00) from an individual who has filed a state income tax return may file a claim with the Oklahoma Tax Commission requesting that the amount owed to the agency, a municipal court, a district court or a public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes be deducted from any state income tax refund due to that individual. The claim shall be filed electronically in a form prescribed by the Tax Commission and shall contain information necessary to identify the person owing the debt, including the full name and Social Security number of the debtor.

1. Upon receiving a claim from a state agency, the municipal court, a district court or a public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes, the Tax Commission shall deduct the claim amount, plus collection expenses as provided in this section, from the tax refund due to the

debtor and transfer the amount to the municipal court, the district court, the agency or the public housing authority. Provided, the Tax Commission need not report available funds of less than Fifty Dollars ($50.00).

2. The state agency, the municipal court, a district court or a public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes shall send notice to the debtor by regular mail at the last-known address of the debtor as shown by the records of the Tax Commission when seeking to collect a debt not reduced to final judgment. The state agency, the municipal court, a district court or a public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes shall send notice to the judgment debtor or municipal court defendant by first class mail at the last-known address of the judgment debtor or municipal court defendant as shown by the records of the Tax Commission when seeking to collect a final judgment or unpaid municipal fines and cost. The Tax Commission shall provide in an agreed electronic format to the Department of Human Services the amount withheld by the Tax Commission, the home address and the Social Security number of the taxpayer. The notice shall state:

a. that a claim has been filed with the Tax Commission for any portion of the tax refund due to the debtor or municipal court defendant which would satisfy the debt, unpaid municipal fines and cost, or final judgment in full or in part,

b. the basis for the claim,

c. that the Tax Commission has deducted an amount from the refund and remitted it to such state agency, municipal court, district court or public housing authority,

d. that the debtor or municipal court defendant has the right to contest the claim by sending a written request to the state agency, the municipal court, the district court or the public housing authority for a hearing to protest the claim, and if the debtor or municipal court defendant fails to apply for a hearing within sixty (60) days after the date of the mailing of the notice, the debtor or municipal court defendant shall be deemed to have waived his or her opportunity to contest the claim. Provided, if the claim was filed by the Department of Human Services, the notice shall state that the debtor must contest the claim by sending a written request to the Department within thirty (30) days after the date of the mailing of the notice, and

e. that a collection expense of five percent (5%) of the gross proceeds owed to the state agency, municipal court or district court has been charged to the debtor or municipal court defendant and withheld from the refund.

3. If the state agency, municipal court, district court or public housing authority determines that a refund is due to the taxpayer, the state agency, municipal court, district court or public housing authority shall reimburse the amount claimed plus the five-percent collection expense to the taxpayer. The state agency, municipal court, district court or public housing authority may request reimbursement of the two-percent collection expense retained by the Tax Commission. Such request must be made within ninety (90) days of reimbursement to the taxpayer. If timely requested, the Tax Commission shall make such reimbursement to the state agency, municipal court, district court or public housing authority within ninety (90) days of the request.

4. In the case of a joint return, the notice shall state:

a. the name of any taxpayer named in the return against whom no debt, no unpaid fines and cost, or final judgment is claimed,

b. the fact that a debt, unpaid municipal fines and cost, or final judgment is not claimed against the taxpayer,

c. the fact that the taxpayer is entitled to receive a refund if it is due regardless of the debt, municipal fines and cost, or final judgment asserted against the debtor or municipal court defendant,

d. that in order to obtain the refund due, the taxpayer must apply, in writing, for a hearing with the municipal court, district court, the agency or the public housing authority named in the notice within sixty (60) days after the date of the mailing of the notice. Provided, if the claim was filed by the Department of Human Services, the notice shall state that the taxpayer must apply, in writing, for a hearing with the Department within thirty (30) days after the date of the mailing of the notice, and

e. if the taxpayer against whom no debt, no unpaid municipal fines and cost, or final judgment is claimed fails to apply in writing for a hearing within sixty (60) days after the mailing of the notice, the taxpayer shall have waived his or her right to a refund. Provided, if the claim was filed by the Department of Human Services, the notice shall state that if the taxpayer fails to apply in writing for a hearing with the Department within thirty (30) days after the date of the mailing of the notice, the taxpayer shall have waived his or her right to a refund.

B. If the municipal court, district court, agency or public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes asserting the claim receives a written request for a hearing from the debtor or taxpayer against whom no debt, no municipal fines and cost, or final judgment is claimed, the agency, the municipal court, the district court or public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes shall grant a hearing according to the provisions of the Administrative Procedures Act. It shall be determined at the hearing whether the claimed sum is correct or whether an adjustment to the claim shall be made. Pending final determination at the hearing of the validity of the debt, unpaid fines and cost, or final judgment asserted by the municipal court, the district court, agency or public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes, no action shall be taken in furtherance of the collection of the debt, unpaid fines and cost, or final judgment. Appeals from actions taken at the hearing shall be in accordance with the provisions of the Administrative Procedures Act.

C. Upon final determination at a hearing, as provided for in subsection B of this section, of the amount of the debt, unpaid fines and cost, or final judgment, or upon failure of the debtor or taxpayer against whom no debt, no unpaid fines and cost, or final judgment is claimed to request such a hearing, the municipal court, the district court, agency or public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes shall apply the amount of the claim to the debt owed. Any amounts held by the municipal court, district court, agency or public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes in excess of the final determination of the debt and collection expense shall be refunded by the municipal court, district court, agency or public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes to the taxpayer. However, if the tax refund due is inadequate to pay the collection expense and debt, unpaid fines and cost, or final judgment, the balance due the state agency, the municipal court, the district court or public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes shall be a continuing debt or final judgment until paid in full.

D. Upon receipt of a claim as provided in subsection A of this section, the Tax Commission shall:

1. Deduct from the refund five percent (5%) of the gross proceeds owed to the state agency, the municipal court, district court or public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes, and distribute it by retaining two percent (2%) and transferring three percent (3%) to the municipal court, the district court, the state agency or public housing authority operating pursuant to Section 1062 of Title 63 of

the Oklahoma Statutes, as an expense of collection. The two percent (2%) retained by the Tax Commission shall be deposited in the Oklahoma Tax Commission Fund;

2. Transfer the amount of the claimed debt, unpaid fines and cost, or final judgment or so much thereof as is available to the state agency, municipal court, the district court or public housing authority operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes;

3. Notify the debtor in writing as to how the refund was applied; and

4. Refund to the debtor any balance remaining after deducting the collection expense and debt, unpaid fines and cost, or final judgment.

E. The Tax Commission shall deduct from any state tax refund due to a taxpayer the amount of delinquent state tax and penalty and interest thereon, which such taxpayer owes pursuant to any state tax law prior to payment of such refund.

F. The Tax Commission shall have first priority over all other agencies, municipal courts, district courts or public housing authorities operating pursuant to Section 1062 of Title 63 of the Oklahoma Statutes, when the Tax Commission is collecting a debt, municipal court fines and cost, or final judgment pursuant to the provisions of this section. <u>Subsequent to the Tax Commission priority, a claim filed by the Department of Human Services for the</u>

collection of child support and spousal support shall have priority over all other claims filed pursuant to this section. Priority in multiple claims by other agencies, authorities, municipal courts or district courts pursuant to the provisions of this section shall be in the order in time, in which the Tax Commission receives the claim from the agencies, authorities, municipal courts and district courts required by the provisions of subsection A of this section.

G. The Tax Commission shall prescribe or approve forms and promulgate rules and regulations for implementing the provisions of this section.

H. The information obtained by an agency, authority, municipal court or by the district court from the Tax Commission pursuant to the provisions of this section shall be used only to aid in collection of the debt, unpaid fines and cost, or final judgment owed to the agency, authority, municipal court or a district court. Disclosure of the information for any other purpose shall constitute a misdemeanor. Any agency, authority or court employee or person convicted of violating this provision shall be subject to a fine not exceeding One Thousand Dollars ($1,000.00) or imprisonment in the county jail for a term not exceeding one (1) year, or both fine and imprisonment and, if still employed by the agency, authority or the courts, shall be dismissed from employment.

I. The Tax Commission may employ the procedures provided by this section in order to collect a debt owed to the Internal Revenue

Service if the Internal Revenue Service requires such procedure as a condition to providing information to the Commission concerning federal income tax.

J. The provisions of this section shall not apply to claims filed under the provisions of Section 2906 or Section 5011 of this title or to any debt owed to a state agency for health care or medical services.

SECTION 81. REPEALER 68 O.S. 2011, Section 205.2, as amended by Section 1, Chapter 256, O.S.L. 2012 (68 O.S. Supp. 2012, Section 205.2), is hereby repealed.

SECTION 82. AMENDATORY 68 O.S. 2011, Section 1357, as amended by Section 2, Chapter 230, O.S.L. 2012 (68 O.S. Supp. 2012, Section 1357), is amended to read as follows:

Section 1357. Exemptions - General. There are hereby specifically exempted from the tax levied by the Oklahoma Sales Tax Code:

1. Transportation of school pupils to and from elementary schools or high schools in motor or other vehicles;

2. Transportation of persons where the fare of each person does not exceed One Dollar ($1.00), or local transportation of persons within the corporate limits of a municipality except by taxicabs;

3. Sales for resale to persons engaged in the business of reselling the articles purchased, whether within or without the state, provided that such sales to residents of this state are made

to persons to whom sales tax permits have been issued as provided in the Oklahoma Sales Tax Code. This exemption shall not apply to the sales of articles made to persons holding permits when such persons purchase items for their use and which they are not regularly engaged in the business of reselling; neither shall this exemption apply to sales of tangible personal property to peddlers, solicitors and other salespersons who do not have an established place of business and a sales tax permit. The exemption provided by this paragraph shall apply to sales of motor fuel or diesel fuel to a Group Five vendor, but the use of such motor fuel or diesel fuel by the Group Five vendor shall not be exempt from the tax levied by the Oklahoma Sales Tax Code. The purchase of motor fuel or diesel fuel is exempt from sales tax when the motor fuel is for shipment outside this state and consumed by a common carrier by rail in the conduct of its business. The sales tax shall apply to the purchase of motor fuel or diesel fuel in Oklahoma by a common carrier by rail when such motor fuel is purchased for fueling, within this state, of any locomotive or other motorized flanged wheel equipment;

4. Sales of advertising space in newspapers and periodicals;

5. Sales of programs relating to sporting and entertainment events, and sales of advertising on billboards (including signage, posters, panels, marquees, or on other similar surfaces, whether indoors or outdoors) or in programs relating to sporting and entertainment events, and sales of any advertising, to be displayed

at or in connection with a sporting event, via the Internet, electronic display devices, or through public address or broadcast systems. The exemption authorized by this paragraph shall be effective for all sales made on or after January 1, 2001;

6. Sales of any advertising, other than the advertising described by paragraph 5 of this section, via the Internet, electronic display devices, or through the electronic media, including radio, public address or broadcast systems, television (whether through closed circuit broadcasting systems or otherwise), and cable and satellite television, and the servicing of any advertising devices;

7. Eggs, feed, supplies, machinery and equipment purchased by persons regularly engaged in the business of raising worms, fish, any insect or any other form of terrestrial or aquatic animal life and used for the purpose of raising same for marketing. This exemption shall only be granted and extended to the purchaser when the items are to be used and in fact are used in the raising of animal life as set out above. Each purchaser shall certify, in writing, on the invoice or sales ticket retained by the vendor that the purchaser is regularly engaged in the business of raising such animal life and that the items purchased will be used only in such business. The vendor shall certify to the Oklahoma Tax Commission that the price of the items has been reduced to grant the full

benefit of the exemption. Violation hereof by the purchaser or vendor shall be a misdemeanor;

8. Sale of natural or artificial gas and electricity, and associated delivery or transmission services, when sold exclusively for residential use. Provided, this exemption shall not apply to any sales tax levied by a city or town, or a county, or any other jurisdiction in this state;

9. In addition to the exemptions authorized by Section 1357.6 of this title, sales of drugs sold pursuant to a prescription written for the treatment of human beings by a person licensed to prescribe the drugs, and sales of insulin and medical oxygen. Provided, this exemption shall not apply to over-the-counter drugs;

10. Transfers of title or possession of empty, partially filled, or filled returnable oil and chemical drums to any person who is not regularly engaged in the business of selling, reselling or otherwise transferring empty, partially filled, or filled returnable oil drums;

11. Sales of one-way utensils, paper napkins, paper cups, disposable hot containers and other one-way carry out materials to a vendor of meals or beverages;

12. Sales of food or food products for home consumption which are purchased in whole or in part with coupons issued pursuant to the federal food stamp program as authorized by Sections 2011 through 2029 of Title 7 of the United States Code, as to that

portion purchased with such coupons. The exemption provided for such sales shall be inapplicable to such sales upon the effective date of any federal law that removes the requirement of the exemption as a condition for participation by the state in the federal food stamp program;

13. Sales of food or food products, or any equipment or supplies used in the preparation of the food or food products to or by an organization which:

a. is exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), and which provides and delivers prepared meals for home consumption to elderly or homebound persons as part of a program commonly known as "Meals on Wheels" or "Mobile Meals", or

b. is exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), and which receives federal funding pursuant to the Older Americans Act of 1965, as amended, for the purpose of providing nutrition programs for the care and benefit of elderly persons;

14. a. Sales of tangible personal property or services to or by organizations which are exempt from taxation pursuant to the provisions of Section 501(c)(3) of the

Internal Revenue Code, 26 U.S.C., Section 501(c)(3), and:

(1) are primarily involved in the collection and distribution of food and other household products to other organizations that facilitate the distribution of such products to the needy and such distributee organizations are exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), or

(2) facilitate the distribution of such products to the needy.

b. Sales made in the course of business for profit or savings, competing with other persons engaged in the same or similar business shall not be exempt under this paragraph;

15. Sales of tangible personal property or services to children's homes which are located on church-owned property and are operated by organizations exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3);

16. Sales of computers, data processing equipment, related peripherals and telephone, telegraph or telecommunications service and equipment for use in a qualified aircraft maintenance or

manufacturing facility. For purposes of this paragraph, "qualified aircraft maintenance or manufacturing facility" means a new or expanding facility primarily engaged in aircraft repair, building or rebuilding whether or not on a factory basis, whose total cost of construction exceeds the sum of Five Million Dollars ($5,000,000.00) and which employs at least two hundred fifty (250) new full-time-equivalent employees, as certified by the Oklahoma Employment Security Commission, upon completion of the facility. In order to qualify for the exemption provided for by this paragraph, the cost of the items purchased by the qualified aircraft maintenance or manufacturing facility shall equal or exceed the sum of Two Million Dollars ($2,000,000.00);

17. Sales of tangible personal property consumed or incorporated in the construction or expansion of a qualified aircraft maintenance or manufacturing facility as defined in paragraph 16 of this section. For purposes of this paragraph, sales made to a contractor or subcontractor that has previously entered into a contractual relationship with a qualified aircraft maintenance or manufacturing facility for construction or expansion of such a facility shall be considered sales made to a qualified aircraft maintenance or manufacturing facility;

18. Sales of the following telecommunications services:

a. Interstate and International "800 service". "800 service" means a "telecommunications service" that allows a caller to dial a toll-free number without incurring a charge for the call. The service is typically marketed under the name "800", "855", "866", "877", and "888" toll-free calling, and any subsequent numbers designated by the Federal Communications Commission, or

b. Interstate and International "900 service". "900 service" means an inbound toll "telecommunications service" purchased by a subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded announcement or live service. "900 service" does not include the charge for: collection services provided by the seller of the "telecommunications services" to the subscriber, or service or product sold by the subscriber to the subscriber's customer. The service is typically marketed under the name "900" service, and any subsequent numbers designated by the Federal Communications Commission,

c. Interstate and International "private communications service". "Private communications service" means a "telecommunications service" that entitles the customer to exclusive or priority use of a communications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of such channel or channels,

d. "Value-added nonvoice data service". "Value-added nonvoice data service" means a service that otherwise meets the definition of "telecommunications services" in which computer processing applications are used to act on the form, content, code, or protocol of the information or data primarily for a purpose other than transmission, conveyance or routing,

e. Interstate and International telecommunications service which is:

(1) rendered by a company for private use within its organization, or

(2) used, allocated, or distributed by a company to its affiliated group,

f. Regulatory assessments and charges, including charges to fund the Oklahoma Universal Service Fund, the Oklahoma Lifeline Fund and the Oklahoma High Cost Fund, and

g. Telecommunications nonrecurring charges, including but not limited to the installation, connection, change or initiation of telecommunications services which are not associated with a retail consumer sale;

19. Sales of railroad track spikes manufactured and sold for use in this state in the construction or repair of railroad tracks, switches, sidings and turnouts;

20. Sales of aircraft and aircraft parts provided such sales occur at a qualified aircraft maintenance facility. As used in this paragraph, "qualified aircraft maintenance facility" means a facility operated by an air common carrier, including one or more component overhaul support buildings or structures in an area owned, leased or controlled by the air common carrier, at which there were employed at least two thousand (2,000) full-time-equivalent employees in the preceding year as certified by the Oklahoma Employment Security Commission and which is primarily related to the fabrication, repair, alteration, modification, refurbishing, maintenance, building or rebuilding of commercial aircraft or aircraft parts used in air common carriage. For purposes of this paragraph, "air common carrier" shall also include members of an affiliated group as defined by Section 1504 of the Internal Revenue Code, 26 U.S.C., Section 1504. Beginning July 1, 2012, sales of machinery, tools, supplies, equipment and related tangible personal property and services used or consumed in the repair, remodeling or

maintenance of aircraft, aircraft engines, or aircraft component parts which occur at a qualified aircraft maintenance facility;

21. Sales of machinery and equipment purchased and used by persons and establishments primarily engaged in computer services and data processing:

a. as defined under Industrial Group Numbers 7372 and 7373 of the Standard Industrial Classification (SIC) Manual, latest version, which derive at least fifty percent (50%) of their annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer, and

b. as defined under Industrial Group Number 7374 of the SIC Manual, latest version, which derive at least eighty percent (80%) of their annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer.

Eligibility for the exemption set out in this paragraph shall be established, subject to review by the Tax Commission, by annually filing an affidavit with the Tax Commission stating that the facility so qualifies and such information as required by the Tax Commission. For purposes of determining whether annual gross revenues are derived from sales to out-of-state buyers or consumers, all sales to the federal government shall be considered to be to an out-of-state buyer or consumer;

22. Sales of prosthetic devices to an individual for use by such individual. For purposes of this paragraph, "prosthetic device" shall have the same meaning as provided in Section 1357.6 of this title, but shall not include corrective eye glasses, contact lenses or hearing aids;

23. Sales of tangible personal property or services to a motion picture or television production company to be used or consumed in connection with an eligible production. For purposes of this paragraph, "eligible production" means a documentary, special, music video, or a television commercial or television program that will serve as a pilot for or be a segment of an ongoing dramatic or situation comedy series filmed or taped for network or national or regional syndication or a feature-length motion picture intended for theatrical release or for network or national or regional syndication or broadcast. The provisions of this paragraph shall apply to sales occurring on or after July 1, 1996. In order to qualify for the exemption, the motion picture or television production company shall file any documentation and information required to be submitted pursuant to rules promulgated by the Tax Commission;

24. Sales of diesel fuel sold for consumption by commercial vessels, barges and other commercial watercraft;

25. Sales of tangible personal property or services to tax-exempt independent nonprofit biomedical research foundations that

provide educational programs for Oklahoma science students and teachers and to tax-exempt independent nonprofit community blood banks headquartered in this state;

26. Effective May 6, 1992, sales of wireless telecommunications equipment to a vendor who subsequently transfers the equipment at no charge or for a discounted charge to a consumer as part of a promotional package or as an inducement to commence or continue a contract for wireless telecommunications services;

27. Effective January 1, 1991, leases of rail transportation cars to haul coal to coal-fired plants located in this state which generate electric power;

28. Beginning July 1, 2005, sales of aircraft engine repairs, modification, and replacement parts, sales of aircraft frame repairs and modification, aircraft interior modification, and paint, and sales of services employed in the repair, modification and replacement of parts of aircraft engines, aircraft frame and interior repair and modification, and paint;

29. Sales of materials and supplies to the owner or operator of a ship, motor vessel or barge that is used in interstate or international commerce if the materials and supplies:

a. are loaded on the ship, motor vessel or barge and used in the maintenance and operation of the ship, motor vessel or barge, or

b. enter into and become component parts of the ship, motor vessel or barge;

30. Sales of tangible personal property made at estate sales at which such property is offered for sale on the premises of the former residence of the decedent by a person who is not required to be licensed pursuant to the Transient Merchant Licensing Act, or who is not otherwise required to obtain a sales tax permit for the sale of such property pursuant to the provisions of Section 1364 of this title; provided:

a. such sale or event may not be held for a period exceeding three (3) consecutive days,

b. the sale must be conducted within six (6) months of the date of death of the decedent, and

c. the exemption allowed by this paragraph shall not be allowed for property that was not part of the decedent's estate;

31. Beginning January 1, 2004, sales of electricity and associated delivery and transmission services, when sold exclusively for use by an oil and gas operator for reservoir dewatering projects and associated operations commencing on or after July 1, 2003, in which the initial water-to-oil ratio is greater than or equal to five-to-one water-to-oil, and such oil and gas development projects have been classified by the Corporation Commission as a reservoir dewatering unit;

32. Sales of prewritten computer software that is delivered electronically. For purposes of this paragraph, "delivered electronically" means delivered to the purchaser by means other than tangible storage media;

33. Sales of modular dwelling units when built at a production facility and moved in whole or in parts, to be assembled on-site, and permanently affixed to the real property and used for residential or commercial purposes. The exemption provided by this paragraph shall equal forty-five percent (45%) of the total sales price of the modular dwelling unit. For purposes of this paragraph, "modular dwelling unit" means a structure that is not subject to the motor vehicle excise tax imposed pursuant to Section 2103 of this title;

34. Sales of tangible personal property or services to persons who are residents of Oklahoma and have been honorably discharged from active service in any branch of the Armed Forces of the United States or Oklahoma National Guard and who have been certified by the United States Department of Veterans Affairs or its successor to be in receipt of disability compensation at the one-hundred-percent rate and the disability shall be permanent and have been sustained through military action or accident or resulting from disease contracted while in such active service <u>or the surviving spouse of such person if the person is deceased and the spouse has not remarried</u>; provided, sales for the benefit of the person to a spouse

of the eligible person or to a member of the household in which the eligible person resides and who is authorized to make purchases on the person's behalf, when such eligible person is not present at the sale, shall also be exempt for purposes of this paragraph. Sales qualifying for the exemption authorized by this paragraph shall not exceed Twenty-five Thousand Dollars ($25,000.00) per year per individual while the disabled veteran is living. Sales qualifying for the exemption authorized by this paragraph shall not exceed One Thousand Dollars ($1,000.00) per year for an unremarried surviving spouse. Upon request of the Tax Commission, a person asserting or claiming the exemption authorized by this paragraph shall provide a statement, executed under oath, that the total sales amounts for which the exemption is applicable have not exceeded Twenty-five Thousand Dollars ($25,000.00) per year per living disabled veteran or One Thousand Dollars ($1,000.00) per year for an unremarried surviving spouse. If the amount of such exempt sales exceeds such amount, the sales tax in excess of the authorized amount shall be treated as a direct sales tax liability and may be recovered by the Tax Commission in the same manner provided by law for other taxes, including penalty and interest;

35. Sales of electricity to the operator, specifically designated by the Corporation Commission, of a spacing unit or lease from which oil is produced or attempted to be produced using enhanced recovery methods, including, but not limited to, increased

pressure in a producing formation through the use of water or saltwater if the electrical usage is associated with and necessary for the operation of equipment required to inject or circulate fluids in a producing formation for the purpose of forcing oil or petroleum into a wellbore for eventual recovery and production from the wellhead. In order to be eligible for the sales tax exemption authorized by this paragraph, the total content of oil recovered after the use of enhanced recovery methods shall not exceed one percent (1%) by volume. The exemption authorized by this paragraph shall be applicable only to the state sales tax rate and shall not be applicable to any county or municipal sales tax rate;

36. Sales of intrastate charter and tour bus transportation. As used in this paragraph, "intrastate charter and tour bus transportation" means the transportation of persons from one location in this state to another location in this state in a motor vehicle which has been constructed in such a manner that it may lawfully carry more than eighteen persons, and which is ordinarily used or rented to carry persons for compensation. Provided, this exemption shall not apply to regularly scheduled bus transportation for the general public;

37. Sales of vitamins, minerals and dietary supplements by a licensed chiropractor to a person who is the patient of such chiropractor at the physical location where the chiropractor provides chiropractic care or services to such patient. The

provisions of this paragraph shall not be applicable to any drug, medicine or substance for which a prescription by a licensed physician is required;

38. Sales of goods, wares, merchandise, tangible personal property, machinery and equipment to a web search portal located in this state which derives at least eighty percent (80%) of its annual gross revenue from the sale of a product or service to an out-of-state buyer or consumer. For purposes of this paragraph, "web search portal" means an establishment classified under NAICS code 519130 which operates web sites that use a search engine to generate and maintain extensive databases of Internet addresses and content in an easily searchable format;

39. Sales of tangible personal property consumed or incorporated in the construction or expansion of a facility for a corporation organized under Section 437 et seq. of Title 18 of the Oklahoma Statutes as a rural electric cooperative. For purposes of this paragraph, sales made to a contractor or subcontractor that has previously entered into a contractual relationship with a rural electric cooperative for construction or expansion of a facility shall be considered sales made to a rural electric cooperative;

40. Sales of tangible personal property or services to a business primarily engaged in the repair of consumer electronic goods, including, but not limited to, cell phones, compact disc players, personal computers, MP3 players, digital devices for the

storage and retrieval of information through hard-wired or wireless computer or Internet connections, if the devices are sold to the business by the original manufacturer of such devices and the devices are repaired, refitted or refurbished for sale by the entity qualifying for the exemption authorized by this paragraph directly to retail consumers or if the devices are sold to another business entity for sale to retail consumers;

41. Before July 1, 2014, sales of rolling stock when sold or leased by the manufacturer, regardless of whether the purchaser is a public services corporation engaged in business as a common carrier of property or passengers by railway, for use or consumption by a common carrier directly in the rendition of public service. For purposes of this paragraph, "rolling stock" means locomotives, autocars and railroad cars; and

42. Sales of gold, silver, platinum, palladium or other bullion items such as coins and bars and legal tender of any nation, which legal tender is sold according to its value as precious metal or as an investment. To qualify for the exemption, the gold, silver, platinum, palladium or other bullion items must be stored within a recognized depository facility. As used in the paragraph, "bullion" means any precious metal, including, but not limited to, gold, silver, platinum and palladium, that is in such a state or condition that its value depends upon its precious metal content and not its form. As used in this paragraph, "depository facility" means an

institution that accepts delivery of precious metals on behalf of the purchaser and provides storage of such precious metals, but shall not include financial institutions as defined in subsection E of Section 71 of Title 62 of the Oklahoma Statutes. The exemption authorized by this paragraph shall not apply to fabricated metals that have been processed or manufactured for artistic use or as jewelry.

SECTION 83. REPEALER 68 O.S. 2011, Section 1357, as amended by Section 1, Chapter 233, O.S.L. 2012 (68 O.S. Supp. 2012, Section 1357), is hereby repealed.

SECTION 84. AMENDATORY 68 O.S. 2011, Section 2368.14, as amended by Section 2, Chapter 209, O.S.L. 2012 (68 O.S. Supp. 2012, Section 2368.14), is amended to read as follows:

Section 2368.14. A. Each state individual income tax return form for tax years which begin after December 31, 2004, and each state corporate tax return form for tax years beginning after December 31, 2004, shall contain a provision to allow a donation from a tax refund for the benefit of providing financial relief to qualified members of the Oklahoma National Guard, as follows:

Support of the Oklahoma National Guard Relief Program. Check if you wish to donate from your tax refund: ( ) $2, ( ) $5, or ( ) $____.

B. Except as otherwise provided for in this section, all monies generated pursuant to subsection A of this section shall be paid to the State Treasurer by the Oklahoma Tax Commission and placed to the credit of the Income Tax Checkoff Revolving Fund for the Support of the Oklahoma National Guard Relief Program created in subsection C of this section.

C. There is hereby created in the State Treasury a revolving fund for the Military Department of the State of Oklahoma to be designated the "Income Tax Checkoff Revolving Fund for the Support of the Oklahoma National Guard Relief Program". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies apportioned to the fund pursuant to the provisions of this section. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Military Department for the purpose of funding qualified National Guard members to assist with approved expenses. Such monies shall be apportioned as and in a manner specified by the Military Department. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

D. If a taxpayer makes a donation pursuant to subsection A of this section in error, such taxpayer may file a claim for refund at any time within three (3) years from the due date of the tax return. Such claims shall be filed pursuant to the provisions of Section 2373 of ~~Title 68 of the Oklahoma Statutes~~ this title. Prior to the apportionment set forth in this section, an amount equal to the total amount of refunds made pursuant to this subsection during any one (1) year shall be deducted from the total donations received pursuant to this section during the following year and such amount deducted shall be paid to the State Treasurer and placed to the credit of the Income Tax Withholding Refund Account.

E. Pursuant to Section 2368.18 of this title, the income tax checkoff contained in this section is hereby reauthorized effective January 1, 2014.

SECTION 85. REPEALER 68 O.S. 2011, Section 2368.14, as amended by Section 555, Chapter 304, O.S.L. 2012 (68 O.S. Supp. 2012, Section 2368.14), is hereby repealed.

SECTION 86. AMENDATORY 68 O.S. 2011, Section 2368.16, as amended by Section 3, Chapter 209, O.S.L. 2012 (68 O.S. Supp. 2012, Section 2368.16), is amended to read as follows:

Section 2368.16. A. Each state individual income tax return form for tax years which begin after December 31, 2007, and each state corporate tax return form for tax years beginning after December 31, 2007, shall contain a provision to allow a donation from a tax refund for the benefit of any regional food bank in this state. For purposes of this section, "regional food bank" means a nonprofit charitable organization exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), which as a part of a food bank network, maintains a food distribution operation providing food to other nonprofit entities that offer groceries or meals to people in need of food assistance. The provision to allow donation shall read as follows:

Support of programs for regional food banks in this state. Check if you wish to donate from your tax refund: ( ) $2, ( ) $5, or ( ) $____.

B. Except as otherwise provided for in this section, all monies generated pursuant to subsection A of this section shall be paid to the State Treasurer by the Oklahoma Tax Commission and placed to the credit of the Income Tax Checkoff Revolving Fund for Oklahoma Regional Food Banks created in subsection C of this section.

C. There is hereby created in the State Treasury a revolving fund for the Department of Human Services to be designated the "Income Tax Checkoff Revolving Fund for Oklahoma Regional Food Banks". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies apportioned to the fund pursuant to the provisions of this section. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Department of Human Services for the purpose of providing funding for all regional food banks in this state. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of ~~State Finance~~ the Office of Management and Enterprise Services for approval and payment.

D. If a taxpayer makes a donation pursuant to subsection A of this section in error, such taxpayer may file a claim for refund at any time within three (3) years from the due date of the tax return. Such claims shall be filed pursuant to the provisions of Section 2373 of ~~Title 68 of the Oklahoma Statutes~~ this title. Prior to the apportionment set forth in this section, an amount equal to the total amount of refunds made pursuant to this subsection during any one (1) year shall be deducted from the total donations received pursuant to this section during the following year and such amount deducted shall be paid to the State Treasurer and placed to the credit of the Income Tax Withholding Refund Account.

E. Pursuant to Section 2368.18 of this title, the income tax checkoff contained in this section is hereby reauthorized effective January 1, 2014.

SECTION 87. REPEALER 68 O.S. 2011, Section 2368.16, as amended by Section 557, Chapter 304, O.S.L. 2012 (68 O.S. Supp. 2012, Section 2368.16), is hereby repealed.

SECTION 88. AMENDATORY 68 O.S. 2011, Section 3603, as amended by Section 1, Chapter 308, O.S.L. 2012 (68 O.S. Supp. 2012, Section 3603), is amended to read as follows:

Section 3603. A. As used in Section 3601 et seq. of this title:

1. a. "Basic industry" means:

(1) those manufacturing activities defined or classified in the NAICS Manual under Industry Sector Nos. 31, 32 and 33, Industry Group No. 5111 or Industry No. 11331,

(2) those electric power generation, transmission and distribution activities defined or classified in the NAICS Manual under U.S. Industry Nos. 221111 through 221122, if:

(a) an establishment engaged therein qualifies as an exempt wholesale generator as defined by 15 U.S.C., Section 79z-5a,

(b) the exempt wholesale generator facility consumes from sources located within the state at least ninety percent (90%) of the total energy used to produce the electrical output which qualifies for the specialized treatment provided by the Energy Policy Act of 1992, P.L. 102-486, 106 Stat. 2776, as amended, and federal regulations adopted pursuant thereto,

(c) the exempt wholesale generator facility sells to purchasers located outside the state for consumption in activities located outside the state at least ninety percent

(90%) of the total electrical energy output which qualifies for the specialized treatment provided by the Energy Policy Act of 1992, P.L. 102-486, 106 Stat. 2776, as amended, and federal regulations adopted pursuant thereto, and

(d) the facility is constructed on or after July 1, 1996,

(3) those administrative and facilities support service activities defined or classified in the NAICS Manual under Industry Group Nos. 5611 and 5612, Industry Nos. 51821, 519130, 52232 and 56142 or U.S. Industry Nos. 524291 and 551114, those other support activities for air transportation defined or classified in the NAICS Manual under Industry Group No. 488190, and those support, repair, and maintenance service activities for the wind industry defined or classified in the NAICS Manual under Industry Group No. 811310,

(4) those professional, scientific and technical service activities defined or classified in the NAICS Manual under U.S. Industry Nos. 541710 and 541380,

(5) distribution centers for retail or wholesale businesses defined or classified in the NAICS Manual under Sector No. 42, if forty percent (40%) or more of the inventory processed through such warehouse is shipped out-of-state,

(6) those adjustment and collection service activities defined or classified in the NAICS Manual under U.S. Industry No. 561440, if seventy-five percent (75%) of the loans to be serviced were made by out-of-state debtors,

(7) (a) those air transportation activities defined or classified in the NAICS Manual under Industry Group No. 4811, if the following facilities are located in this state:

(i) the corporate headquarters of an establishment classified therein, and

(ii) a facility or facilities at which reservations for transportation provided by such an establishment are processed, whether such services are performed by employees of the establishment, by employees of a subsidiary of or other entity affiliated with the establishment or by employees of an entity with whom the establishment has contracted for the performance of such services; provided, this provision shall not disqualify an establishment which uses an out-of-state entity or employees for some reservations services, or

(b) those air transportation activities defined or classified in the NAICS Manual under Industry Group No. 4811, if an establishment classified therein has or will have within one (1) year sales of at least seventy-five percent (75%) of its total sales, as determined by the Incentive Approval Committee pursuant to the provisions of subsection B of this section, to out-of-state customers or buyers, to in-state customers or buyers if the product or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to the federal government,

(8) flight training services activities defined or classified in the NAICS Manual under U.S. Industry Group No. 611512, which for purposes of

Section 3601 et seq. of this title shall include new direct jobs for which gross payroll existed on or after January 1, 2003, as identified in the NAICS Manual,

(9) the following, if an establishment classified therein has or will have within one (1) year sales of at least seventy-five percent (75%) of its total sales, as determined by the Incentive Approval Committee pursuant to the provisions of subsection B of this section, to out-of-state customers or buyers, to in-state customers or buyers if the product or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to the federal government:

(a) those transportation and warehousing activities defined or classified in the NAICS Manual under Industry Subsector No. 493, if not otherwise listed in this paragraph, Industry Subsector No. 484 and Industry Group Nos. 4884 through 4889,

(b) those passenger transportation activities defined or classified in the NAICS Manual under Industry Nos. 561510 and 561599,

(c) those freight or cargo transportation activities defined or classified in the NAICS Manual under Industry No. 541614,

(d) those insurance activities defined or classified in the NAICS Manual under Industry Group No. 5241,

(e) those services to dwellings and other buildings, as defined or classified in the NAICS Manual under Industry Group No. 5617, excluding U.S. Industry Nos. 561730, 56171, 56172, 56174 and 56179,

(f) those equipment rental and leasing activities defined or classified in the NAICS Manual under Industry Group No. 5324,

(g) those information technology and other computer-related service activities defined or classified in the NAICS Manual under Industry Group Nos. 5112, 5182, 5191 and 5415,

(h) those business support service activities defined or classified in the NAICS Manual under U.S. Industry Nos. 561410 through 561430, excluding 56143, and Industry No. 51911,

(i) those medical and diagnostic laboratory activities defined or classified in the NAICS Manual under Industry Group No. 6215,

(j) those professional, scientific and technical service activities defined or classified in the NAICS Manual under Industry Group Nos. 5412, 5414, 5415, 5416 and 5417, Industry Nos. 54131, 54133, 54136 and 54137, and U.S. Industry No. 541990, if not otherwise listed in this paragraph,

(k) those communication service activities defined or classified in the NAICS Manual under Industry Nos. 51741 and 51791,

(l) those refuse systems activities defined or classified in the NAICS Manual under Industry Group No. 5622, provided that the establishment is primarily engaged in the capture and distribution of methane gas produced within a landfill,

(m) general wholesale distribution of groceries, defined or classified in the NAICS Manual under Industry Group Nos. 4244 and 4245,

(n) those activities relating to processing of insurance claims, defined or classified in the NAICS Manual under U.S. Industry Nos. 524210 and 524292; provided, activities described in U.S. Industry Nos. 524210 and 524292 in the NAICS Manual other than processing of insurance claims shall not be included for purposes of this subdivision,

(o) those agricultural activities classified in the NAICS Manual under U.S. Industry No. 112120 ,

(p) those professional organization activities classified in the NAICS Manual under U.S. Industry No. 813920,

(q) alternative energy structure construction classified in the NAICS Manual under U.S. Industry No. 237130,

(r) solar reflective coating application classified in the NAICS Manual under U.S. Industry No. 238160, and

(s) solar heating equipment installation classified in the NAICS Manual under U.S. Industry No. 238220;

(10) those activities related to extraction of crude petroleum and natural gas defined or classified in the NAICS Manual under Industry Group No. 2111

or 213111, subject to the limitations provided in paragraph 3 of this subsection and paragraph 3 of subsection B of this section,

(11) those activities performed by the federal civilian workforce at a facility of the Federal Aviation Administration located in this state if the Director of the Department of Commerce determines or is notified that the federal government is soliciting proposals or otherwise inviting states to compete for additional federal civilian employment or expansion of federal civilian employment at such facilities,

(12) those activities defined or classified in the NAICS Manual under U.S. Industry No. 711211 (2007 version),

(13) those real estate or brokerage activities classified in the NAICS Manual under U.S. Industry No. 53120 for which at least seventy-five percent (75%) of the establishment's revenues are attributed to out-of-state sales and at least seventy-five percent (75%) of the real estate transactions generating those revenues are attributed to real property located outside the State of Oklahoma, or

(14) those support activities for rail transportation and those support activities for water transportation defined or classified in the NAICS Manual under U.S. Industry Nos. 4882 and 4883.

b. An establishment described in subparagraph a of this paragraph shall not be considered to be engaged in a basic industry unless it offers, or will offer within one hundred eighty (180) days of employment, a basic health benefits plan to the individuals it employs in new direct jobs in this state which is determined by the Oklahoma Department of Commerce to consist of the following elements or elements substantially equivalent thereto:

(1) not more than fifty percent (50%) of the premium shall be paid by the employee,

(2) coverage for basic hospital care,

(3) coverage for physician care,

(4) coverage for mental health care,

(5) coverage for substance abuse treatment,

(6) coverage for prescription drugs, and

(7) coverage for prenatal care;

2. "Change-in-control event" means the transfer to one or more unrelated establishments or unrelated persons, of either:

a. beneficial ownership of more than fifty percent (50%) in value and more than fifty percent (50%) in voting power of the outstanding equity securities of the transferred establishment, or

b. more than fifty percent (50%) in value of the assets of an establishment.

A transferor shall be treated as related to a transferee if more than fifty percent (50%) of the voting interests of the transferor and transferee are owned, directly or indirectly, by the other or are owned, directly or indirectly, by the same person or persons, unless such transferred establishment has an outstanding class of equity securities registered under Sections 12(b) or 15(d) of the Securities Exchange Act of 1934, as amended, in which event the transferor and transferee will be treated as unrelated; provided, an establishment applying for the Oklahoma Quality Jobs Program Act as a result of a ~~change of control~~ change-in-control event is required to apply within one hundred eighty (180) days of the ~~change in control~~ change-in-control event to qualify for consideration. An establishment entering the Oklahoma Quality Jobs Program Act as the result of a ~~change of control~~ change-in-control event shall be required to maintain a level of new direct jobs as agreed to in its contract with the Department of Commerce and to pay new direct jobs an average annualized wage which equals or exceeds one hundred twenty-five percent (125%) of the average county wage as that percentage is determined by the Oklahoma State Data Center based upon the most recent U.S. Department of Commerce data for the county in which the new jobs are located. For purposes of this paragraph, healthcare premiums paid by the applicant for individuals in new direct jobs shall not be included in the annualized wage. Such establishment entering the Quality Jobs Program Act as the result of a ~~change of control~~ change-in-control event shall be required to retain the contracted average annualized wage and maintain the contracted maintenance level of new direct jobs numbers as certified by the Tax Commission. If the required average annualized wage or the required new direct jobs numbers do not equal or exceed such contracted level during any quarter, the quarterly incentive payments shall not be made and shall not be resumed until such time as such requirements are met. An establishment described in this paragraph shall be required to repay all incentive payments received under the Quality Jobs Program Act if the establishment is determined by the Oklahoma Tax Commission to no longer have business operations in the state within three (3) years from the beginning of the calendar quarter for which the first incentive payment claim is filed.

3. "New direct job":

a. means full-time-equivalent employment in this state in an establishment which has qualified to receive an incentive payment pursuant to the provisions of

Section 3601 et seq. of this title which employment did not exist in this state prior to the date of approval by the Department of the application of the establishment pursuant to the provisions of Section 3604 of this title and with respect to an establishment qualifying for incentive payments pursuant to division (12) of subparagraph a of paragraph 1 of this subsection shall not include compensation paid to an employee or independent contractor for an athletic contest conducted in the state if the compensation is paid by an entity that does not have its principal place of business in the state or that does not own real or personal property having a market value of at least One Million Dollars ($1,000,000.00) located in the state, and the employees or independent contractors of such entity are compensated to compete against the employees or independent contractors of an establishment that qualifies for incentive payments pursuant to division (12) of subparagraph a of paragraph 1 of this subsection and which is organized under Oklahoma law or that is lawfully registered to do business in the state and which does have its principal place of business located in the state and owns real or personal property having a market value of at least One Million Dollars ($1,000,000.00) located in the state; provided, that if an application of an establishment is approved by the Department of Commerce after a change-in-control event and the Director of the Department of Commerce determines that the jobs located at such establishment are likely to leave the state, "new direct job" shall include employment that existed in this state prior to the date of application which is retained in this state by the new establishment following a change in control event, if such job otherwise qualifies as a new direct job, and

b. shall include full-time-equivalent employment in this state of employees who are employed by an employment agency or similar entity other than the establishment which has qualified to receive an incentive payment and who are leased or otherwise provided under contract to the qualified establishment, if such job did not exist in this state prior to the date of approval by the Department of the application of the establishment or the job otherwise qualifies as a new direct job following a change-in-control event. A job shall be deemed to exist in this state prior to approval of an application if the activities and functions for which the particular job exists have been ongoing at any time within six (6) months prior to such approval. With respect to establishments defined in division (10) of subparagraph a of paragraph 1 of this subsection, new direct jobs shall be limited to those jobs directly comprising the corporate headquarters of or directly relating to <u>manufacturing, maintenance,</u> administrative, financial, engineering, surveying, geological or geophysical services performed by the establishment. Under no circumstances shall employment relating to ~~drilling or~~ field services be considered new direct jobs;

4. "Estimated direct state benefits" means the tax revenues projected by the Department to accrue to the state as a result of new direct jobs;

5. "Estimated direct state costs" means the costs projected by the Department to accrue to the state as a result of new direct jobs. Such costs shall include, but not be limited to:

a. the costs of education of new state resident children,

b. the costs of public health, public safety and transportation services to be provided to new state residents,

c. the costs of other state services to be provided to new state residents, and

d. the costs of other state services;

6. "Estimated net direct state benefits" means the estimated direct state benefits less the estimated direct state costs;

7. "Net benefit rate" means the estimated net direct state benefits computed as a percentage of gross payroll; provided:

a. except as otherwise provided in this paragraph, the net benefit rate may be variable and shall not exceed five percent (5%),

b. the net benefit rate shall not exceed six percent (6%) in connection with an establishment which is owned and operated by an entity which has been awarded a United States Department of Defense contract for which:

(1) bids were solicited and accepted by the United States Department of Defense from facilities located outside this state,

(2) the term is or is renewable for not less than twenty (20) years, and

(3) the average annual salary, excluding benefits which are not subject to Oklahoma income taxes, for new direct jobs created as a direct result of the awarding of the contract is projected by the Department of Commerce to equal or exceed Forty

Thousand Dollars ($40,000.00) within three (3) years of the date of the first incentive payment,

c. except as otherwise provided in subparagraph d of this paragraph, in no event shall incentive payments, cumulatively, exceed the estimated net direct state benefits,

d. the net benefit rate shall be five percent (5%) for an establishment locating:

(1) in an opportunity zone located in a high-employment county, as such terms are defined in subsection G of Section 3604 of this title, or

(2) in a county in which:

(a) the per capita personal income, as determined by the Department, is eighty-five percent (85%) or less of the statewide average per capita personal income,

(b) the population has decreased over the previous ten (10) years, as determined by the State Data Center based on the most recent U.S. Department of Commerce data, or

(c) the unemployment rate exceeds the lesser of five percent (5%) or two percentage points above the state average unemployment rate as certified by the Oklahoma Employment Security Commission,

e. the net benefit rate shall not exceed six percent (6%) in connection with an establishment which:

(1) is, as of the date of application, receiving incentive payments pursuant to the Oklahoma Quality Jobs Program Act and has been receiving such payments for at least one (1) year prior to the date of application, and

(2) expands its operations in this state by creating additional new direct jobs which pay average annualized wages which equal or exceed one hundred fifty percent (150%) of the average annualized wages of new direct jobs on which incentive payments were received during the preceding calendar year, and

f. with respect to an establishment defined or classified in the NAICS Manual under U.S. Industry No. 711211 (2007 version) or any establishment defined or classified in the NAICS Manual as a U.S. Industry Number which is not included within the definition of "basic industry" as such term is defined in this section on April 17, 2008, the net benefit rate shall not exceed the highest rate of income tax imposed upon the Oklahoma taxable income of individuals pursuant to subparagraph (g) or subparagraph (h), as applicable, of paragraph 1 and paragraph 2 of subsection B of Section 2355 of this title. Any change in such highest rate of individual income tax imposed pursuant to the provisions of Section 2355 of this title shall be applicable to the computation of incentive payments to an establishment as described by this subparagraph and shall be effective for purposes of incentive payments based on payroll paid by such establishment on or after January 1 of any applicable year for which the net benefit rate is modified as required by this subparagraph.

Incentive payments made pursuant to the provisions of this subparagraph shall be based upon payroll associated with such new direct jobs. For purposes of this subparagraph, the amount of health insurance premiums or other benefits paid by the establishment shall not be included for purposes of computation of the average annualized wage;

8. "Gross payroll" means wages, as defined in Section 2385.1 of this title for new direct jobs;

9. a. "Establishment" means any business or governmental entity, no matter what legal form, including, but not limited to, a sole proprietorship; partnership;

limited liability company; corporation or combination of corporations which have a central parent corporation which makes corporate management decisions such as those involving consolidation, acquisition, merger or expansion; federal agency; political subdivision of the State of Oklahoma; or trust authority; provided, distinct, identifiable subunits of such entities may be determined to be an establishment, for all purposes of Section 3601 et seq. of this title, by the Department subject to the following conditions:

(1) within three (3) years of the first complete calendar quarter following the start date, the entity must have a minimum payroll of Two Million Five Hundred Thousand Dollars ($2,500,000.00) and the subunit must also have or will have a minimum payroll of Two Million Five Hundred Thousand Dollars ($2,500,000.00),

(2) the subunit is engaged in an activity or service or produces a product which is demonstratively independent and separate from the entity's other activities, services or products and could be conducted or produced in the absence of any other activity, service or production of the entity,

(3) has an accounting system capable of tracking or facilitating an audit of the subunit's payroll, expenses, revenue and production. Limited interunit overlap of administrative and purchasing functions shall not disqualify a subunit from consideration as an establishment by the Department,

(4) the entity has not previously had a subunit determined to be an establishment pursuant to this section; provided, the restriction set forth in this division shall not apply to subunits which qualify pursuant to the provisions of subparagraph b of paragraph 7 of this subsection, and

(5) it is determined by the Department that the entity will have a probable net gain in total employment within the incentive period.

b. The Department may promulgate rules to further limit the circumstances under which a subunit may be considered an establishment. The Department shall promulgate rules to determine whether a subunit of an entity achieves a net gain in total employment. The Department shall establish criteria for determining the period of time within which such gain must be demonstrated and a method for determining net gain in total employment;

10. "NAICS Manual" means any manual, book or other publication containing the North American Industry Classification System, United States, 1997, promulgated by the Office of Management and Budget of the United States of America, or the latest revised edition;

11. "Qualified federal contract" means a contract between an agency or instrumentality of the United States government, including but not limited to the Department of Defense or any branch of the United States Armed Forces, but exclusive of any contract performed for the Federal Emergency Management Agency as a direct result of a natural disaster declared by the Governor or the President of the United States with respect to damage to property located in Oklahoma or loss of life or personal injury to persons in Oklahoma, and a lawfully recognized business entity, whether or not the business entity is organized under the laws of the State of Oklahoma or whether or not the principal place of business of the business entity is located within the State of Oklahoma, for the performance of services, including but not limited to testing, research, development, consulting or other services in a basic industry, if the contract involves the performance of such services performed on or after July 1, 2009, by the employees of the business entity within the State of Oklahoma or if the contract involves the performance of such services performed on or after July 1, 2009, by

employees of a lawfully recognized business entity that is a subcontractor of the business entity with which the prime contract has been formed. A qualified federal contract described in this paragraph shall not qualify unless both the qualified federal contractor and any subcontractors originally involved in the work or added subsequently during the period of performance verify to the qualified federal contractor verifier that it offers, or will offer within one hundred eighty (180) days of employment of its respective employees, a basic health benefits plan as described in subparagraph b of paragraph 1 of this subsection to individuals who perform qualified labor hours in this state;

12. "Qualified federal contractor verifier" means a nonprofit entity organized under the laws of the State of Oklahoma, having an affiliation with a comprehensive university which is part of The Oklahoma State System of Higher Education, and having the following characteristics:

a. established multiyear classified and unclassified indefinite-delivery/indefinite-quantity federal contract vehicles in excess of Fifty Million Dollars ($50,000,000.00),

b. current capability to sponsor and maintain personnel security clearances and authorized by the federal government to handle and perform classified work up to the Top Secret Sensitive Compartmented Information levels,

c. at least one on-site federally certified Sensitive Compartmented Information Facility,

d. on-site secure mass data storage complex with the capability of isolating, segregating and protecting corporate proprietary and classified information,

e. trusted agent status by maintaining no ownership of, vested interest in, nor royalty production from any intellectual property,

f. at least one hundred thousand (100,000) square feet of configurable laboratory and support space,

g. the direct access to restricted air space through a formalized memorandum of agreement with the Department of Defense,

h. at least five thousand (5,000) acres available for outdoor testing and training facilities, and

i. the ability to house state-of-the-art surety facilities, including chemical, biological, radiological, explosives, electronics, and unmanned systems laboratories and ranges;

13. "SIC Manual" means the 1987 revision to the Standard Industrial Classification Manual, promulgated by the Office of Management and Budget of the United States of America;

14. "Start date" means the date on which an establishment may begin accruing benefits for the creation of new direct jobs, which date shall be determined by the Department;

15. "Effective date" means the date of approval of a contract under which incentive payments will be made pursuant to the Oklahoma Quality Jobs Program Act, which shall be the date the signed and accepted incentive contract is received by the Department; provided, an approved project may have a start date which is different from the effective date;

16. "Total qualified labor hours" means the reimbursed payment amount for hours of work performed by the State of Oklahoma workforce of a qualified federal contractor or the State of Oklahoma workforce of a subcontractor of a qualified federal contractor and which are required for the full performance of a qualified federal contract;

17. "Qualified labor rate" means the fully reimbursed labor rate paid through a qualified federal contract for qualified labor hours to the qualified federal contractor or subcontractor; and

18. "Qualified federal contractor" means a business entity:

a. maintaining a prime contract with the federal government as defined in paragraph 11 of this subsection,

b. providing notice of intent to apply to the Department within one hundred eighty (180) days of July 1, 2010, or one hundred eighty (180) days of the date of the award of a qualified federal contract or award of a new qualified subcontract under an existing qualified federal contract, and

c. adding substantively to the contract by performing at least eight percent (8%) of the total labor whether qualified and nonqualified labor as determined by the federal contractor verifier on a direct contract or individual task order or delivery order on an indefinite-delivery/indefinite-quantity or other blanket contract vehicle.

Should a prime contractor provide notice to the Department of its intent not to apply for incentive for a qualified federal contract or fails to qualify under the criteria above, subcontractors in order of tier ranking as determined by the federal contract verifier may assume the role of the prime and apply to become a qualified federal contractor provided the entity meets the same criteria above with the exception that notice of intent to apply with the Department must be provided within sixty (60) days of the prime's disqualification or one hundred eighty (180) days of the award of its subcontract, whichever is later.

B. The Incentive Approval Committee is hereby created and shall consist of the Director of the Office of ~~State Finance~~ Management and Enterprise Services, the Director of the Department and one member of the Oklahoma Tax Commission appointed by the Tax Commission, or a designee from each agency approved by such member. It shall be the duty of the Committee to determine:

1. Upon initial application on a form approved by the Committee, if an establishment is engaged in a basic industry as defined in subdivision (b) of division (7) or in subdivisions (a) through (n) of division (9) of subparagraph a of paragraph 1 of subsection A of this section or as otherwise provided by subsection C of this section;

2. If an establishment would have been defined as a "basic industry" prior to the amendments to this section to convert from SIC Codes to NAICS Codes. If the Committee so determines, the establishment shall be considered as a "basic industry" for purposes of the Oklahoma Quality Jobs Program Act; and

3. If employees of an establishment as defined in division (10) of subparagraph a of paragraph 1 of subsection A of this section meet the requirements to be considered employed in new direct jobs as specified in paragraph 3 of subsection A of this section.

C. For an establishment defined as a "basic industry" pursuant to division (4) of subparagraph a of paragraph 1 of subsection A of this section, the Incentive Approval Committee shall consist of the members provided by subsection B of this section and the Executive Director of the Oklahoma Center for the Advancement of Science and

Technology, or a designee from the Center appointed by the Executive Director.

SECTION 89. REPEALER 68 O.S. 2011, Section 3603, as amended by Section 567, Chapter 304, O.S.L. 2012 (68 O.S. Supp. 2012, Section 3603), is hereby repealed.

SECTION 90. REPEALER 68 O.S. 2011, Section 3603, as amended by Section 1, Chapter 310, O.S.L. 2012 (68 O.S. Supp. 2012, Section 3603), is hereby repealed.

SECTION 91. AMENDATORY 69 O.S. 2011, Section 404, as amended by Section 3, Chapter 356, O.S.L. 2012 (69 O.S. Supp. 2012, Section 404), is amended to read as follows:

Section 404. A. There is hereby created in the State Treasury a revolving fund for the Department of Transportation to be designated the "State Infrastructure Bank Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of the following:

1. All monies received by the Department of Transportation as provided in Section 403 of this title;

2. All monies received pursuant and subject to the provisions of the National Highway System Designation Act of 1995 and the Transportation Infrastructure Finance and Innovation Act of 1998 which are eligible for use in state revolving loan funds established to meet the requirements of that act;

3. All monies appropriated to this fund;

4. Payments of principal and interest and penalty payments on loans made directly from federal monies and appropriated monies in this fund;

5. Annual state administration fees of one-half percent (1/2%) on the outstanding loan balance; and

6. Any other sums designated for deposit to this fund from any source, public or private.

All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Department of Transportation for the purposes of effectuating the provisions of this act. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of ~~State Finance~~ Management and Enterprise Services for approval and payment.

B. The monies placed in the State Infrastructure Bank Revolving Fund shall be invested by the State Treasurer as prescribed by Section 89.2 of Title 62 of the Oklahoma Statutes. Any interest earned by the State Treasurer shall be deposited to the credit of the State Infrastructure Bank Revolving Fund. Monies invested by the State Treasurer shall be available to meet the program funding needs established by the Department of Transportation pursuant to this act.

SECTION 92. REPEALER 69 O.S. 2011, Section 404, as amended by Section 572, Chapter 304, O.S.L. 2012 (69 O.S. Supp. 2012, Section 404), is hereby repealed.

SECTION 93. AMENDATORY 69 O.S. 2011, Section 1521, as amended by Section 1, Chapter 346, O.S.L. 2012 (69 O.S. Supp. 2012, Section 1521), is amended to read as follows:

Section 1521. A. There is hereby created in the State Treasury a fund to be known as the "Rebuilding Oklahoma Access and Driver Safety Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all appropriations and transfers made by the Legislature. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended each fiscal year by the Department of Transportation for the purposes authorized by subsection G of this section. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of ~~State Finance~~ Management and Enterprise Services for approval and payment.

B. There shall be apportioned to the funds specified in this subsection from the monies that would otherwise be apportioned to the General Revenue Fund by Section 2352 of Title 68 of the Oklahoma Statutes from the revenues derived pursuant to subsections A, B and E of Section 2355 of Title 68 of the Oklahoma Statutes amounts as follows:

1. For each fiscal year, subject to the provisions of paragraph 3 of this subsection, and, except for the amount prescribed by subparagraph a of this paragraph, subject to any reductions required by subsection F of this section, there shall be apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund:

a. for the fiscal year beginning July 1, 2011, the first Thirty-five Million Seven Hundred Thousand Dollars ($35,700,000.00), for the fiscal year beginning July 1, 2012, the first Forty-one Million Seven Hundred Thousand Dollars ($41,700,000.00) and for the fiscal year beginning July 1, 2013, and for each fiscal year thereafter, Fifty-nine Million Seven Hundred Thousand Dollars ($59,700,000.00), which shall be allocated and used by the Department of Transportation first for the purpose of making any required payments for principal, interest or other costs of borrowing with respect to the obligations issued pursuant to Section 341 of Title 73 of the Oklahoma Statutes and after any such required payment has been made then for the purposes otherwise authorized by this section, plus

b. the total amount apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund for the preceding fiscal year which, except for the amount prescribed by subparagraph a of this paragraph, shall be apportioned before any other amount is apportioned pursuant to Section 2352 of Title 68 of the Oklahoma Statutes, plus

c. an additional incremental amount which shall not be in excess of the amount prescribed by subparagraph a of this paragraph and that is required in order for the total apportionment for such fiscal year to equal Five Hundred Seventy-five Million Dollars ($575,000,000.00).

All amounts apportioned pursuant to this paragraph shall be divided into twelve equal amounts to be apportioned each month during the fiscal year except the amount specified in subparagraph a of this paragraph which amount shall be allocated in its full amount in cash not later than July 30 each year or such later date as may be required in order for the amount to be allocated in cash;

2. For each fiscal year after the apportionments required by paragraph 1 of this subsection have been made:

a. the next Two Million Dollars ($2,000,000.00) shall be apportioned to the Oklahoma Tourism and Passenger Rail Revolving Fund created pursuant to Section 325 of Title 66 of the Oklahoma Statutes to be used for capital and operating costs for the "Heartland Flyer" rail project, and

b. the next Three Million Dollars ($3,000,000.00) shall be apportioned to the Public Transit Revolving Fund created pursuant to Section 4031 of this title to be used for purposes authorized by law other than the purpose described by subparagraph a of this paragraph.

All amounts apportioned pursuant to this paragraph shall be divided into twelve equal amounts to be apportioned each month during the fiscal year; and

3. For each fiscal year after the first fiscal year in which the total apportionment to the Rebuilding Oklahoma Access and Driver Safety Fund as provided by paragraph 1 of this subsection equals Five Hundred Seventy-five Million Dollars ($575,000,000.00), the first Five Hundred Seventy-five Million Dollars ($575,000,000.00) collected pursuant to subsections A, B and E of Section 2355 of Title 68 of the Oklahoma Statutes and apportioned pursuant to Section 2352 of Title 68 of the Oklahoma Statutes that would otherwise be apportioned to the General Revenue Fund shall be apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund. With the exception of the amount prescribed by subparagraph a of paragraph 1 of this subsection, all amounts apportioned pursuant to this paragraph shall be divided into twelve equal amounts to be apportioned each month during the fiscal year.

C. The apportionments of revenues required by subparagraphs a, b and c of paragraph 1 of subsection B of this section shall be made until the total annual apportionment to the Rebuilding Oklahoma Access and Driver Safety Fund equals Five Hundred Seventy-five Million Dollars ($575,000,000.00). After such annual apportionment level is reached, the apportionment to the fund shall be governed by the provisions of paragraph 3 of subsection B of this section.

D. The monies apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund shall not be used to supplant or replace existing state funds used for transportation purposes.

E. In order to ensure that the funds from the ROADS Fund are used to enhance and not supplant state funding for the Department of Transportation, the State Board of Equalization shall examine and investigate expenditures from the fund each year. For purposes of this examination, monies used to retire outstanding debt obligations for which the Department of Transportation is responsible shall be excluded. At the meeting of the State Board of Equalization held within five (5) days after the monthly apportionment in February of each year, the State Board of Equalization shall issue a finding and report which shall state whether expenditures from the ROADS Fund were used to enhance or supplant state funding for the Department of Transportation. If the State Board of Equalization finds that state funding for the Department of Transportation was supplanted by funds from the ROADS Fund, the Board shall specify the amount by which such funding was supplanted. In this event, the Legislature shall not make any appropriations for the ensuing fiscal year until an appropriation in that amount is made to replenish state funding for the Department of Transportation.

F. In the event that the Director of the Office of ~~State Finance~~ Management and Enterprise Services declares a General Revenue Fund revenue failure pursuant to Section 34.49 of Title 62 of the Oklahoma Statutes, and agency allocations are reduced pursuant to the provisions of Section 34.49 of Title 62 of the Oklahoma Statutes, the amounts that would otherwise be apportioned to the ROADS Fund by:

1. Subparagraph a of paragraph 1 of subsection B of this section, only to the extent that the amount is not required for debt service related to the obligations authorized pursuant to Section 341 of Title 73 of the Oklahoma Statutes;

2. Subparagraphs b and c of paragraph 1 of subsection B of this section; and

3. Subparagraphs a and b of paragraph 2 of subsection B of this section,

shall be reduced by a percentage equal to that required of the General Revenue Fund appropriations to state agencies and such reductions shall occur during the entire fiscal year and for any month during which such reductions are required by the Office of ~~State Finance~~ Management and Enterprise Services and by the same percentage as that required of the agencies for such General Revenue Fund appropriations.

G. The Department of Transportation shall use the monies in the Rebuilding Oklahoma Access and Driver Safety Fund for:

1. The construction and maintenance of state roads, bridges and highways;

2. The direct expenses of operating and maintaining the state highway system, including bridges;

3. Direct expenses incurred in constructing, repairing, and maintaining state highways, farm-to-market roads, county highways and bridges as authorized by law;

4. Matching federal funds;

5. The purchase of materials, tools, machinery, motor vehicles, and equipment necessary or convenient for the construction and maintenance of the state highway system and bridges;

6. Debt service incurred prior to January 1, 2006, for Capital Improvement Program bonds sold pursuant to Section 2001 of this title; and

7. Debt service incurred on or after July 1, 2009, with respect to obligations authorized to be issued pursuant to Section 341 of Title 73 of the Oklahoma Statutes.

H. From the monies allocated pursuant to the provisions of subparagraph a of paragraph 1 of subsection B of this section each fiscal year, the Department of Transportation shall make payments required for the payment of principal, interest and other costs related to the obligations issued by the Oklahoma Capitol

Improvement Authority as authorized by Section 341 of Title 73 of the Oklahoma Statutes and such payments shall be made by the Department each fiscal year before such monies are used for any other purpose.

SECTION 94. REPEALER 69 O.S. 2011, Section 1521, as amended by Section 583, Chapter 304, O.S.L. 2012 (69 O.S. Supp. 2012, Section 1521), is hereby repealed.

SECTION 95. REPEALER 70 O.S. 2011, Section 3-117, as amended by Section 590, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2012, Section 3-117), is hereby repealed.

SECTION 96. AMENDATORY 70 O.S. 2011, Section 1210.508C, as last amended by Section 1, Chapter 250, O.S.L. 2012 (70 O.S. Supp. 2012, Section 1210.508C), is amended to read as follows:

Section 1210.508C. A. 1. Each student enrolled in kindergarten in a public school in this state shall be screened for reading skills including, but not limited to, phonological awareness, letter recognition, and oral language skills as identified in the Priority Academic Student Skills (PASS) adopted by the State Board of Education. A screening instrument approved by the State Board shall be utilized for the purposes of this section.

2. For those kindergarten children at risk for reading difficulties, teachers shall emphasize reading skills as identified in the PASS, monitor progress throughout the year and measure year-end reading progress.

3. Classroom assistants, which may include parents, grandparents, or other volunteers, shall be provided in kindergarten classes to assist with the screening of students if a teacher aide is not already employed to assist in a kindergarten classroom.

B. 1. Each student enrolled in kindergarten, first, second and third grade of the public schools of this state shall be assessed at the beginning of each school year using a screening instrument approved by the State Board of Education for the acquisition of reading skills including, but not limited to, phonological awareness, phonics, spelling, reading fluency, vocabulary, and comprehension.

2. Any student who is assessed and found not to be reading at the appropriate grade level shall be provided a program of reading instruction designed to enable the student to acquire the appropriate grade level reading skills. Beginning with students entering the first grade in the 2011-2012 school year, the program of reading instruction shall include provisions of the READ Initiative adopted by the school district as provided for in subsection O of this section.

3. Throughout the year progress monitoring shall continue, and diagnostic assessment, if determined appropriate, shall be provided. Year-end reading skills shall be measured to determine reading success.

C. The State Board of Education shall approve screening instruments for use at the beginning of the school year, for monitoring of progress, and for measurement of reading skills at the end of the school year as required in subsections A and B of this section; provided, at least one of the screening instruments shall meet the following criteria:

1. Assess for phonological awareness, phonics, reading fluency, and comprehension;

2. Document the validity and reliability of each assessment;

3. Can be used for diagnosis and progress monitoring;

4. Can be used to assess special education and limited-English-proficient students;

5. Accompanied by a data management system that provides profiles for students, class, grade level and school building. The profiles shall identify each student's instructional point of need and reading achievement level. The State Board shall also determine other comparable reading assessments for diagnostic purposes and for periodic and post assessments to be used for students at risk of reading failure. The State Board shall ensure that any assessments approved are in alignment with the PASS.

D. The program of reading instruction required in subsection B of this section shall align with the PASS, shall include provisions of the READ Initiative adopted by the school district as provided for in subsection O of this section beginning with students entering the first grade in the 2011-2012 school year and may include, but is not limited to:

1. Sufficient additional in-school instructional time for the acquisition of phonological awareness, phonics, spelling, reading fluency, vocabulary, and comprehension;

2. If necessary, tutorial instruction after regular school hours, on Saturdays and during summer; however, such instruction may not be counted toward the one-hundred-eighty-day or one-thousand-eighty-hour school year required in Section 1-109 of this title; and

3. Assessments identified for diagnostic purposes and periodic monitoring to measure the acquisition of reading skills including, but not limited to, phonological awareness, phonics, spelling, reading fluency, vocabulary, and comprehension, as identified in the student's program of reading instruction.

E. The program of reading instruction shall continue until the student is determined by the results of approved reading assessments to be reading on grade level.

F. 1. Every school district shall adopt, and implement~~, and annually update~~ a district reading sufficiency plan which has had input from school administrators, teachers, and parents and if possible a reading specialist, and which shall be submitted electronically to and approved by the State Board of Education. The plan shall be updated annually. School districts shall not be required to electronically submit the annual updates to the Board if

<u>the last plan submitted to the Board was approved and expenditures for the program include only expenses relating to individual and small group tutoring, purchase of and training in the use of screening and assessment measures, summer school programs and Saturday school programs. If any expenditure for the program is deleted or changed or any other type of expenditure for the program is implemented, the school district shall be required to submit the latest annual update to the Board for approval.</u> The district reading sufficiency plan shall include a plan for each site which includes an analysis of the data provided by the Oklahoma School Testing Program and other reading assessments utilized as required in this section, and which outlines how each school site will comply with the provisions of the Reading Sufficiency Act.

2. Each school site shall establish a committee, composed of educators, which if possible shall include a certified reading specialist, to develop the required programs of reading instruction. A parent or guardian of the student shall be included in the development of the program of reading instruction for that student.

3. The State Board of Education shall adopt rules for the implementation and evaluation of the provisions of the Reading Sufficiency Act. The evaluation shall include, but not be limited to, an analysis of the data required in subsection S of this section.

G. For any third-grade student found not to be reading at grade level as determined by reading assessments administered pursuant to this section, a new program of reading instruction, including provisions of the READ Initiative adopted by the school district as provided for in subsection O of this section, shall be developed and implemented as specified in this section. If possible, a fourth-grade teacher shall be involved in the development of the program of reading instruction. In addition to other requirements of the Reading Sufficiency Act, the plan may include specialized tutoring.

H. Beginning with students entering the first grade in the 2011-2012 school year, if the reading deficiency of a student, as identified based on assessments administered as provided for in subsection B of this section, is not remedied by the end of third grade, as demonstrated by scoring at the unsatisfactory level on the reading portion of the statewide third-grade criterion-referenced test, the student shall be retained in the third grade.

I. The parent of any student who is found to have a reading deficiency and is not reading at the appropriate grade level and has been provided a program of reading instruction as provided for in subsection B of this section shall be notified in writing of the following:

1. That the student has been identified as having a substantial deficiency in reading;

2. A description of the current services that are provided to the student;

3. A description of the proposed supplemental instructional services and supports that will be provided to the student that are designed to remediate the identified area of reading deficiency;

4. That the student will not be promoted to the fourth grade if the reading deficiency is not remediated by the end of the third grade, unless the student is exempt for good cause as set forth in subsection K of this section;

5. Strategies for parents to use in helping their child succeed in reading proficiency;

6. That while the results of the statewide criterion-referenced tests administered pursuant to Section 1210.508 of this title are the initial determinant, it is not the sole determiner of promotion and that portfolio reviews and assessments are available; and

7. The specific criteria and policies of the school district for midyear promotion implemented as provided for in paragraph 4 of subsection N of this section.

J. No student may be assigned to a grade level based solely on age or other factors that constitute social promotion.

K. For those students who do not meet the academic requirements for promotion, a school district may promote the student for good cause only. Good-cause exemptions for promotion shall be limited to the following:

1. Limited-English-proficient students who have had less than two (2) years of instruction in an English language learner program;

2. Students with disabilities whose individualized education program (IEP), consistent with state law, indicates that the student is to be assessed with alternate achievement standards through the Oklahoma Alternate Assessment Program (OAAP);

3. Students who demonstrate an acceptable level of performance on an alternative standardized reading assessment approved by the State Board of Education;

4. Students who demonstrate, through a student portfolio, that the student is reading on grade level as evidenced by demonstration of mastery of the state standards beyond the retention level;

5. Students with disabilities who participate in the statewide criterion-referenced tests and who have an individualized education program that reflects that the student has received intensive remediation in reading for more than two (2) years but still demonstrates a deficiency in reading and was previously retained in kindergarten, first grade, second grade, or third grade; and

6. Students who have received intensive remediation in reading through a program of reading instruction for two (2) or more years but still demonstrate a deficiency in reading and who were previously retained in kindergarten, first grade, second grade, or third grade for a total of two (2) years.

L. A student who is promoted for good cause as provided for in subsection K of this section shall be provided intensive reading instruction during an altered instructional day that includes specialized diagnostic information and specific reading strategies for each student. The school district shall assist schools and teachers to implement reading strategies for the promoted students that research has shown to be successful in improving reading among low-performing readers.

M. Requests to exempt students from the mandatory retention requirements based on one of the good-cause exemptions as described in subsection K of this section shall be made using the following process:

1. Documentation submitted from the teacher of the student to the school principal that indicates the student meets one of the good-cause exemptions and promotion of the student is appropriate. In order to minimize paperwork requirements, the documentation shall consist only of the alternative assessment results or student portfolio work and the individual education plan (IEP), as applicable;

2. The principal of the school shall review and discuss the documentation with the teacher. If the principal determines that the student meets one of the good-cause exemptions and should be promoted based on the documentation provided, the principal shall

make a recommendation in writing to the school district superintendent; and

3. After review, the school district superintendent shall accept or reject the recommendation of the principal in writing.

N. Beginning with the 2011-2012 school year, each school district shall:

1. Conduct a review of the program of reading instruction for all students who score at the unsatisfactory level on the reading portion of the statewide criterion-referenced test administered pursuant to Section 1210.508 of this title and did not meet the criteria for one of the good-cause exemptions as set forth in subsection K of this section. The review shall address additional supports and services, as described in this subsection, needed to remediate the identified areas of reading deficiency. The school district shall require a student portfolio to be completed for each retained student;

2. Provide to students who have been retained as set forth in subsection H of this section with intensive interventions in reading, intensive instructional services and supports to remediate the identified areas of reading deficiency, including a minimum of ninety (90) minutes of daily, uninterrupted, scientific-research-based reading instruction. Retained students shall be provided other strategies prescribed by the school district, which may include, but are not limited to:

a. small group instruction,

b. reduced teacher-student ratios,

c. more frequent progress monitoring,

d. tutoring or mentoring,

e. transition classes containing third- and fourth-grade students,

f. extended school day, week, or year, and

g. summer reading academies as provided for in Section 1210.508E of this title, if available;

3. Provide written notification to the parent or guardian of any student who is to be retained as set forth in subsection H of this section that the student has not met the proficiency level required for promotion and the reasons the student is not eligible for a good-cause exemption. The notification shall include a description of proposed interventions and intensive instructional supports that will be provided to the student to remediate the identified areas of reading deficiency;

4. Implement a policy for the midyear promotion of a retained student who can demonstrate that the student is a successful and independent reader, is reading at or above grade level, and is ready to be promoted to the fourth grade. Tools that school districts may use in reevaluating any retained student may include subsequent assessments, alternative assessments, and portfolio reviews, in accordance with rules of the State Board of Education. Retained

students may only be promoted midyear prior to November 1 and only upon demonstrating a level of proficiency required to score above the unsatisfactory level on the statewide third-grade criterion-referenced test and upon showing progress sufficient to master appropriate fourth-grade-level skills, as determined by the school. A midyear promotion shall be made only upon agreement of the parent or guardian of the student and the school principal;

5. Provide students who are retained with a high-performing teacher who can address the needs of the student, based on student performance data and above-satisfactory performance appraisals; and

6. In addition to required reading enhancement and acceleration strategies, provide students who are retained with at least one of the following instructional options:

a. supplemental tutoring in scientific-research-based reading services in addition to the regular reading block, including tutoring before or after school,

b. a parent-guided "Read at Home" assistance plan, as developed by the State Department of Education, the purpose of which is to encourage regular parent-guided home reading, or

c. a mentor or tutor with specialized reading training.

O. Beginning with the 2011-2012 school year, each school district shall establish a Reading Enhancement and Acceleration Development (READ) Initiative. The focus of the READ Initiative shall be to prevent the retention of third-grade students by offering intensive accelerated reading instruction to third-grade students who failed to meet standards for promotion to fourth grade and to kindergarten through third-grade students who are exhibiting a reading deficiency. The READ Initiative shall:

1. Be provided to all kindergarten through third-grade students at risk of retention as identified by the assessments administered pursuant to the Reading Sufficiency Act. The assessment used shall measure phonemic awareness, phonics, fluency, vocabulary, and comprehension;

2. Be provided during regular school hours in addition to the regular reading instruction; and

3. Provide a state-approved reading curriculum that, at a minimum, meets the following specifications:

a. assists students assessed as exhibiting a reading deficiency in developing the ability to read at grade level,

b. provides skill development in phonemic awareness, phonics, fluency, vocabulary, and comprehension,

c. provides a scientific-research-based and reliable assessment,

d. provides initial and ongoing analysis of the reading progress of each student,

e. is implemented during regular school hours,

f. provides a curriculum in core academic subjects to assist the student in maintaining or meeting proficiency levels for the appropriate grade in all academic subjects,

g. establishes at each school, where applicable, an Intensive Acceleration Class for retained third-grade students who subsequently score at the unsatisfactory level on the reading portion of the statewide criterion-referenced tests. The focus of the Intensive Acceleration Class shall be to increase the reading level of a child at least two grade levels in one (1) school year. The Intensive Acceleration Class shall:

(1) be provided to any student in the third grade who scores at the unsatisfactory level on the reading portion of the statewide criterion-referenced tests and who was retained in the third grade the prior year because of scoring at the unsatisfactory level on the reading portion of the statewide criterion-referenced tests,

(2) have a reduced teacher-student ratio,

(3) provide uninterrupted reading instruction for the majority of student contact time each day and incorporate opportunities to master the fourth-

grade state standards in other core subject areas,

(4) use a reading program that is scientific-research-based and has proven results in accelerating student reading achievement within the same school year,

(5) provide intensive language and vocabulary instruction using a scientific-research-based program, including use of a speech-language therapist,

(6) include weekly progress monitoring measures to ensure progress is being made, and

(7) provide reports to the State Department of Education, in the manner described by the Department, outlining the progress of students in the class at the end of the first semester,

h. provide reports to the State Board of Education, upon request, on the specific intensive reading interventions and supports implemented by the school district. The State Superintendent of Public Instruction shall annually prescribe the required components of the reports, and

i. provide to a student who has been retained in the third grade and has received intensive instructional services but is still not ready for grade promotion, as determined by the school district, the option of being placed in a transitional instructional setting. A transitional setting shall specifically be designed to produce learning gains sufficient to meet fourth-grade performance standards while continuing to remediate the areas of reading deficiency.

P. In addition to the requirements set forth in this section, each school district board of education shall annually report to the parent or guardian of each student in the district the progress of the student toward achieving state and district expectations for proficiency in reading, writing, science, and mathematics. The school district board of education shall report to the parent or guardian of each student the results on statewide criterion-referenced tests. The evaluation of the progress of each student shall be based upon classroom work, observations, tests, district and state assessments, and other relevant information. Progress reporting shall be provided to the parent or guardian in writing.

Q. 1. Each school district board of education shall annually publish on the school website, and report in writing to the State Board of Education by September 1 of each year, the following information on the prior school year:

a. the provisions of this section relating to public school student progression and the policies and procedures of the school district on student retention and promotion,

b. by grade, the number and percentage of all students in grades three through ten performing at the unsatisfactory level on the reading portion of the statewide criterion-referenced tests,

c. by grade, the number and percentage of all students retained in grades three through ten,

d. information on the total number and percentage of students who were promoted for good cause, by each category of good cause as specified above, and

e. any revisions to the policies of the school district on student retention and promotion from the prior year.

2. The State Department of Education shall establish a uniform format for school districts to report the information required in this subsection. The format shall be developed with input from school districts and shall be provided not later than ninety (90) days prior to the annual due date. The Department shall annually compile the information required along with state-level summary information, and report the information to the public, the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives.

R. The State Department of Education shall provide technical assistance as needed to aid school districts in administering the provision of the Reading Sufficiency Act.

S. On or before December 1 of each year, the State Department of Education shall issue to the Governor and members of the Senate and House of Representatives Education Committees a Reading Report Card for the state and each school district and elementary site which shall include, but is not limited to, trend data detailing three (3) years of data, disaggregated by student subgroups to include economically disadvantaged, major racial or ethnic groups, students with disabilities, and English language learners, as appropriate for the following:

1. The number and percentage of students in kindergarten through third grade determined to be at risk for reading difficulties compared to the total number of students enrolled in each grade;

2. The number and percentage of students in kindergarten who continue to be at risk for reading difficulties as determined by the year-end measurement of reading progress;

3. The number and percentage of students in kindergarten through third grade who have successfully completed their program of reading instruction and are reading on grade level as determined by the results of approved reading assessments;

4. The number and percentage of students scoring at each performance level on the reading portion of the statewide third-grade criterion-referenced test;

5. The amount of funds for reading remediation received by each district;

6. An evaluation and narrative interpretation of the report data analyzing the impact of the Reading Sufficiency Act on students' ability to read at grade level; and

7. Any recommendations for improvements or amendments to the Reading Sufficiency Act.

The State Department of Education may contract with an independent entity for the reporting and analysis requirements of this subsection.

T. Copies of the results of the assessments administered shall be made a part of the permanent record of each student.

SECTION 97. REPEALER 70 O.S. 2011, Section 1210.508C, as last amended by Section 9, Chapter 354, O.S.L. 2012 (70 O.S. Supp. 2012, Section 1210.508C), is hereby repealed.

SECTION 98. AMENDATORY 70 O.S. 2011, Section 21-116, as amended by Section 1, Chapter 277, O.S.L. 2012 (70 O.S. Supp. 2012, Section 21-116), is amended to read as follows:

Section 21-116. A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Board of Private Vocational Schools to be designated the "Oklahoma Board of Private

Vocational Schools Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Oklahoma Board of Private Vocational Schools from all fees and penalties collected by the Board pursuant to Sections 21-103, 21-106, and 21-111 of this title or rules promulgated and any other funds obtained or received by the Board. All monies in the fund shall be used exclusively for the purpose of operations and functions of the Oklahoma Board of Private Vocational Schools. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma Board of Private Vocational Schools. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of ~~State Finance~~ Management and Enterprise Services for approval and payment.

B. Any balance remaining to the credit of the Private Vocational Student Tuition Recovery Fund which accrued prior to the repeal of the fund shall be transferred to the Oklahoma Board of Private Vocational Schools Revolving Fund created in this section.

SECTION 99. REPEALER 70 O.S. 2011, Section 21-116, as amended by Section 612, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2012, Section 21-116), is hereby repealed.

SECTION 100. REPEALER 74 O.S. 2011, Section 10.3, as amended by Section 694, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 10.3), is hereby repealed.

SECTION 101. AMENDATORY 74 O.S. 2011, Section 85.45k, as amended by Section 4, Chapter 106, O.S.L. 2012 (74 O.S. Supp. 2012, Section 85.45k), is amended to read as follows:

Section 85.45k. A. There is hereby created the State Travel Office within the Purchasing Division of the ~~Department of Central Services~~ Office of Management and Enterprise Services.

B. All state agencies and departments of this state shall make arrangements for all air travel on scheduled commercial airlines for state employees required to travel in the course of their official duties and for all other persons traveling at state expense through the State Travel Office, except when the state agency determines that:

1. The air travel services can be secured at a cost less than that which can be secured by the State Travel Office; or

2. The air travel originates from a location outside the state and it would be impractical to arrange for the air travel through the State Travel Office; or

3. The air travel is necessitated by an emergency and time does not permit utilization of the State Travel Office's services; or

4. The air travel is part of a package arrangement made by the organization scheduling the meeting or conference.

C. All claims made for reimbursement shall contain a statement showing the reason for the exemption.

D. The State Travel Office shall promulgate rules and contract specifications to which the contract travel agencies shall be subject. The rules and specifications shall be drawn with the intent of obtaining the lowest available fares for scheduled commercial air travel.

E. At the end of each month the contract travel agencies shall furnish a statement, in a form approved by the State Travel Office, showing certain details of all travel arrangements handled to each state agency for which the contract travel agencies have furnished their services and shall also furnish copies of said statements to the State Travel Office.

SECTION 102. REPEALER 74 O.S. 2011, Section 85.45k, as amended by Section 764, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 85.45k), is hereby repealed.

SECTION 103. AMENDATORY 74 O.S. 2011, Section 85.45l, as amended by Section 6, Chapter 316, O.S.L. 2012 (74 O.S. Supp. 2012, Section 85.45l), is amended to read as follows:

Section 85.45l. A. Each state agency, board, commission or other entity organized within the executive department of state government shall use the Trip Optimizer system of the ~~Department of Central Services~~ Office of Management and Enterprise Services in computing the optimum method and cost for travel by state employees using a motor vehicle where the travel will exceed one hundred (100) miles per day and the employee is not driving a state-owned or -

leased dedicated vehicle. For purposes of this section, "dedicated vehicle" means a vehicle that has been assigned to the employee.

B. The provisions of this section shall be used to determine the most cost-effective method of travel by motor vehicles, whether such vehicles are owned by the agency, leased by the agency or by the employee, and shall be applicable for purposes of determining the maximum authorized amount of any travel reimbursement for employees of such agencies related to vehicle usage.

C. A nonappropriated state agency, that employs persons who use personal vehicles as part of their regular duties and who are reimbursed for travel expenses by the agency shall not be required to utilize the Trip Optimizer system with regard to the travel expenses of such employees. As used in this section, "nonappropriated state agency" means an entity within the executive branch of government that does not receive any of its funding through the annual legislative appropriations process.

D. The maximum authorized amount of travel reimbursement related to vehicle usage shall be the lowest cost option as determined by the Trip Optimizer system. All travel claims submitted for reimbursement shall include the results of the Trip Optimizer system indicating the lowest cost option for travel by the state employee.

E. State employees may be exempt from the reimbursement requirements of the Trip Optimizer system, provided the state employees utilize a personally owned vehicle and seek reimbursement according to the schedule referenced in subsection F of this section.

F. The Office of ~~State Finance~~ Management and Enterprise Services may publish a schedule of reimbursement rates for state employee travel. The schedule may apply to exemptions claimed under subsection E of this section. The schedule may categorize reimbursement rates by type of vehicle and shall not exceed standard mileage reimbursement rates as established by the Internal Revenue Service.

G. In providing a calculation of rates, the Trip Optimizer system shall account for the distance that an employee must travel to pick up a rental or state fleet vehicle.

H. In providing a calculation of rates, the Trip Optimizer system shall account for the long-term rate discounts offered through the state's purchasing contract for vehicle rentals.

SECTION 104. REPEALER 74 O.S. 2011, Section 85.45l, as amended by Section 765, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 85.45l), is hereby repealed.

SECTION 105. AMENDATORY 74 O.S. 2011, Section 110.3, as amended by Section 809, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 110.3), is amended to read as follows:

Section 110.3. A. All state agencies shall maintain inventory records of its motor vehicles. The records shall include:

1. A detailed description of each vehicle, including its original cost;

2. The vehicle identification number;

3. The license tag number;

4. The make, model, and year of the vehicle; and

5. A designation of loaned or leased vehicles and the name of the vendor.

B. Each state agency regardless of the exceptions granted in Section 78 of this title shall provide motor vehicle inventory records to the Office of Management and Enterprise Services at such times as may be requested by the Fleet Management Division of the Office of Management and Enterprise Services.

SECTION 106. REPEALER 74 O.S. 2011, Section 110.3, as amended by Section 7, Chapter 316, O.S.L. 2012 (74 O.S. Supp. 2012, Section 110.3), is hereby repealed.

SECTION 107. AMENDATORY 74 O.S. 2011, Section 500.2, as amended by Section 5, Chapter 106, O.S.L. 2012 (74 O.S. Supp. 2012, Section 500.2), is amended to read as follows:

Section 500.2. A. Officials and employees of the state, traveling on authorized state business, may be reimbursed for expenses incurred in such travel in accordance with the provisions of the State Travel Reimbursement Act and existing statutes relating to state travel. Persons who are not state employees, but who are performing substantial and necessary services to the state which have been directed or approved by the appropriate department official shall enjoy the protection of the sovereign immunity of the state to the same extent as a paid employee. Such persons may be reimbursed for expenses incurred during authorized official travel under these same statutory provisions, provided it is indicated on the claim the person is not a state employee, a description of services performed is entered, and the agency head by approval of the claim certifies such services were substantial and necessary, and germane to the duties and functions of the reimbursing agency. Travel expenses incurred by a person during the course of seeking employment with a state agency, unless such travel is performed at the request of the employing agency, shall not be considered expenses incurred in performing substantial and necessary services to the state and shall not be reimbursed under the provisions of the State Travel Reimbursement Act.

B. The chief administrative officer of the Department of Public Safety, the Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Military Department of the State of Oklahoma, the Department of Corrections, the ~~Department of Central Services~~ Office of Management and Enterprise Services, the Alcoholic Beverage Laws Enforcement Commission, the Oklahoma Department of Agriculture, Food, and Forestry, the Oklahoma Department of Emergency Management, the State Fire Marshal, and the State Department of Health may arrange for and charge meals and lodging for a contingent of state personnel moved into an area for the purpose of preserving the public health, safety, or welfare or for the protection of life or property. The cost for meals or lodging so charged shall not exceed the amount authorized in the State Travel Reimbursement Act. The chief administrative officer of each agency involved in such an operation shall require the vendor furnishing meals, lodging, or both meals and lodging to submit an itemized statement for payment. When a claim for lodging is made for a contingent of state personnel, individual members of the contingent may not submit a claim for lodging. When a claim for meals is made for a contingent of state personnel, individual members of the contingent may not submit a claim for meals.

C. The Oklahoma Department of Commerce, the Oklahoma Center for the Advancement of Science and Technology, and the Oklahoma Department of Agriculture, Food, and Forestry are hereby authorized to enter into contracts and agreements for the payment of food, lodging, meeting facility and beverage expenses as may be necessary for sponsoring seminars and receptions relating to economic development and science and technology issues. Such expenses may be paid directly to the contracting agency or business establishment. The Director of the Oklahoma Department of Commerce, the President of the Oklahoma Center for the Advancement of Science and Technology, and the Commissioner of Agriculture shall each provide a quarterly report of such expenditures to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

D. The Native American Cultural and Educational Authority is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and meeting facility as may be necessary to pursue the promotion of fund-raising, marketing, and development of Native American educational programs and cultural projects, or to sponsor luncheons, seminars, and receptions relating to Native American educational, cultural, museum, and economic development issues. Such expenses may be paid directly to the contracting agency or business establishment. The Executive Director shall provide a monthly report of expenditures to the Board.

E. For purposes of this section:

1. "State agency" means any constitutionally or statutorily created state board, commission, or department, including the Legislature and the Courts;

2. State agencies are authorized to enter into contracts and agreements for the payment of food and lodging expenses as may be necessary for employees or other persons who are performing substantial and necessary services to the state by attending official conferences, meetings, seminars, workshops, or training sessions or in the performance of their duties. Such expenses may be paid directly to the contracting agency or business

establishment, provided the meeting qualifies for overnight travel for the employees and the cost for food and lodging for each employee shall not exceed the total daily rate as provided in the State Travel Reimbursement Act;

3. State agencies are authorized to enter into contracts and agreements for the payment of conference registration expenses as may be necessary for employees or other persons who are performing substantial and necessary services to the state by attending official conferences, meetings, seminars, workshops, or training sessions. Such expenses may be paid directly to the contracting agency or business establishment; and

4. State agencies are authorized to enter into contracts and agreements for the payment of food and lodging expenses as may be necessary for employees attending an official course of instruction or training conducted or sponsored by any state agency. Expenses may be paid directly to the contracting agency or business establishment. The cost for food and lodging for each employee shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

F. State agencies are authorized to make direct purchases of commercial airline tickets for use by employees in approved out-of-state travel. Each claim or invoice submitted to the Director of ~~State Finance~~ the Office of Management and Enterprise Services for the payment of the purchase shall bear the airline identifying ticket number, the name of the airline, total cost of each ticket purchased, class of accommodation, social security number, and name of the employee for whom the ticket was purchased, and shall be filed on claim forms as prescribed by the Director of ~~State Finance~~ the Office of Management and Enterprise Services. The employee shall sign an affidavit stating that the employee did use any direct purchase commercial airline ticket received for his or her approved out-of-state travel.

G. 1. The ~~Administrator of the Office of Personnel Management~~ Director of the Office of Management and Enterprise Services is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions. The ~~Administrator~~ Director may establish accounts as necessary for the collection and distribution of funds, including funds of sponsors and registration fees, related to such conferences, meetings, and training sessions. Expenses incurred may be paid directly to the contracting agency or business establishment.

2. The cost of food for persons attending any conferences, meetings, and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

H. 1. The Commissioner of the Department of Mental Health and Substance Abuse Services is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions. The Commissioner may establish accounts as necessary for the collection and distribution of funds, including funds of sponsors and registration fees, related to such conferences, meetings, and training sessions. Any expenses incurred may be paid directly to the contracting agency or business establishment.

2. The cost of food for persons attending any conferences, meetings, and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

I. The Oklahoma Indigent Defense System is hereby authorized to enter into contracts and agreements for the payment of lodging as necessary for employees to carry out their duties in representing any client whom the System has been properly appointed to represent. Such expenses may be paid directly to the contracting agency or business establishment. The cost for lodging for each employee shall not exceed the daily rate as provided in the State Travel Reimbursement Act.

J. The Oklahoma Tourism and Recreation Department is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and meeting facility and beverage expenses as may be necessary for seminars and receptions relating to familiarization tours and tourism development. The expenses may be paid directly to the contracting agency or business establishment. The Executive Director of Oklahoma Tourism and Recreation Department shall provide a monthly report of any such expenditures to the Oklahoma Tourism and Recreation Commission.

K. The Oklahoma Tourism and Recreation Department is hereby authorized to enter into contracts and agreements for the payment of exhibitor fees and display space charges at expositions to promote the Department's recreational facilities and the tourism and recreation industry. The expenses may be paid directly to the contracting agency or business establishment; provided that no payment shall be made prior to the event unless it conveys a property right to the state for future availability and use.

L. 1. The Oklahoma Highway Safety Office of the Department of Public Safety is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary, to host, conduct, sponsor, or participate in highway-safety-related conferences, workshops, seminars, meetings, or training sessions. The payments shall be for all persons in attendance, including, but not limited to, employees of political subdivisions or employees of the state or federal government. For purposes specified in this paragraph, only federal highway safety funds may be used in accordance with federal guidelines and regulations, and no appropriated state funds shall be used.

2. The cost of food for persons attending any highway safety conferences, workshops, seminars, meetings, and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

M. 1. The Director of the Oklahoma State Bureau of Investigation is hereby authorized to enter into contracts and agreements for the payment of food, lodging and other authorized expenses as may be necessary to host, conduct, sponsor or participate in any conference, meeting, training session or initiative to promote the mission and purposes of the Bureau. The payments may be for all persons in attendance, including, but not limited to, employees of political subdivisions or employees of the state or federal government.

2. The cost of food for persons that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

N. The Oklahoma Homeland Security Director is hereby authorized to enter into contracts and agreements for the payment of food, lodging and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in homeland security related conferences, meetings, workshops, seminars, exercises or training sessions. The expenses may be paid directly to the contracting agency or business establishment.

O. 1. The Insurance Commissioner of the Insurance Department of the State of Oklahoma is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions. The Commissioner may establish accounts as necessary for the collection and distribution of funds, including funds of sponsors and registration fees, related to such conferences, meetings, and training sessions. Any expenses incurred may be paid directly to the contracting agency or business establishment.

2. The cost of food for persons attending any conferences, meetings, and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

P. 1. The State Regents for Higher Education is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions. The State Regents for Higher Education may establish accounts as necessary for the collection and distribution of funds, including funds of sponsors and registration fees, related to such conferences, meetings, and training sessions. Any expenses incurred may be paid directly to the contracting agency or business establishment.

2. The cost of food for persons attending any conferences, meetings, and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

Q. Whenever possible it shall be the policy of each state agency to prepay airline fares and lodging expenses using a purchase card issued to the agency. This policy shall apply to instances where employees of the agency are traveling on behalf of state government.

SECTION 108. REPEALER 74 O.S. 2011, Section 500.2, as amended by Section 853, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 500.2), is hereby repealed.

SECTION 109. AMENDATORY 74 O.S. 2011, Section 840-4.14, as amended by Section 1, Chapter 285, O.S.L. 2012 (74 O.S. Supp. 2012, Section 840-4.14), is amended to read as follows:

Section 840-4.14. A. In establishing employment lists of eligible persons for competitive and noncompetitive appointment, certain preferences shall be allowed for honorably discharged veterans as defined by Section 67.13a and Section 67.13b of Title 72 of the Oklahoma Statutes. In determination of the register rank:

1. Five points shall be added to the final grade of any person who has passed the examination and has submitted proof of having status as a veteran or unremarried surviving spouse of a veteran;

2. Five points shall be added to the final grade of any person who has passed the examination and has submitted proof of having status as a spouse of a veteran who is unemployable due to a service-connected disability as certified by the Department of Veterans Affairs or agency of the Defense Department within six (6) months of date of application; and

3. Ten points shall be added to the final grade of any veteran who has passed the examination and has submitted proof of having a service-connected disability as certified by the Department of Veterans Affairs or agency of the Defense Department within six (6) months of date of application. Such veterans' names shall be placed at the top of the register in accordance with their numerical rating if in receipt of benefits payable at the rate of thirty percent (30%) or more and such veterans shall not be denied employment and passed over for other veterans or nonveterans, without showing cause. Acceptable cause shall include a reasonable expectation of the inability of the preferenced applicant to satisfactorily perform at the required level of the position and shall be reviewed in each instance by the ~~Administrator~~ Director of the Office of ~~Personnel~~ Management and Enterprise Services. If the ~~Administrator~~ Director finds that acceptable cause for the denial of employment to the

preferenced applicant does not exist, the appointing authority shall be required to hire the preferenced applicant. The position shall not be permanently filled until the ~~Administrator~~ Director has issued his findings.

B. War veterans, as defined by Section 67.13a of Title 72 of the Oklahoma Statutes, who have been awarded the Purple Heart or have a service-incurred disability rated by the Department of Veterans Affairs or a branch of the Armed Forces of the United States and who have been a resident of Oklahoma for at least one (1) year prior to the date of the examination, shall be authorized to open any closed register established by the Merit System of Personnel Administration.

C. Subsection A of this section shall not apply to special disabled veterans who are considered for employment under the provisions of Sections 401 through 404 of Title 72 of the Oklahoma Statutes. Provided, said veterans may elect instead to be considered for employment according to the procedures set out in this section.

D. In addition to the points added to the final grade of any eligible veteran pursuant to subsection A of this section, any veteran who meets the basic qualifications for a position shall be interviewed in person in order to allow the veteran to demonstrate any transferable skills acquired in military service.

SECTION 110. REPEALER 74 O.S. 2011, Section 840-4.14, as amended by Section 909, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 840-4.14), is hereby repealed.

SECTION 111. AMENDATORY 74 O.S. 2011, Section 913, as amended by Section 1, Chapter 155, O.S.L. 2012 (74 O.S. Supp. 2012, Section 913), is amended to read as follows:

Section 913. A. Prior service shall be credited as follows:

1. A member shall receive full credit for employment with any participating employer prior to the entry date of his or her employer whether or not continuous and whether or not he or she was employed with a participating employer on such entry date, provided that any member who has retired before the passage of Section 901 et seq. of this title, shall not receive retirement benefits retroactively for such prior service. Provided, that at such time that an employer becomes a participating employer on or after January 1, 1965, and before January 1, 1975, each member and each retirant, upon making proper written application therefor, shall receive prior service credit for service with such employer in the same manner as if such participating employer had been a participating employer on the date first eligible to become a participating employer; and increased benefits attributable to such increased prior service credit shall commence with the next monthly benefit payment due following receipt and approval of such application by the Board of Trustees. No prior service shall be

granted, however, for periods of service in which the employee made contributions which he or she subsequently withdrew, unless he or she has complied with the provisions of subsection (5) of Section 917 of this title. The burden of proof regarding prior service shall be with the member and shall be documented in such manner as the Board may direct;

2. Any member who was employed in an institution of higher learning by a State Board of Regents or who was employed by an Oklahoma school district prior to July 1, 1943, may receive prior service credit under this act for the period of time they were so employed;

3. Any member who served in the Armed Forces of the United States, as defined in paragraph (23) of Section 902 of this title, prior to membership in the Oklahoma Public Employees Retirement System shall be granted prior service credit, not to exceed five (5) years, for those periods of active military service during which he or she was a war veteran. For a member of the System hired on or after July 1, 2003, if the military service credit authorized by this paragraph is used to compute the retirement benefit of the member and the member retires from the System, such military service credit shall not be used to compute the retirement benefit in any other retirement system created pursuant to the Oklahoma Statutes and the member may receive credit for such service only in the retirement system from which the member first retires;

4. An elective state, county, city or town official who is ineligible for membership as a result of any applicable state law or constitutional provision making him or her ineligible solely because of his or her being such an official at the time of his or her eligibility for membership at the time his or her employer becomes a participating employer shall nevertheless not forfeit the prior service credit to which he or she would be entitled except for such ineligibility, provided that he or she either:

a. becomes an employee of a participating employer within four (4) calendar months of the expiration of his or her term of office current at the time of his or her eligibility except for his or her being an elective state or county official, or

b. within a period of four (4) years after the expiration of his or her term of office current at the time of his or her eligibility except for his or her being an elective state or county official, is elected as a state or county official and thereupon becomes a member of the System, or

c. has completed ten (10) years of credited service as of the date of his or her eligibility for membership except for his or her being an elective state or county official;

5. Beginning July 1, 1965, all employees of the Department of Human Services shall participate in the Oklahoma Public Employees Retirement System to the same extent as other employees of participating employers in such System. Provided, that any employee performing teaching services in the Oklahoma School for the Deaf or the Oklahoma School for the Blind may elect to participate in the Teachers' Retirement System of Oklahoma in lieu of the Oklahoma Public Employees Retirement System; and any other employee at each such institution or any other institution under the jurisdiction of the Department of Human Services, participating in the Teachers' Retirement System of Oklahoma, may elect to continue to participate in such system in lieu of the Oklahoma Public Employees Retirement System. All employees who shall have participated in the Teachers' Retirement System of Oklahoma and not continuing therein shall have the right to withdraw their membership from the Teachers' Retirement System of Oklahoma on the same terms as other members withdrawing from such System before retirement. Provided, all persons employed at the Oklahoma School for the Blind and Oklahoma School for the Deaf on June 30, 1965, who became subject to the Oklahoma Public Employees Retirement System, on July 1, 1965, shall receive credit for prior service and be eligible for participation, regardless of age;

6. A member employed as a temporary employee by the Legislative Service Bureau or its predecessors, the State Senate or the House of

Representatives for the full duration of a regular legislative session prior to the member's eligibility for membership in the System shall receive six (6) months of prior service credit for each such full regular legislative session if the employee is employed by the Legislative Service Bureau or its predecessors, the State Senate or the House of Representatives as either a full-time or temporary employee for a minimum of six (6) full regular legislative sessions beginning January 1, 1983. For purposes of this subsection, the determination of whether an employee is employed for the full duration of a regular legislative session shall be made by the Legislative Service Bureau if such employee is employed by the Legislative Service Bureau, the State Senate if such employee is employed by the State Senate, or by the House of Representatives if such employee is employed by the House of Representatives;

7. A member of the System shall receive prior service credit for any years of service after January 1, 1975, the member had with a participating employer if the member is not receiving or eligible to receive such prior service credit for the same time in any other state or county retirement system authorized by law. To receive the service credit, the member shall pay the amount determined by the Board pursuant to Section 913.5 of this title; and

8. Any member who is a state employee and receives temporary total disability benefits during the period of absence with a participating employer due to a work-related injury or illness

incurred while engaged in a governmental function for said participating employer pursuant to the Workers' Compensation Act shall receive credit for participating service during said period of absence subject to the following requirements:

a. the member was employed by the participating employer immediately prior to and during the period of absence,

b. the member must notify the System in writing not later than four (4) months after the member's return to his or her job duties with the participating employer, or termination of employment with the participating employer, or termination of the temporary total disability benefits, whichever is earlier, of the member's desire to receive participating service credit for the period of absence,

c. the participating employer must certify to the System in writing the dates during which temporary total disability benefits payments were paid to the member, and

d. the member and the participating employer shall each pay their respective contributions required for the period of absence without interest within sixty (60) days of invoicing by the System, or with interest of seven and one-half percent (7 1/2%) compounded annually if paid after said sixty (60) days.

B. Participating service shall be credited as follows:

1. A member shall receive credit for participating service with a participating employer in accordance with the rules and regulations established by the Board; provided, however, that a member who is not a full-time employee shall receive prorated credit for actual hours worked;

2. Leaves of absence shall not count as a break in continuous employment provided the member leaves his or her accumulated contribution on deposit with the fund; however, the leaves of absence shall not be credited except that involuntary furloughs established by Office of ~~Personnel~~ Management <u>and Enterprise Services</u> rules, involuntary furloughs of employees of a district attorney conducted in substantial compliance with the rules of the Office of ~~Personnel~~ Management <u>and Enterprise Services</u> as certified by the District Attorneys Council, involuntary furloughs of employees pursuant to a furlough plan adopted by the President Pro Tempore of the Senate or the Speaker of the House of Representatives as authorized in Section 840-5.1 of this title and involuntary furloughs of employees authorized by the Oklahoma Supreme Court shall be credited;

3. Any member who has served in the Armed Forces of the United States, as defined in paragraph (23) of Section 902 of this title, shall be granted participating service for those periods of active military service during which he or she was a war veteran provided

this service is immediately preceded by a period of employment with a participating employer and is followed by return to employment as an employee with the same or another participating employer within ninety (90) days immediately following discharge from such military service provided the member leaves his or her accumulated contributions on deposit with the fund;

4. A period of total disability under the System immediately followed by employment with a participating employer, shall not count as a break in continuous employment; provided, that such periods while not employed shall not be credited except that involuntary furloughs established by Office of ~~Personnel~~ Management and Enterprise Services Rule 6.13, shall be credited;

5. Termination of employment with a participating employer followed by employment with the same or another participating employer within four (4) calendar months shall not constitute a break in continuous employment; provided, that such period while not employed shall not be credited as participating service;

6. Provided, however, that all employee contributions required by this act made by employees prior to June 30, 1977, will entitle the employee to additional years of participating service in accordance with the following schedule.

Employee accumulated contributions:

More than $1.00 up to $500 = 1 year participating service

More than $500 up to $1,000 = 2 years participating service

More than $1,000 up to $1,500 = 3 years participating service

More than $1,500 up to $2,000 = 4 years participating service

More than $2,000 = 5 years participating service

In no event shall the employee be entitled to more than five (5) additional years of participating service as provided hereunder.

Provided further, that upon termination of employment prior to retirement, the accumulated contributions will be credited as above indicated to establish a vested benefit if so elected by any such employee; and

7. a. The total participating service credit of a member who retires or terminates employment and elects a vested benefit shall include not to exceed one hundred thirty (130) days of unused sick leave accumulated subsequent to August 1, 1959, during the member's employment with any participating employer. Such credit shall be added in terms of whole months. Twenty (20) days of unused sick leave shall equal one (1) month for purposes of participating service credit. If unused sick leave entitles a member to an additional year of service credit, the member's employer shall reimburse the System for the cost of funding the additional reserve. Each participating employer shall provide the System with adequate and timely information necessary to determine additional benefits and its

cost under this paragraph. This subparagraph shall apply to members retiring or vesting on or after July 1, 1984.

b. For members who join the System on or after November 1, 2012, unused sick leave as set forth in subparagraph a of this paragraph shall be credited at the same rate but not used to round up to another year. Instead, any additional months of unused sick leave credit shall be added to other service credit without rounding.

C. In determining the number of years of credited service, a fractional year of six (6) months or more shall be considered as one (1) year, and less than six (6) months shall be disregarded. For members who join the System on or after November 1, 2012, the number of years of credited service shall be based on actual years and months of credited service without rounding up or down.

D. A member may receive credit for those years of credited service accumulated by the member while a member of 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, or the Teachers' Retirement System of Oklahoma, if the member is not receiving or eligible to receive retirement credit or benefits from said service in any other public retirement system. To receive the service credit, the member shall pay the amount determined by the Board pursuant to Section 913.5 of this title.

E. A member may receive credit for those years of service accumulated by the member as an elected official if the member is not receiving or eligible to receive retirement credit or benefits from said service in any public retirement system. Prior to January 1, 1991, to receive the service credit, the member shall pay to the Board for each year of service purchased pursuant to this subsection a sum equal to the employee and employer contribution rate that would have been applicable to the member as determined by the Board and interest of not to exceed five percent (5%), and effective January 1, 1991, to receive the service credit, the member shall pay the amount determined by the Board pursuant to Section 913.5 of this title.

F. Effective December 12, 1994, and thereafter, a leave of absence on account of a period of qualified military service in the uniformed services of the United States within the meaning of Section 414(u)(5) of the federal Internal Revenue Code, followed by a return to employment with the participating employer within ninety (90) days after completion of the period of service may be eligible for credited service under this System. Notwithstanding any provision of this plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be allowed in accordance with Section 414(u) of the federal Internal Revenue Code.

G. 1. An active member of the Oklahoma Public Employees Retirement System may receive credit for those years of service accumulated by the member while a member of the Teachers' Retirement System of Oklahoma if:

a. the member is an active member of the Oklahoma Public Employees Retirement System, and

b. the member provides notice to the Teachers' Retirement System of Oklahoma and the Oklahoma Public Employees Retirement System of the member's election to transfer said retirement credit. The notice shall include a list of the years to be transferred, and

c. the member is not receiving or eligible to receive retirement credit or benefits from said service in any other public retirement system, notwithstanding the years of service sought to be transferred under this subsection.

Members electing to take advantage of the transfer authorized by this subsection who are receiving or eligible to receive retirement credit or benefits from said service in any other public retirement system shall have all service credit with the Teachers' Retirement System of Oklahoma canceled which is not transferred to the Oklahoma Public Employees Retirement System or used as a cash offset in such a transfer pursuant to subparagraph d of paragraph 2 of this subsection. Service credit transferred to the Teachers' Retirement System of Oklahoma under this subsection shall also be canceled with the Oklahoma Public Employees Retirement System.

2. For purposes of this subsection, the "sending system" shall mean the Teachers' Retirement System of Oklahoma. The "receiving system" shall mean the Oklahoma Public Employees Retirement System.

a. Within thirty (30) days notification of an intent to transfer is received by the sending system, the sending system shall, according to its own rules and regulations:

(1) for members who have vested with the sending system, determine the present value of the member's earned benefits attributable to the years of service sought to be transferred, discounted according to the member's age at the time of transfer and computed as of the earliest age at which the member would be able to retire. Said computation shall assume an unreduced benefit and be computed using interest and mortality assumptions consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation but shall not make any

projections regarding future salary. For vested employees the sending system shall use the product of this calculation for purposes of determining the transfer fee to be paid by the employee under subparagraph c of this paragraph so long as it is greater than the product of the calculation in this division, and

(2) determine the sum of the employee and employer contributions applicable to the years of service sought to be transferred plus interest consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation. For all nonvested members, and for vested members if the product of this calculation is greater than the product of the calculation in division (1) of this subparagraph, the sending system shall use the product of this calculation for purposes of determining the amount to be transferred by the sending system under subparagraph c of this paragraph and any transfer fee to be paid by the members under subparagraph d of this paragraph.

b. Within thirty (30) days after notification of an intent to transfer is received by the receiving system, the receiving system shall determine, according to the system's own rules and regulations, the present value of the member's incremental projected benefits discounted according to the member's age at the time of the transfer. Incremental projected benefits shall be the difference between the projected benefit said member would receive without transferring the service credit and the projected benefit after transfer of service credit computed as of the earliest age at which the member would be able to retire. Said computation shall assume an unreduced benefit and be computed using interest, salary projections and mortality assumptions consistent with the actuarial assumptions adopted by the Board of Trustees for purposes of preparing the annual actuarial evaluation.

c. The sending system shall, within sixty (60) days from the date notification of an intent to transfer is received by the sending system, transfer to the receiving system the amount determined in subparagraph a of this paragraph. Except, if the cost under subparagraph a of this paragraph for the same years of service to the sending system is greater than the actuarial value of the incremental benefit in the receiving system, as established in subparagraph b of this paragraph, the sending system shall send the receiving system an amount equal to the actuarial value of the incremental projected benefit in the receiving system.

d. In order to receive the credit provided for in paragraph 1 of this subsection, if the cost of the actuarial value of the incremental benefit to the receiving system is greater than the cost as calculated under subparagraph a of this paragraph for the same years of service to the sending system as established in subparagraphs a and b of this paragraph, the employee shall elect to:

(1) pay any difference to receive full credit for the years sought to be transferred, or

(2) receive prorated service credit for only the amount received from the Teachers' Retirement System of Oklahoma pursuant to this subsection.

Such an election shall be made in writing, filed with the System prior to receiving the credit provided for in paragraph 1 of this subsection, and shall be irrevocable.

3. Within sixty (60) days of successfully completing all of the requirements for transfer under this subsection, the sending system

shall pay the receiving system any amount due under this subsection. Within sixty (60) days of successfully completing all of the requirements for transfer under this subsection, the member shall pay the receiving system any amount due under this subsection. In the event that the member is unable to pay the transfer fee provided for in this subsection by the due date, the Board of Trustees of the receiving system shall permit the member to amortize the transfer fee over a period not to exceed sixty (60) months. Said payments shall be made by payroll deductions unless the Board of Trustees permits an alternate payment source. The amortization shall include interest in an amount not to exceed the actuarially assumed interest rate adopted by the Board of Trustees for investment earnings each year. Any member who ceases to make payment, terminates, retires or dies before completing the payments provided for in this section shall receive prorated service credit for only those payments made, unless the unpaid balance is paid by said member, his or her estate or successor in interest within six (6) months after said member's death, termination of employment or retirement, provided no retirement benefits shall be payable until the unpaid balance is paid, unless said member or beneficiary affirmatively waives the additional six-month period in which to pay the unpaid balance.

4. Years of service transferred pursuant to this subsection shall be used both in determining the member's retirement benefit and in determining the years of service for retirement and/or

vesting purposes. Years of service rendered as a member of the Teachers' Retirement System of Oklahoma prior to July 1, 1992, if any, shall be deemed to be years of service rendered as a member of the Oklahoma Public Employees Retirement System prior to July 1, 1992, and shall qualify such person as a member of the Oklahoma Public Employees Retirement System before July 1, 1992.

5. Notwithstanding the requirements of Section 17-104 of Title 70 of the Oklahoma Statutes, members electing to take advantage of the transfer authorized by this subsection who have withdrawn their contributions from the sending system shall remit to the sending system the amount of the accumulated contributions the member has withdrawn plus simple interest of ten percent (10%) per annum prior to making said election or the election shall be deemed invalid and the transfer shall be canceled. If such an election is deemed invalid and the transfer is canceled, the accumulated contribution remitted to the sending system by the member who originally withdrew their contributions shall be returned to the member. The member's rights and obligations regarding any service credit reestablished in the sending system due to a failure to satisfy the requirements of this subsection shall be determined by the sending system in accordance with Section 17-101 et seq. of Title 70 of the Oklahoma Statutes.

6. If any member fails for any reason to satisfy the requirements of this subsection, the election to transfer retirement

credit shall be void and of no effect, and any retirement credited as a result of this transfer shall be canceled. If such retirement credit is canceled, the years of canceled retirement credit which were unsuccessfully transferred to the receiving system from the sending system shall be reestablished in the sending system. The member's rights and obligations regarding any retirement credit reestablished in the sending system due to a failure to satisfy the requirements of this subsection shall be determined by the sending system in accordance with Section 17-101 et seq. of Title 70 of the Oklahoma Statutes.

7. The Board of Trustees shall promulgate such rules as are necessary to implement the provisions of this subsection.

H. 1. A member of the Teachers' Retirement System of Oklahoma whose last service with the Teachers' Retirement System of Oklahoma was with an entity or institution within The Oklahoma State System of Higher Education, State Board of Education, State Board of Career and Technology Education, Oklahoma Department of Career and Technology Education, Oklahoma School of Science and Mathematics, Oklahoma Center for the Advancement of Science and Technology, State Department of Rehabilitation Services, Oklahoma State Regents for Higher Education, Department of Corrections, State Department of Education, Oklahoma Board of Private Vocational Schools, Board of Regents of Oklahoma Colleges, Oklahoma Student Loan Authority, or the Teachers' Retirement System of Oklahoma, may elect to receive credit for those years of service accumulated by the member in the Teachers' Retirement System of Oklahoma, pursuant to this subsection. A member shall be eligible to elect to transfer credit for such years of service from the Teachers' Retirement System of Oklahoma to the Oklahoma Public Employees Retirement System if:

a. the member is an active member of the Oklahoma Public Employees Retirement System,

b. the member provides notice to the Teachers' Retirement System of Oklahoma and the Oklahoma Public Employees Retirement System of the member's election to transfer such retirement credit. The notice shall include a list of the years to be transferred, and

c. the member is not receiving or eligible to receive retirement credit or benefits from such service in any other public retirement system, notwithstanding the years of service sought to be transferred under this subsection.

Members electing to take advantage of the transfer authorized by this subsection shall have all service credit with the Teachers' Retirement System of Oklahoma canceled which is transferred to the Oklahoma Public Employees Retirement System.

2. For purposes of this subsection, the "sending system" shall mean the Teachers' Retirement System of Oklahoma. The "receiving system" shall mean the Oklahoma Public Employees Retirement System.

Within thirty (30) days after notification of an intent to transfer is received by the sending system, the sending system shall, according to its own rules, send to the receiving system all employer and employee contributions made on behalf of the member which were made to the sending system plus an additional amount of earnings based on the actuarial assumed rate of the sending system. Upon receipt of these contributions by the receiving system, the receiving system shall give credit to the transferring member in an amount equal to the years of service accrued in the sending system.

3. If the transferring member's normal retirement date calculation is based upon the sum of the member's age and number of years of credited service totaling eighty (80) in the sending system, then the member shall retain such calculation in the receiving system.

4. The Board of Trustees shall promulgate such rules as are necessary to implement the provisions of this subsection.

I. A member of the System in the employment of the Governor, the State Senate or the House of Representatives, on or after July 1, 1999, may make an election prior to December 31, 2000, which shall be irrevocable and on a form prescribed for such purpose by the System, to continue participation in the System upon becoming employed by a participating employer of the Teachers' Retirement System of Oklahoma. The Board shall promulgate all rules necessary to implement the provisions of this subsection.

SECTION 112. REPEALER 74 O.S. 2011, Section 913, as amended by Section 928, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 913), is hereby repealed.

SECTION 113. AMENDATORY 74 O.S. 2011, Section 913.4, as amended by Section 2, Chapter 109, O.S.L. 2012 (74 O.S. Supp. 2012, Section 913.4), is amended to read as follows:

Section 913.4. A. 1. Except as otherwise provided in this subsection, an elected official may elect to participate in the System and if he or she elects to do so shall have the option of participating at any one of the computation factors set forth in ~~paragraphs~~ paragraph 3 or 4 of this subsection and will receive retirement benefits in accordance with the computation factor chosen. The election on participation in the System must be in writing, must specify the computation factor chosen, and must be filed with the System within ninety (90) days after the elected official takes office. The election to participate and the election of a computation factor shall be irrevocable. Reelection to the same office will not permit new elections. Failure of an elected official to file such election form within the ninety-day period shall be deemed an irrevocable election to participate in the System at the maximum computation factor.

2. Contributions and benefits will be based upon the elected official's annual compensation as defined in Section 902 of this title. Employer and elected official contributions shall be

remitted at least monthly, or as the Board may otherwise provide, to the System for deposit in the Oklahoma Public Employees Retirement Fund. Effective July 1, 1994, and thereafter, the participating employer shall contribute as provided in Section 920 of this title.

3. Except as provided in paragraph 4 of this subsection, effective July 1, 1994, the computation factor selected and the corresponding elected official contribution rate shall be as follows:

Elected official Contribution Rate	Computation Factor	Alternate Formula
4.5%	1.9%	$12.50
6%	2.5%	$20.00
7.5%	3.0%	$25.00
8.5%	3.4%	$27.50
9%	3.6%	$30.00
10%	4.0%	$40.00

4. Elected officials who are first elected or appointed to an elected office on or after November 1, 2010, shall elect a computation factor of either 1.9% or 4%. The elected official contribution rate for the 1.9% computation factor is currently 4.5% and the contribution rate for the 4% computation factor is currently 10%. All other computation factors and contribution rates set forth in paragraph 3 of this subsection shall not be available to any

person first elected or appointed to an elected office on or after November 1, 2010.

5. The contribution rate for elected officials who are first elected or appointed to an elected office on or after November 1, 2011, shall be in the amount specified in paragraph (a) of subsection (1) of Section 919.1 of this title. The amount of the retirement benefit for elected officials who are first elected or appointed to an elected office on or after November 1, 2011, shall be based on the provisions of paragraph (1) of subsection A of Section 915 of this title.

6. The computation factors and corresponding elected official contribution rates provided for in paragraphs 3 and 4 of this subsection shall be based on the entire compensation as an elected official subject to the definition and maximum compensation levels as set forth in paragraph (9) of Section 902 of this title.

7. Elected officials who are first elected or appointed on or after November 1, 2011, shall also be eligible to make the election of an alternate multiplier and contribution rate pursuant to paragraph 2 of subsection A of Section 915 of this title.

B. The normal retirement date for an elected official shall be the first day of the month coinciding with or following the official's sixtieth birthday or the first day of the month coinciding with or following the date at which the sum of the elected official's age and number of years of credited service total eighty (80). The normal retirement date for an elected official first elected or appointed to an elected office on or after November 1, 2011, shall be the first day of the month coinciding with or following the official's sixty-fifth birthday or the date upon which the elected or appointed official attains the age of sixty-two (62) and who has at least ten (10) years of elected or appointed service. Any elected official first elected or appointed to an elected office before November 1, 2011, who has a minimum of ten (10) years' participating service may retire under the early retirement provisions of this act, including those electing a vested benefit and shall receive an adjustment of annual benefits in accordance with the following percentage schedule:

Age	Percentage of Normal Retirement Benefits
60	100%
59	94%
58	88%
57	82%
56	76%
55	70%

Any elected official first elected or appointed to an elected office on or after November 1, 2011, who has a minimum of ten (10) years' participating service may retire under the early retirement provisions of this act, including those electing a vested benefit and shall receive an adjustment of annual benefits in accordance with the following percentage schedule:

Age	Percentage of Normal Retirement Benefits
62	100%
61	93.33%
60	86.67%

C. 1. Any elected official shall receive annual benefits computed based upon the computation factor selected multiplied by the member's highest annual compensation received as an elected official prior to retirement or termination of employment multiplied by the number of years of credited service. No elected official shall retire using such highest annual compensation unless the elected official has made the required election and has paid the required contributions on such salary.

2. The retirement benefit may be computed pursuant to the provisions of paragraph (1) of subsection A of Section 915 of this title if the benefit would be higher. Elected officials who have a vested benefit prior to July 1, 1980, may elect to receive annual benefits based on the alternate formula provided above. Such annual benefits shall be paid in equal monthly installments.

3. Elected officials who become members of the Oklahoma Public Employees Retirement System on or after August 22, 2008, will receive retirement benefits in accordance with the computation

factor selected pursuant to subsection A of this section multiplied by the member's highest annual compensation received as an elected official and only for those years of credited service the member served as an elected official. If such elected official has participating service as a nonelected member, then such nonelected service shall be computed separately pursuant to the provisions of paragraph (1) of subsection A of Section 915 of this title with the final benefit result added to the final benefit result for elected service. In no event shall the elected official be entitled to apply the computation factor selected pursuant to subsection A of this section or the compensation received as an elected official to the computation of nonelected service.

4. Elected officials who are first elected or appointed to an elected office on or after August 22, 2008, may not receive a maximum benefit greater than their single highest annual compensation received as a member of the Oklahoma Public Employees Retirement System.

D. Any elected official making an election to participate at a computation factor less than the maximum and later selecting a higher computation factor shall contribute to the System a sum equal to the amount which the elected official would have contributed if the elected official had made such election at the time the elected official first became eligible, plus interest as determined by the Board, in order to receive the additional benefits for all service as an elected official; otherwise, the additional benefits shall be applicable only to service for which the elected official pays the appropriate percent of contributions to the System.

E. The surviving spouse of a deceased elected official who was first elected or appointed to an elected office before November 1, 2011, and who has at least six (6) years of participating service and the surviving spouse of a deceased elected official who was first elected or appointed to an elected office on or after November 1, 2011, and who has at least eight (8) years of participating service shall be entitled to receive survivor benefits in the amount herein prescribed, if married to the decedent continuously for a period of at least three (3) years immediately preceding the elected official's death. Provided the elected official had met the service requirements, survivor benefits shall be payable when the deceased member would have met the requirements for normal or early retirement. The amount of the benefits the surviving spouse may receive shall be fifty percent (50%) of the amount of benefits the deceased elected official was receiving or will be eligible to receive. Remarriage of a surviving spouse shall disqualify the spouse for the receipt of survivor benefits. Elected officials may elect a retirement option as provided in Section 918 of this title in lieu of the survivors benefit provided above.

F. Any elected official who served in the Armed Forces of the United States, as defined in paragraph (23) of Section 902 of this title, prior to membership in the Oklahoma Public Employees Retirement System shall be granted credited service of not to exceed five (5) years for those periods of active military service during which the elected official was a war veteran.

G. Anyone appointed or elected to an elected position after July 1, 1990, shall not be eligible to receive benefits as provided in this section until such person has participated as an elected official for six (6) years. Anyone appointed or elected to an elected position on or after November 1, 2011, shall not be eligible to receive benefits as provided in this section until such person has participated as an elected official for eight (8) years.

H. Elected officials who terminate participation in the System and who have a minimum of six (6) years of participating service shall be entitled to elect a vested benefit and shall be entitled to the retirement options as provided in Section 918 of this title in lieu of the survivors benefit provided in subsection E of this section. Elected officials, first elected or appointed to an elected office on or after November 1, 2011, who terminate participation in the System and who have a minimum of eight (8) years of participating service shall be entitled to elect a vested benefit and shall be entitled to retirement options as provided in Section 918 of this title in lieu of the survivors benefits provided in subsection E of this section.

I. In determining the number of years of credited service, a fractional year of six (6) months or more shall be considered as one (1) year, and less than six (6) months or more shall be disregarded. For members who joined the System on or after November 1, 2011, the number of years of credited service shall be based on actual years and months of credited service without rounding up or down.

SECTION 114. REPEALER 74 O.S. 2011, Section 913.4, as amended by Section 2, Chapter 155, O.S.L. 2012 (74 O.S. Supp. 2012, Section 913.4), is hereby repealed.

SECTION 115. AMENDATORY 74 O.S. 2011, Section 1310.1, as amended by Section 2, Chapter 321, O.S.L. 2012 (74 O.S. Supp. 2012, Section 1310.1), is amended to read as follows:

Section 1310.1. A. If a certified employee elects health care coverage under a plan offered by a school district, including a plan offered by the ~~State and Education Employees Group Insurance Board~~ Office of Management and Enterprise Services or a self-insured plan offered by the school district, then a school district shall pay no less than one hundred percent (100%) of the premium amount for the HealthChoice (HI) option plan for an individual offered by the ~~State and Education Employees Group Insurance Board~~ Office.

The amount a school district is required to pay pursuant to this subsection shall be reduced by the flexible benefit allowance provided for in Section 26-105 of Title 70 of the Oklahoma Statutes.

B. The premium for education entities that participate in the health and dental insurance plans offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act shall be the same as paid by state agencies for said plans.

C. All education entities that participate in the insurance plans offered through the ~~State and Education Employees Group Insurance Act~~ Oklahoma Employees Insurance and Benefits Act shall forward the appropriate premiums for each employee to the ~~Board~~ Office no later than the tenth day of each month following the month for which payment is due. Nothing shall prohibit a school district from forwarding appropriate premiums to the ~~Board~~ Office prior to the month for which payment is due.

SECTION 116. REPEALER 74 O.S. 2011, Section 1310.1, as amended by Section 949, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 1310.1), is hereby repealed.

SECTION 117. AMENDATORY 74 O.S. 2011, Section 3001, as amended by Section 1, Chapter 289, O.S.L. 2012 (74 O.S. Supp. 2012, Section 3001), is amended to read as follows:

Section 3001. A. There is hereby created in the ~~Department of Central Services~~ Office of Management and Enterprise Services a committee to be known as the "State Use Committee". The Committee shall consist of seven (7) members and one nonvoting member as follows:

1. A private citizen conversant with the employment needs of people with severe disabilities who shall be appointed by and serve at the pleasure of the Governor to act as an advocate for the employment needs of people with severe disabilities;

2. The Director of the ~~Department of Central Services~~ Office of Management and Enterprise Services or designee;

3. The Director of Visual Services, or designee;

4. The past president of Oklahoma Community-Based Providers or designee to serve for a one-year period, who may be reappointed by the succeeding president;

5. An individual or a parent or guardian of an individual with severe disabilities who participates in vocational programming through a sheltered environment facility, to be selected by the Committee;

6. The Director of Human Services, or designee;

7. A certified procurement officer from any state agency appointed by the State Purchasing Director, selected to represent the customer agencies of the State of Oklahoma; and

8. As a nonvoting member, a person employed by the ~~Department of Central Services~~ Office of Management and Enterprise Services as a contracting officer in the purchasing division, appointed by the State Purchasing Director with the advice of the Committee and designated specifically to solicit, develop, and negotiate contracts with agencies and individuals.

B. The Committee shall elect from among its membership a Chair and a Vice Chair who shall both serve for a period of one (1) year.

C. The private citizen on the Committee shall serve for a period of two (2) years and may be reappointed by the appointing authority. Any private citizen appointed pursuant to this section to fill a vacancy occurring prior to the expiration of the term for which the predecessor was appointed shall be appointed only for the remainder of the term.

D. Any member of the Committee shall be prohibited from voting on any issue in which the member has an interest.

SECTION 118. REPEALER 74 O.S. 2011, Section 3001, as amended by Section 1000, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 3001), is hereby repealed.

SECTION 119. AMENDATORY 74 O.S. 2011, Section 3007, as amended by Section 3, Chapter 289, O.S.L. 2012 (74 O.S. Supp. 2012, Section 3007), is amended to read as follows:

Section 3007. A. Whenever the State of Oklahoma or any of its agencies intends to procure any product or service included in the procurement schedule, that entity shall secure the product or service from a qualified nonprofit agency providing employment to people with severe disabilities at the fair market price determined by the Committee if the product or service is available within the period required by the entity.

B. An agency of this state shall not evade the intent and meaning of this section by slight variations from standards adopted by the ~~Department of Central Services~~ Office of Management and Enterprise Services.

C. Provided, the requirements of this section shall not apply to the procurement of janitorial services by the Oklahoma State Bureau of Investigation. The Bureau shall conduct background investigations and national criminal history record checks on companies and individuals with which it contracts to provide janitorial services.

D. When the fair market price for a product or service approved by the Committee exceeds a current market price for the same product or service, and such lower market price has been verified by the agency through compliance with the fair market analysis process approved by the ~~Department of Central Services~~ Office of Management and Enterprise Services, the state use contracting officer may grant a temporary exception to a requesting agency so that the agency may purchase the product or service from the vendor offering the lower market price. The temporary exception shall automatically expire when a new fair market price is established by the State Use Committee.

SECTION 120. REPEALER 74 O.S. 2011, Section 3007, as amended by Section 1003, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 3007), is hereby repealed.

SECTION 121. AMENDATORY 74 O.S. 2011, Section 7005, as amended by Section 1049, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012, Section 7005), is amended to read as follows:

Section 7005. A. The Oversight Committee for State Employee Charitable Contributions shall be composed of the Director of the Office of Management and Enterprise Services, or designee and six ~~(6)~~ state employees, of which two shall be appointed by the Governor, two shall be appointed by the President Pro Tempore of the Senate and two shall be appointed by the Speaker of the House of Representatives. Members shall serve at the pleasure of their appointing authorities. The provisions of Section 6 of Title 51 of the Oklahoma Statutes shall not apply to appointments to the Committee. The Committee is created to continue until July 1, ~~2012~~ 2016, in accordance with the provisions of the Oklahoma Sunset Law.

B. The Committee annually shall elect a chairman from its membership. The Director of the Office of Management and Enterprise Services shall serve as chairman until the first such election.

C. The Oversight Committee for State Employee Charitable Contributions shall have the following duties and responsibilities:

1. Arrange for publication of information about the application process;

2. Review applications of federations electing to participate in the State Charitable Campaign and certify that a federation and

each of its member agencies meet the eligibility criteria set forth in Sections 7009 and 7010 of this title;

3. Notify in writing each of the applying federations of its acceptance or rejection. Provided, if a federation is rejected, the Committee shall provide the reason for rejection of each of the member agencies of the federation;

4. Hear appeals of rejected agencies;

5. Delegate to the principal combined fund-raising organization the primary responsibility for the staffing ~~of~~ and the financial obligations necessary to comply with the provisions of this subsection;

6. Develop a pledge card to be used throughout the State Charitable Campaign;

7. Select a principal combined fund-raising organization to assist the Committee in gathering and accumulating the applications; and

8. Promulgate rules to implement the provisions of the Oklahoma State Employee Charitable Contribution Act.

D. The Office of Management and Enterprise Services shall provide such staff support as is required by the Committee.

E. The Oversight Committee for State Employee Charitable Contributions is authorized to appoint such advisory councils and task forces as it deems necessary for counsel, advice and review concerning the formulation and administration of the rules, application review process and the implementation of the Oklahoma State Employee Charitable Contribution Act.

SECTION 122. REPEALER 74 O.S. 2011, Section 7005, as amended by Section 2, Chapter 301, O.S.L. 2012 (74 O.S. Supp. 2012, Section 7005), is hereby repealed.

SECTION 123. Section 95 of this act shall become effective July 1, 2013.

SECTION 124. 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 13th day of March, 2013.

____
Presiding Officer of the Senate

Passed the House of Representatives the ____ day of __________, 2013.

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Presiding Officer of the House of Representatives