SENATE FLOOR VERSION
March 1, 2023

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 302 By: Thompson (Roger)

[payroll systems - conversion - payroll fund - deadline - implementation schedule - payment of wages - exception - codification - effective date - emergency]

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34.67a of Title 62, unless there is created a duplication in numbering, reads as follows:

No later than July 31, 2025, every executive state agency, as defined in Section 34.69 of Title 62 of the Oklahoma Statutes, shall convert to a payroll system that provides payment to employees every two weeks. The Director of the Office of Management and Enterprise Services shall determine the order and timeline by which executive state agencies shall transition to this schedule.

SECTION 2. AMENDATORY 62 O.S. 2021, Section 34.69, is amended to read as follows:

Section 34.69. A. There is hereby created in the State Treasury a Payroll Fund which shall be used by the Director of the

Office of Management and Enterprise Services and the State Treasurer to issue a consolidated payroll for each executive state agency of the state. Payrolls of executive state agencies shall be charged against the Payroll Fund created herein. Each executive state agency shall prepare summary distributions of the amounts of payrolls to be charged against each fund within the State Treasury and the Director shall transfer monies from each fund in the State Treasury to the Payroll Fund amounts as shown on payroll distribution summaries, and shall charge such amounts to the account affected thereby.

B. As of July 1, 2010, the Office of Management and Enterprise Services shall make available and each executive state agency shall make available to all state employees a centralized web-based system to access their personal employment and compensation-related information. The provisions of this subsection as it pertains to executive agencies may be waived by the Director of the Office of Management and Enterprise Services in the event that lack of timely access prevents employees from utilizing the centralized system. As used in ~~subsections B, C and D of~~ this section, "executive state agency" shall mean any state agency, authority, board, commission or other entity organized within the executive department of state government. Executive state agency shall not mean any government entity organized or created within the legislative or judicial departments of state government, or institutions within The Oklahoma State System for Higher Education.

C. Except for institutions within The Oklahoma State System for Higher Education, executive state agencies converting to a ~~multi-monthly~~ payroll system that provides payment to employees every two weeks shall consult with the Office of Management and Enterprise Services on the timing of the agency's conversion. The system conversion shall be implemented no later than July 31, 2025.

~~1. All state employees hired during the six (6) months prior to an executive state agency's conversion to a multi-monthly payroll shall be placed on either the biweekly payroll system or supplemental payroll upon the date of hire.~~

~~2. In the six (6) months prior to an executive state agency's conversion to multi-monthly payroll, the executive state agency shall offer either multi-monthly or supplemental payroll to any employee who chooses to participate. The provisions of this paragraph shall not apply to employees placed on the multi-monthly payroll pursuant to paragraph 1 of this subsection.~~

~~D. Six (6) months prior to an executive state agency converting to the multi-monthly payroll system, it shall create employee payroll conversion banks for the purpose of providing a one-time payroll payment to an employee for the gap in payroll payments created by the conversion to the multi-monthly system.~~

~~1. Each executive state agency shall allow its employees to accumulate funds up to a maximum of eighty (80) hours for the conversion bank from the following sources:~~

~~a. earned compensatory time, if the agency normally provides its employees compensatory time,~~

~~b. earned annual leave,~~

~~c. earned sick leave up to a maximum of forty (40) hours, and~~

~~d. shared leave as approved by the appointing authority.~~

~~2. During the six-month period leading up to an executive state agency's conversion to the multi-monthly payroll system, all executive state agencies shall inform, in writing or by electronic means, all their employees of their leave and compensatory time balances on a monthly basis.~~

~~E.~~ D. The Office of Management and Enterprise Services shall establish procedures and a full implementation schedule concerning the conversion.

SECTION 3. AMENDATORY 40 O.S. 2021, Section 165.2, as amended by Section 2, Chapter 156, O.S.L. 2022 (40 O.S. Supp. 2022, Section 165.2), is amended to read as follows:

Section 165.2. Every employer in this state shall pay all wages due their employees, other than exempt employees and employees of nonprivate foundations qualified pursuant to 26 U.S.C. 509(a)(1) and 26 U.S.C. 170(b)(1)(A)(vi), at least twice each calendar month on regular paydays designated in advance by the employer. Except as provided in Section 1 of this act, ~~State~~ state, county and municipal employees, exempt employees, school district employees, technology center school district employees and employees of nonprivate foundations qualified pursuant to 26 U.S.C. 509(a)(1) and 26 U.S.C. 170(b)(1)(A)(vi) shall be paid a minimum of once each calendar month. The amount due such employees shall be paid in lawful money of the United States including payment by electronic means, and the employee shall not be deemed to have waived any right or rights mentioned in this section because of any contract to the contrary. Each employer in this state, in its discretion, may pay all wages due to an employee by deposit on the payday at a financial institution of the employee's choice or, if the employee does not consent or designate a financial institution, to a payroll card account. With each payment of wages earned by such employee, the employer shall issue to such employee a brief itemized statement of any and all deductions therefrom. An interval of not more than eleven (11) days may elapse between the end of the pay period worked and the regular payday designated by the employer. The employer shall be allowed three (3) days after such payday in which to comply with this section.

No such employer shall issue, in payment of or as evidence of indebtedness due an employee any check, cashier's check, draft, time check, store order, scrip, or other acknowledgment of indebtedness unless the same is payable or redeemable upon demand without discount and for face value in lawful money of the United States. If an employer pays an employee with a check which is subsequently returned to the employee or an agent thereof by reason of the refusal of the bank upon which such check was drawn to honor the same due to insufficient funds or a stop payment notice, the employer shall reimburse the employee for any fees or costs incurred by the employee due to the refusal to honor the check within fourteen (14) days of the employer’s notice of the bank’s refusal to honor the check.

SECTION 4. This act shall become effective July 1, 2023.

SECTION 5. It being immediately necessary for the preservation of the public peace, health or 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.

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
March 1, 2023 - DO PASS AS AMENDED BY CS