

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 COMMITTEE SUBSTITUTE

4 FOR

5 SENATE BILL 2115

6 By: Stanley

7 COMMITTEE SUBSTITUTE

8 An Act relating to the Oklahoma Department of
9 Veterans Affairs; amending 62 O.S. 2021, Sections
10 34.48, 34.57, 34.64, and 34.80, which relate to
11 federal funds, agency clearing accounts, payment of
12 claims or payrolls, and records of warrants, checks,
13 or orders by the Office of Management and Enterprise
14 Services; defining term; exempting certain federal
15 funds administered by the Oklahoma Department of
16 Veterans Affairs from certain provisions; creating
17 the Oklahoma Department of Veterans Affairs Federally
18 Funded Veteran Care Enterprise Fund; requiring the
19 Department to maintain certain records; requiring the
20 Department to electronically submit certain reports;
21 requiring the Department to remain subject to certain
22 examinations; exempting certain patient-pay monies
23 received by the Department from certain requirements;
24 construing provisions; authorizing the Department to
establish and administer certain procedures;
establishing certain requirements for certain
procedures; exempting certain funds from certain
filing or certification requirements; transferring
certain funds to the Oklahoma Department of Veterans
Affairs Revolving Fund; amending 72 O.S. 2021,
Section 222, as amended by Section 2, Chapter 42,
O.S.L. 2024 (72 O.S. Supp. 2025, Section 222), which
relates to the Oklahoma Department of Veterans
Affairs Revolving Fund; allowing certain funds to be
deposited into certain accounts by the Department;
requiring certain records to be subject to audit;
creating the Oklahoma Veterans Assistance Fund;
removing certain requirement to transfer certain
funds; allowing certain expenditures to be kept in
certain fund; exempting certain monies from certain

1 fiscal year limitations; establishing certain
2 requirements for certain funds to be withdrawn;
3 amending 74 O.S. 2021, Section 85.12, as amended by
4 Section 2, Chapter 339, O.S.L. 2023 (74 O.S. Supp.
5 2025, Section 85.12), which relates to act not to
6 affect nonconflicting procedures; exempting certain
7 purchase of goods and services by the Department from
8 certain provisions; updating statutory language;
9 providing for codification; and providing an
10 effective date.

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

12 SECTION 1. AMENDATORY 62 O.S. 2021, Section 34.48, is
13 amended to read as follows:

14 Section 34.48. A. For the purposes of this section, "federal
15 funds" means federal monies provided to this state with the legal
16 expectation that the state will transmit or expend such monies on
17 specified program purposes or recipients and that do not become
18 state general revenues.

19 B. Federal funds received by any agency of the state shall be
20 deposited in the State Treasury and disbursed upon warrants issued
21 by the State Treasurer. These funds shall be subject to the other
22 fiscal controls imposed by the Oklahoma State Finance Act, except
23 where federal laws ~~and/or~~ or regulations of a federal agency which
24 makes such funds available to the State requires such federal funds
to be granted, deposited, allocated or expended through channels
other than those required by the provisions of the Oklahoma State
Finance Act.

1 C. Notwithstanding subsection B of this section, or any other
2 law, federal funds administered by the Oklahoma Department of
3 Veterans Affairs that are received from the United States Department
4 of Veterans Affairs for direct distribution to, or reimbursement of
5 per diem or expenditure on behalf of, eligible recipients pursuant
6 to federal law or regulation shall be exempt from the requirement of
7 deposit in the State Treasury and from disbursement through the
8 Office of Management and Enterprise Services. There is hereby
9 created an agency special account for the Department to be known as
10 the "Oklahoma Department of Veterans Affairs Federally Funded
11 Veteran Care Enterprise Fund". Unless reauthorized in law, this
12 agency special account shall expire on July 1, 2031.

13 D. The Department shall:

14 1. Maintain accounting records for exempt federal funds on a
15 basis consistent with applicable federal requirements;

16 2. Electronically submit quarterly informational reports to the
17 Governor, the President Pro Tempore of the Senate, the Speaker of
18 the House of Representatives, and the Director of the Office of
19 Management and Enterprise Services; and

20 3. Remain subject to examination by the State Auditor and
21 Inspector and to all federal audit and compliance requirements.

22 E. Upon the change of the Director of the Department of
23 Veterans Affairs, the agency special account shall be audited, and
24 such results shall be submitted to the Governor, the President Pro

1 Tempore of the Senate, and the Speaker of the House of
2 Representatives.

3 F. In the case that such agency special account is not
4 reauthorized by law, all monies in such account shall revert back to
5 the State Treasury.

6 SECTION 2. AMENDATORY 62 O.S. 2021, Section 34.57, is
7 amended to read as follows:

8 Section 34.57. A. For the purpose of this section, "private
9 patient-pay monies" means private funds received by the Oklahoma
10 Department of Veterans Affairs by patients in State Veterans Homes
11 in return for services provided by such Homes.

12 B. There is hereby created in the official depository in the
13 State Treasury an agency clearing account for each state officer,
14 department, board, commission, institution or agency of the state,
15 hereinafter referred to collectively as state agencies. An agency
16 special account established under Section 7.2 of this title may be
17 used for the purposes of an agency clearing account.

18 ~~B.~~ C. It shall be the duty of each state agency, officer or
19 employee, to deposit in the agency clearing account, or agency
20 special account, established under Section 7.2 of this title, all
21 monies of every kind, including, but not limited to:

22 1. Tax revenues;

23 2. Receipts from licenses, examinations, per diem and all other
24 reimbursements, fees, permits, fines, forfeitures and penalties; and

1 3. Income from money and property, grants and contracts,
2 refunds, receipts, reimbursements, judgments, sales of materials and
3 services of employees, and nonrevenue receipts, received by a state
4 agency, officer or employee by reason of the existence of ~~and/or~~ or
5 operation of a state agency.

6 ~~C.~~ D. All such monies collected pursuant to this section shall
7 be deposited as follows in the agency clearing account or agency
8 special account established therefor:

9 1. Receipts of One Hundred Dollars (\$100.00) or more shall be
10 deposited on the same banking day as received; and

11 2. Receipts of less than One Hundred Dollars (\$100.00) may be
12 held until accumulated receipts equal One Hundred Dollars (\$100.00)
13 or for five (5) business days, whichever occurs first, and shall
14 then be deposited no later than the next business day.

15 a. Each state agency that has custody of receipts of less
16 than One Hundred Dollars (\$100.00) shall provide
17 adequate safekeeping of such receipts.

18 b. No disbursements shall be made from such receipts
19 prior to this deposit.

20 c. All checks received must be restrictively endorsed
21 immediately upon receipt.

22 ~~D.~~ E. The State Treasurer is authorized to accept deposits
23 directly to State Treasury funds, consisting of cash, bank drafts,
24 bank cashier's checks, federal treasury checks and other forms of

1 remittance which are uniformly honored for payment. The State
2 Treasurer is further authorized to accept checks deposited directly
3 into State Treasury funds if the depositing state agency maintains
4 sufficient balances in their agency clearing account to cover return
5 items. Notwithstanding the provisions of subsection E of this
6 section, state agencies are authorized to maintain sufficient
7 balances in their agency clearing account to cover returned checks,
8 credit card adjustments, credit card returns, and other debit items.
9 Amounts of said balances shall be subject to approval by the State
10 Treasurer.

11 All checks, drafts, orders and vouchers so deposited shall be
12 credited and cleared at par and should payment be refused on any
13 such check, draft, order or voucher, or should the same prove
14 otherwise worthless, the amount thereof shall be charged by the
15 State Treasurer against the account or fund theretofore credited
16 with the same; and the person issuing the check, draft, order or
17 voucher shall be charged a fee of Twenty-five Dollars (\$25.00) to
18 cover the costs of processing each returned check; provided, such
19 charge shall not be made unless efforts have been made to present
20 such check, draft, order or voucher for payment a second time.
21 Unless otherwise provided by law, such fee shall be deposited to the
22 revolving fund of the state agency to which the check, draft, order
23 or voucher was issued. If no revolving fund exists for the state
24 agency, then such fee shall be deposited to the General Revenue

1 Fund. The State Treasurer shall not accept for deposit to any
2 agency clearing account, or any agency special account, created
3 pursuant to the provisions of Section 7.2 of this title, any
4 warrant, check, order or voucher drawn against any state fund or
5 account in favor of any individual or other person except the state
6 officer, department, institution or agency for which account or fund
7 the deposit is made, or a bona fide student enrolled at any of the
8 state institutions of higher learning when such warrant, check,
9 order or voucher is endorsed to the institution as payment of any
10 fees or other accounts due such institution.

11 ~~E.~~ F. 1. Except as provided in paragraph 2 of this subsection,
12 at least once each month each state agency shall transfer monies
13 deposited in agency clearing accounts to the various funds or
14 accounts, subdivisions of the state, or functions as may be provided
15 by statute and no money shall ever be disbursed from the agency
16 clearing account for any other purpose, except in refund of
17 erroneous or excessive collections and credits.

18 2. District offices under the control of the Corporation
19 Commission shall be permitted to make deposit of receipts on a
20 monthly basis, provided that such receipts must be deposited within
21 the month received or when such receipts equal or exceed One Hundred
22 Dollars (\$100.00), whichever first occurs. The Oklahoma Tourism and
23 Recreation Department and entities under its control shall be
24 required to make deposit of receipts on a weekly basis, provided

1 that such receipts must be deposited within seven (7) calendar days
2 from the date received or when such deposits equal or exceed Five
3 Hundred Dollars (\$500.00), whichever first occurs.

4 ~~F.~~ G. Funds and revenues of the Oklahoma Municipal Power
5 Authority, the Grand River Dam Authority, the Oklahoma Ordnance
6 Works Authority and the Midwestern Oklahoma Development Authority
7 are exempt from the requirements of this section.

8 ~~G.~~ H. Monies used for investment purposes by the Oklahoma
9 Firefighters Pension and Retirement System, the Oklahoma Police
10 Pension and Retirement System, the Uniform Retirement System for
11 Justices and Judges, the Oklahoma Law Enforcement Retirement System,
12 the Oklahoma Public Employees Retirement System, the Teachers'
13 Retirement System of Oklahoma, the Oklahoma State Regents for Higher
14 Education, the State and Education Employees Group Insurance Board
15 and the Commissioners of the Land Office are exempt from the
16 requirements of this section, and shall be placed with the
17 respective custodian bank or trust company.

18 I. Private patient-pay monies shall be exempt from the
19 requirements of this section. Such funds may be deposited into an
20 interest-bearing account and expended by the Department outside of
21 the State Treasury, provided that the Department maintains complete
22 accounting records and remains subject to audit by the State Auditor
23 and Inspector.

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1 SECTION 3. AMENDATORY 62 O.S. 2021, Section 34.64, is
2 amended to read as follows:

3 Section 34.64. A. Except as otherwise provided in the Oklahoma
4 State Finance Act and except for Automated Clearing House (ACH)
5 debits for transactional fees, procedures for paying claims or
6 payrolls shall include the following:

7 1. All miscellaneous claims and payroll claims for the payment
8 of money from the State Treasury shall be filed with the Director of
9 the Office of Management and Enterprise Services for audit and
10 settlement prior to being filed for payment with the State
11 Treasurer;

12 2. The Director of the Office of Management and Enterprise
13 Services may establish alternative procedures for the settlement of
14 claims whenever such procedures are more advantageous so long as
15 they are consistent with the requirements of state law;

16 3. Such alternative procedures shall be at the discretion of
17 the Director of the Office of Management and Enterprise Services and
18 may include, but are not limited to:

19 a. a procedure to permit consolidated payment to vendors
20 for claims involving more than one agency of the state
21 when audit and settlement of such claims, as
22 hereinafter provided, can in all respects be
23 accomplished,

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- 1 b. procedures based upon valid statistical sampling
2 models for preaudit of claims, against contracts,
3 purchase orders and other commitments before entering
4 such claims against the accounts, and
- 5 c. policies, procedures and performance criteria for the
6 participation of agencies or departments, not
7 authorized by this section, to engage in an
8 alternative system for the settlement of claims; and

9 4. The Director of the Office of Management and Enterprise
10 Services may use a numeric or alphanumeric designation to cross-
11 reference claims or payrolls to check warrant numbers, transfer
12 entry or optional settlement mode used in the payment thereof.

13 B. Except for ACH debits for transactional fees, after claims
14 or payrolls or both have been properly audited and recorded against
15 the respective contracts, purchase orders, other commitments and
16 accounts, the Division of Central Accounting and Reporting shall
17 certify such claims or payrolls to the State Treasurer for payment.

18 C. Except for ACH debits for transactional fees, it shall be
19 the responsibility of the Division of Central Accounting and
20 Reporting to determine that:

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

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

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

2 D. The Director of the Office of Management and Enterprise
3 Services or bonded employees in the Division of Central Accounting
4 and Reporting authorized by the Director shall certify to the State
5 Treasurer that the claim or payroll has been approved for payment.

6 E. 1. The Director of the Office of Management and Enterprise
7 Services shall be authorized to establish necessary agency
8 disbursing funds to efficiently accommodate the cash flow
9 requirements of applicable federal regulations, bond indebtedness
10 and other directives deemed appropriate by the Director.

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

14 3. The State Treasurer shall establish procedures for the state
15 in accordance with Federal Banking and National Automated Clearing
16 House Association standards and agencies shall be required to
17 utilize automated clearing house procedures established by the State
18 Treasurer.

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

21 5. Agencies shall be further required to present these
22 transactions to the Office of Management and Enterprise Services in
23 a summarized format and shall include any accounting information
24 necessary as determined by the Director of the Office of Management

1 and Enterprise Services including, but not limited to, information
2 related to federal law.

3 6. Administrative expenditures shall not be eligible for these
4 procedures.

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

7 F. The Director of the Office of Management and Enterprise
8 Services shall be authorized to process payments for federal tax
9 withholding without claim forms. The Director shall establish a
10 separate fund for the purpose of accumulating federal income tax
11 withholding from payrolls and remitting same to the United States
12 Treasury. Institutions under the administrative authority of the
13 Oklahoma State Regents for Higher Education which are responsible
14 for processing payments for federal tax withholding shall be
15 authorized to process such payments to the United States Treasury
16 without claim forms.

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

20 2. Agencies are responsible for the accrual of such interest
21 liability of the state and shall provide payment to the Office of
22 Management and Enterprise Services in the amount and method
23 prescribed by the Director of the Office of Management and
24 Enterprise Services.

1 3. Any liability of the U.S. Treasury as determined by federal
2 law shall be deposited in the State Treasury and transferred by the
3 Director of the Office of Management and Enterprise Services to the
4 General Revenue Fund of the state subsequent to final determination
5 and necessary audit resolution.

6 H. Payments disbursed from the State Treasury shall be conveyed
7 solely through an electronic payment mechanism. The State Treasurer
8 may provide an exemption from the provisions of this subsection,
9 with cause, provided the number of exempted payments and a
10 corresponding list of causes shall be published in a regularly
11 updated report which is featured prominently on the State
12 Treasurer's website.

13 I. Notwithstanding any other provision of the Oklahoma State
14 Finance Act and subject to any applicable restrictions in the
15 Oklahoma Constitution, the Director of the Office of Management and
16 Enterprise Services may establish procedures by which agencies may
17 contract for, incur and account for transaction-based fees, such as
18 fees for accepting credit cards, that may be processed by ACH debit
19 without claim forms, provided the agency has sufficient statutory
20 authority for purchase. Prior to authorizing ACH debit transactions
21 without claim forms, state agencies shall provide notice to the
22 State Treasurer.

23 J. 1. The provisions of this section shall not apply to
24 claims, payrolls, or other payments made by or on behalf of the

1 Oklahoma Department of Veterans Affairs solely for the operation of
2 State Veterans Homes established pursuant to Sections 221 through
3 240 of Title 72 of the Oklahoma Statutes. The Department is hereby
4 authorized to establish and administer internal procedures for the
5 preaudit, settlement, and payment of such claims and payrolls,
6 provided that:

7 a. all expenditures are processed in accordance with
8 applicable federal laws and regulations governing
9 veterans' care and benefits,

10 b. the Department maintains adequate internal financial
11 controls and documentation to ensure compliance with
12 the Oklahoma State Finance Act where not otherwise in
13 conflict with this subsection, and

14 c. the Department shall provide to the Director of the
15 Office of Management and Enterprise Services, upon
16 request, summarized reporting necessary for statewide
17 accounting and financial disclosure requirements.

18 2. Payments made pursuant to this subsection shall not require
19 filing or certification with the Office of Management and Enterprise
20 Services prior to payment by the State Treasurer.

21 SECTION 4. AMENDATORY 62 O.S. 2021, Section 34.80, is
22 amended to read as follows:

23 Section 34.80. A. All warrants, checks or orders issued by the
24 State Treasurer against claims submitted through the Office of

1 Management and Enterprise Services in payment of obligations of the
2 state which shall for any cause remain outstanding or unpaid for a
3 period of ninety (90) days after funds are available for their
4 payment shall be revoked and canceled.

5 B. Such warrants, checks or orders shall be entered into the
6 records of the Office of Management and Enterprise Services and the
7 State Treasurer and the administrative head of the agency certifying
8 the claim for payment shall be notified that such items have been
9 canceled.

10 C. If, for any reason, a warrant should not be issued to
11 replace a warrant canceled pursuant to the provisions of this
12 section, the administrative head of the agency originally certifying
13 the claim for payment shall, within seven (7) days after
14 notification of the cancellation, advise the Director of the Office
15 of Management and Enterprise Services that a reissue should not be
16 made.

17 D. Notwithstanding the provisions of subsection B of this
18 section, warrants issued or caused to be issued by the Department of
19 Human Services for public assistance or medical assistance may be
20 reissued at any time within three (3) years after cancellation upon
21 submission of the canceled warrants to the Department.

22 E. No canceled warrants shall be paid, except that the holder
23 of any warrant that may have been canceled pursuant to the
24 provisions of this section may, within thirty-six (36) months

1 following the month in which the warrant was canceled, present the
2 warrant or an affidavit of loss or destruction and a request for
3 reissuance to the Director of the Office of Management and
4 Enterprise Services.

5 F. The Director of the Office of Management and Enterprise
6 Services shall certify a claim as needed for payment of those
7 verified unpaid requests presented, unless the certifying agency has
8 advised that a reissuance should not be made.

9 G. 1. There is hereby created in the State Treasury a fund to
10 be known as the Canceled Warrant Fund.

11 2. The Director of the Office of Management and Enterprise
12 Services shall transfer to the Canceled Warrant Fund the total of
13 the payable amounts of the warrants canceled pursuant to the
14 provisions of this section from the funds and accounts against which
15 the canceled warrants had been drawn.

16 3. The Office of Management and Enterprise Services shall
17 disburse from the fund such amounts as necessary to pay warrants
18 reissued as provided in this section.

19 4. These expenditures shall remain recorded in the funds and
20 accounts against which the original canceled warrants were issued
21 and they shall not be considered expenses of the state nor shall
22 receipts to the fund be considered revenue to the state.

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1 5. Any such claim drawn against the Canceled Warrant Fund shall
2 identify the current holder of record and the warrant number of the
3 canceled warrant, which shall be provided on the warrant record.

4 H. The Director of the Office of Management and Enterprise
5 Services shall determine the minimum necessary balance to be
6 maintained in the Canceled Warrant Fund and on the third Monday of
7 October shall transfer the amount in excess of the required minimum
8 balance to the General Revenue Fund of the current year. The
9 minimum balance retained shall be not less than the total amount of
10 the warrants canceled by statute within the past thirty-six (36)
11 months preceding October 1 of each year and which remain eligible
12 for replacement according to the records of the Office of Management
13 and Enterprise Services. Provided, funds in the Canceled Warrant
14 Fund due to the cancellation of warrants from the Crime Victims
15 Compensation Fund shall be transferred to the Crime Victims
16 Compensation Fund and not to the General Revenue Fund. Funds in the
17 Canceled Warrant Fund due to the cancellation of warrants originally
18 issued by the Oklahoma Department of Veterans Affairs shall be
19 transferred to the Oklahoma Department of Veterans Affairs
20 Nonappropriated Veteran Care Enterprise Fund or other fund of origin
21 within the Department and shall not be deposited to the General
22 Revenue Fund.

1 SECTION 5. AMENDATORY 72 O.S. 2021, Section 222, as
2 amended by Section 2, Chapter 42, O.S.L. 2024 (72 O.S. Supp. 2025,
3 Section 222), is amended to read as follows:

4 Section 222. A. There is hereby created ~~in the State Treasury~~
5 ~~a revolving fund~~ an agency special account for the Oklahoma
6 Department of Veterans Affairs to be known as the "Oklahoma
7 Department of Veterans Affairs ~~Revolving~~ Nonappropriated Veteran
8 Care Enterprise Fund". Unless reauthorized in law, this agency
9 special account shall expire on July 1, 2031. The ~~revolving fund~~
10 agency special account shall consist of all funds and monies
11 received by the Oklahoma Department of Veterans Affairs, its
12 constituent institutions, ~~and/or~~ or the Oklahoma Veterans
13 Commission, from any gifts, contributions, bequests, ~~individual~~
14 ~~reimbursements~~ fees for service except as otherwise provided by law,
15 and other sources of revenue, for the care or support of war
16 veterans discharged other than under dishonorable conditions, who
17 have been admitted and cared for at the Oklahoma Department of
18 Veterans Affairs ~~Centers~~ Homes at Ardmore, Claremore, Clinton,
19 Lawton/Ft. Sill, Norman, Sulphur or Sallisaw. Provided, no grants-
20 in-aid, reimbursements, or other revenue from the United States
21 government or any instrumentality of the United States government or
22 state appropriations shall be deposited in the fund. Provided
23 further, nothing contained herein prohibits the establishment and
24 utilization of special agency accounts by the Oklahoma Department of

1 Veterans Affairs and its constituent institutions, as may be
2 approved by the Director of the Office of Management and Enterprise
3 Services, for receipt and disbursement of the personal funds of
4 ~~Veteran Center patients and members and/or~~ Home residents or for
5 receipt and disbursement of charitable contributions and donations
6 for use by and for ~~patients and members~~ residents.

7 B. The ~~revolving fund~~ agency special account herein created
8 shall be used by the Oklahoma Department of Veterans Affairs to pay
9 for the care of war veterans discharged other than under
10 dishonorable conditions, in Veterans ~~Centers~~ Homes, to pay the
11 general operating expenses of the Veterans ~~Centers~~ Homes, including
12 the payment of salaries and wages of officials and employees, to pay
13 for the employee safety programs and incentive awards provided for
14 in Section 63.10a of this title, and to remodel, repair, construct,
15 build additions, modernize, or add improvements of domiciliary or
16 hospital buildings necessary for the care of veterans, including
17 tuberculosis, mentally ill or neuropsychiatric patients, but not
18 excluding others; and architectural plans, specifications, or other
19 costs pertinent thereto.

20 C. ~~The Oklahoma Department of Veterans Affairs may transfer~~
21 ~~monies from the revolving fund created in this section to the W.V.C.~~
22 ~~Revolving Fund in the State Treasury.~~

23 D. ~~All expenditures from the revolving fund shall be made upon~~
24 ~~warrants issued by the State Treasurer based upon claims approved by~~

1 ~~the Oklahoma Department of Veterans Affairs, as provided by law, and~~
2 ~~filed with the Director of the Office of Management and Enterprise~~
3 ~~Services for approval and payment~~ agency special account shall be
4 exempt from the requirement of deposit in the State Treasury and
5 from disbursement through the Office of Management and Enterprise
6 Services.

7 D. The Department shall:

8 1. Maintain accounting records for exempt funds on a basis
9 consistent with applicable federal requirements;

10 2. Electronically submit quarterly informational reports to the
11 Governor, the President Pro Tempore of the Senate, the Speaker of
12 the House of Representatives, and the Director of the Office of
13 Management and Enterprise Services identifying sources, amounts,
14 purposes, and expenditures of such funds; and

15 3. Remain subject to examination by the State Auditor and
16 Inspector and to all federal audit and compliance requirements.

17 E. Upon the change of the Director of the Department of
18 Veterans Affairs, the agency special account shall be audited, and
19 such results shall be submitted to the Governor, the President Pro
20 Tempore of the Senate, and the Speaker of the House of
21 Representatives.

22 F. In the case that such agency special account is not
23 reauthorized by law, all monies in such account shall revert back to
24 the State Treasury.

1 SECTION 6. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 435 of Title 72, unless there is
3 created a duplication in numbering, reads as follows:

4 A. There is hereby created an agency special account for the
5 Oklahoma Department of Veterans Affairs to be designated the
6 "Oklahoma Veterans Assistance Fund". Unless reauthorized in law,
7 this agency special account shall expire on July 1, 2031. The fund
8 shall consist of all monies received by the Oklahoma Department of
9 Veterans Affairs from nonappropriated revenue streams, including
10 donations and eligible federal funds. All monies in the fund shall
11 be used exclusively for the payment or operation costs of the
12 Oklahoma Department of Veterans Affairs, not otherwise funded
13 through legislative appropriations. Expenditures may include, but
14 shall not be limited to, veterans' programs, state veteran
15 cemeteries, State Veterans Homes, veteran workforce development,
16 veteran outreach initiatives, and other expenses necessary for the
17 support of veterans as determined by the Department. Monies in the
18 fund shall not be subject to fiscal year limitations and shall be
19 carried forward from year to year. The Department shall:

20 1. Maintain accounting records for exempt funds on a basis
21 consistent with applicable federal requirements;

22 2. Electronically submit quarterly informational reports to the
23 Governor, the President Pro Tempore of the Senate, the Speaker of
24 the House of Representatives, and the Director of the Office of

1 Management and Enterprise Services identifying sources, amounts,
2 purposes, and expenditures of such funds; and

3 3. Remain subject to examination by the State Auditor and
4 Inspector and to all federal audit and compliance requirements.

5 B. Upon the change of the Director of the Department of
6 Veterans Affairs, the agency special account shall be audited, and
7 such results shall be submitted to the Governor, the President Pro
8 Tempore of the Senate, and the Speaker of the House of
9 Representatives.

10 C. In the case that such agency special account is not
11 reauthorized by law, all monies in such account shall revert back to
12 the State Treasury.

13 SECTION 7. AMENDATORY 74 O.S. 2021, Section 85.12, as
14 amended by Section 2, Chapter 339, O.S.L. 2023 (74 O.S. Supp. 2025,
15 Section 85.12), is amended to read as follows:

16 Section 85.12. A. The provisions of this section shall not be
17 construed to affect any law relating to fiscal or accounting
18 procedure except as they may be directly in conflict herewith; and
19 all claims, warrants, and bonds shall be examined, inspected, and
20 approved as now provided by law.

21 B. Except as otherwise provided by this section, the
22 acquisitions specified in this subsection shall be made in
23 compliance with Section 85.39 of this title and purchasing card
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1 program requirements but are not subject to other provisions of the
2 Oklahoma Central Purchasing Act:

3 1. Food and other products produced by state institutions and
4 agencies;

5 2. The printing or duplication of publications or forms of
6 whatsoever kind or character by state agencies if the work is
7 performed upon their own equipment by their own employees. Pursuant
8 to this paragraph, the state agency may only use equipment owned or
9 leased by the agency and may only utilize that equipment for
10 printing services required by the agency in performing duties
11 imposed upon the agency or functions authorized to be performed by
12 the agency. Any use of the equipment by the agency pursuant to an
13 agreement or contract with any other entity resulting in delivery of
14 intermediate or finished products to the entity purchasing or using
15 the products shall be subject to the provisions of the Oklahoma
16 Central Purchasing Act and associated rules;

17 3. Department of Transportation and Transportation Commission
18 contractual services or right-of-way acquisitions, contracts awarded
19 pursuant to bids let by the Transportation Commission for the
20 maintenance or construction of streets, roads, highways, bridges,
21 underpasses or any other transportation facilities under the control
22 of the Department of Transportation, equipment or material
23 acquisitions accruing to the Department of Transportation required
24 in federal aid contracts and acquisitions for public-service-type

1 announcements initiated by the Department of Transportation, but not
2 acquisitions for advertising, public relations or employment
3 services;

4 4. Utility services regulated by a state or federal regulatory
5 commission, municipal ordinance or an Indian Tribal Council;

6 5. Acquisitions by the University Hospitals Authority. The
7 Authority shall develop standards for the acquisition of products
8 and services and may elect to utilize the Purchasing Division. The
9 standards shall foster economy and short response time and shall
10 include appropriate safeguards and record-keeping requirements to
11 ensure appropriate competition and economical and efficient
12 purchasing;

13 6. Custom harvesting by the Department of Corrections for the
14 Department or its institutions;

15 7. Subject to prior approval of the State Purchasing Director,
16 acquisitions from private prison suppliers which are subject to the
17 contracting procedures of Section 561 of Title 57 of the Oklahoma
18 Statutes;

19 8. Acquisitions by the Oklahoma Municipal Power Authority;

20 9. Acquisitions by the Grand River Dam Authority;

21 10. Acquisitions by rural water, sewer, gas or solid waste
22 management districts created pursuant to the Rural Water, Sewer, Gas
23 and Solid Waste Management Districts Act;

24

1 11. Acquisitions by the Oklahoma Ordnance Works Authority, the
2 Northeast Oklahoma Public Facilities Authority or the Midwestern
3 Oklahoma Development Authority;

4 12. Expenditure of monies appropriated to the State Board of
5 Education for local and state-supported financial support of public
6 schools, except monies allocated therefrom for the Administrative
7 and Support Functions of the State Department of Education;

8 13. Expenditure of monies appropriated to the State Department
9 of Rehabilitation Services for educational programs or educational
10 materials for the Oklahoma School for the Blind and the Oklahoma
11 School for the Deaf;

12 14. Contracts entered into by the Oklahoma Department of Career
13 and Technology Education for the development, revision or updating
14 of vocational curriculum materials, and contracts entered into by
15 the Oklahoma Department of Career and Technology Education for
16 training and supportive services that address the needs of new or
17 expanding industries;

18 15. Contracts entered into by the Oklahoma Center for the
19 Advancement of Science and Technology for professional services;

20 16. Contracts entered into by the Oklahoma Department of
21 Commerce pursuant to the provisions of Section 5066.4 of this title;

22 17. Acquisitions made by the Oklahoma Historical Society from
23 monies used to administer the White Hair Memorial;

24

1 18. Purchases of pharmaceuticals available through a multistate
2 or multigovernmental contract if such pharmaceuticals are or have
3 been on state contract within the last fiscal year, and the terms of
4 such contract are more favorable to the state or agency than the
5 terms of a state contract for the same products, as determined by
6 the State Purchasing Director. The state entity designated by law,
7 as specified in Section 1010.3 of Title 56 of the Oklahoma Statutes,
8 shall participate in the purchase of pharmaceuticals available
9 through such contracts;

10 19. Contracts for managed health care services entered into by
11 the state entity designated by law or the Department of Human
12 Services, as specified in paragraph 1 of subsection A of Section
13 1010.3 of Title 56 of the Oklahoma Statutes;

14 20. Acquisitions by a state agency through a General Services
15 Administration contract or other federal contract if the
16 acquisitions are not on current statewide contract or the terms of
17 the federal contract are more favorable to the agency than the terms
18 of a statewide contract for the same products;

19 21. Acquisitions of clothing for clients of the Department of
20 Human Services and acquisitions of food for group homes operated by
21 the Department of Human Services;

22 22. Acquisitions by the Oklahoma Energy Resources Board;

23

24

1 23. Acquisitions of clothing for juveniles in the custody of
2 the Office of Juvenile Affairs and acquisitions of food for group
3 homes operated by the Office of Juvenile Affairs;

4 24. State contracts for flexible benefits plans pursuant to the
5 Oklahoma State Employees Benefits Act, Section 1361 et seq. of this
6 title;

7 25. Acquisitions by the Oklahoma Department of Securities to
8 investigate, initiate, or pursue administrative, civil or criminal
9 proceedings involving potential violations of the acts under the
10 Department's jurisdiction and acquisitions by the Oklahoma
11 Department of Securities for its investor education program;

12 26. Acquisitions for resale in and through canteens operated
13 pursuant to Section 537 of Title 57 of the Oklahoma Statutes and
14 canteens established at an institution or facility operated by the
15 Office of Juvenile Affairs;

16 27. Acquisitions by the Oklahoma Boll Weevil Eradication
17 Organization for employment and personnel services, and for
18 acquiring sprayers, blowers, traps and attractants related to the
19 eradication of boll weevils in this state or as part of a national
20 or regional boll weevil eradication program;

21 28. Contracts entered into by the Oklahoma Indigent Defense
22 System for expert services pursuant to the provisions of subsection
23 D of Section 1355.4 of Title 22 of the Oklahoma Statutes;

24

1 29. Acquisitions by the Oklahoma Correctional Industries and
2 the Agri-Services programs of the Department of Corrections of raw
3 materials, component parts and other products, any equipment
4 excluding vehicles, and any services excluding computer consultant
5 services used to produce goods or services for resale and for the
6 production of agricultural products;

7 30. Contracts entered into by the Department of Human Services
8 for provision of supported living services to members of the
9 plaintiff class in *Homeward Bound, Inc., et al. v. The Hisson*
10 *Memorial Center, et al.*, Case Number 85-C-437-E, United States
11 District Court for the Northern District of Oklahoma;

12 31. Contracts negotiated by the Office of Juvenile Affairs with
13 designated Youth Services Agencies and the Oklahoma Association of
14 Youth Services, or another Oklahoma nonprofit corporation whose
15 membership consists solely of Youth Services Agencies and of whom at
16 least a majority of Youth Services Agencies are members, pursuant to
17 the provisions of Section 2-7-306 of Title 10A of the Oklahoma
18 Statutes and contracts entered into by the Department of Human
19 Services pursuant to Section 1-9-110 of Title 10A of the Oklahoma
20 Statutes with designated Youth Services Agencies;

21 32. Contracts for annuities for structured settlements provided
22 for in Section 158 of Title 51 of the Oklahoma Statutes;

23 33. Subject to subsection E of this section, purchases made
24 from funds received by local offices administered by the Department

1 of Human Services or administered by the Office of Juvenile Affairs
2 for fund-raising activities and donations for the benefit of clients
3 and potential clients at the local offices where such purchases may
4 not otherwise be paid for from appropriated funds;

5 34. Acquisitions by the Oklahoma Historical Society for
6 restoration of historical sites and museums although the agency may
7 elect to utilize the Purchasing Division for an acquisition with
8 supplier and bid selection being the prerogative of the agency,
9 based on the supplier's documented qualifications and experience;
10 ~~and~~

11 35. Acquisitions of clothing and food for patients in the care
12 of the J.D. McCarty Center for Children with Developmental
13 Disabilities; and

14 36. Purchases of goods and services by the Oklahoma Department
15 of Veterans Affairs when such purchases are made exclusively for the
16 operation, maintenance, or improvement of State Veterans Homes.

17 C. Pursuant to the terms of a contract the State Purchasing
18 Director enters into or awards, a state agency, common school,
19 municipality, rural fire protection district, county officer or any
20 program contract, purchase, acquisition or expenditure that is not
21 subject to the provisions of the Oklahoma Central Purchasing Act,
22 may, unless acting pursuant to a contract with the state that
23 specifies otherwise, make use of statewide contracts and the
24 services of the Purchasing Division and the State Purchasing

1 Director. Any political subdivision or rural fire protection
2 district may designate the State Purchasing Director as its agent
3 for any acquisition from a statewide contract or otherwise available
4 to the state.

5 D. The State Purchasing Director shall review and audit all the
6 purchasing procedures of acquisitions listed in subsection B of this
7 section to ensure that the procedures are being followed. Nothing
8 in this section shall be construed to authorize bid splitting as
9 prohibited by the Oklahoma Central Purchasing Act.

10 E. With respect to the Department of Human Services or the
11 Office of Juvenile Affairs, as applicable, monies received by
12 fundraising activities or donations from the local office, vending
13 operations administered by employees of the agency and all other
14 nonrestricted cash and cash-equivalent items received by employees
15 of the agency shall be deposited in the agency special account
16 established for this purpose. The deposits shall be made at local
17 banking institutions approved by the State Treasurer.

18 F. With respect to the Oklahoma Tourism and Recreation
19 Department, no exemption provided in this section shall be construed
20 for the use of leasing or contracting for state-owned restaurants in
21 Oklahoma state parks. The Department shall not be required to
22 purchase furniture, fixtures, equipment, and soft goods associated
23 with decor of the state parks, lodges, golf courses, and tourism
24 information centers from Oklahoma prisons or reformatories.

1 Additionally, the Department shall not be required to make
2 purchases pursuant to a statewide contract for materials, supplies,
3 and services necessary for the efficient and economical operation of
4 revenue-generating, Department-operated facilities, including those
5 made to maintain or improve guest perception of quality and service;
6 provided, that the State Purchasing Director shall review and audit
7 all uses of the exemptions provided in this subsection biannually.

8 SECTION 8. This act shall become effective November 1, 2026.

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