

1 **SENATE FLOOR VERSION**

2 February 24, 2026

3 **AS AMENDED**

4 SENATE BILL NO. 1199

5 By: Sacchieri

6 [ schools - contracts - prohibitions - interest -  
7 applicability -  
8 emergency ]

9  
10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 1. AMENDATORY 70 O.S. 2021, Section 5-124, is  
12 amended to read as follows:

13 Section 5-124. A. Except as otherwise provided in this  
14 section, no board of education of any school district or technology  
15 center school district in this state shall make any contract with  
16 any of its members or with any company, individual, or business  
17 concern in which any of its members shall be directly or indirectly  
18 interested. All contracts made in violation of this section shall  
19 be wholly void. A For the purposes of this section, a member of a  
20 board of education shall be considered to be interested in any  
21 contract made with any company, individual, or ~~any~~ business concern  
22 if the member of the board of education or any member of the  
23 immediate family of the member is employed by or owns ~~any~~

1 ~~substantial~~ an interest of five percent (5%) or more in same the  
2 company, individual, or business concern.

3 B. For purposes of this section, the following shall not be  
4 considered the making of a contract:

5 1. Any contract with a qualified nonprofit Internal Revenue  
6 Code 501(c)(3) organization, except for contracts paying salaries or  
7 expenses or except a contract involving the counseling or  
8 instruction of students or staff;

9 2. Monthly billings submitted to any school district or  
10 technology center school district for public utility companies,  
11 electric cooperatives, or telephone companies, whose services are  
12 regulated by the ~~Oklahoma~~ Corporation Commission, or billings of the  
13 utility companies, electric cooperatives, or telephone companies  
14 pertaining to installations or changes in service, where tariffs for  
15 the charges or billings by the companies are on file with the  
16 ~~Oklahoma~~ Corporation Commission; and

17 3. The depositing of any funds in a bank or other depository.

18 C. 1. The ~~governing~~ board of education of a technology center  
19 school district may enter into a contract for the technology center  
20 school district to provide training for a company, individual, or  
21 business concern by which a member of the board or a member of his  
22 or her immediate family is employed or in which the board member or  
23 a member of his or her immediate family has an interest of five  
24 percent (5%) or more. A board member shall abstain from voting on

1 any such contract between the technology center school district  
2 board of education and the company, individual, or business concern  
3 ~~by which the member is employed.~~

4 2. A board of education of a school district or technology  
5 center school district may enter into a contract with a company,  
6 individual, or business concern ~~in~~ by which a board member or a  
7 ~~member's spouse~~ member of his or her immediate family is employed ~~by~~  
8 or in which the board member or any member of his or her immediate  
9 family has a substantial an interest of five percent (5%) or more if  
10 the company, individual, or business concern is the only supplier  
11 having a place of business located within the school district or  
12 technology center school district or within ten (10) miles of the  
13 needed services or materials. The board member shall abstain from  
14 voting on any such contract between the company, individual, or  
15 business concern ~~in which that member has a substantial interest,~~  
16 and the minutes of the board meeting at which the contract is  
17 approved shall state that the contract is being made because of the  
18 lack of another supplier with a place of business located within the  
19 school district or technology center school district or within ten  
20 (10) miles of the needed services or materials.

21 3. A board of education of a school district or technology  
22 center school district which has entered into a lease-purchase  
23 agreement, prior to the time a board member ~~which~~ who is employed by  
24 or has an immediate family member who is employed by or has a

1 ~~substantial~~ an interest of five percent (5%) or more or has an  
2 immediate family member who has an interest of five percent (5%) or  
3 more in the company, individual, or business concern became a member  
4 of the board of education, may, after the member becomes a board  
5 member, continue to exercise any fiscal year options in the lease-  
6 purchase agreement for renewal of the lease-purchase for the balance  
7 of the contract term. The affected board member shall abstain from  
8 voting on such fiscal year renewal of the continuation of the lease-  
9 purchase agreement.

10 4. A board of education of a school district or technology  
11 center school district may enter into a contract with a company,  
12 individual, or business concern in which a board member or a ~~spouse~~  
13 ~~of a~~ member of his or her immediate family is employed and neither  
14 the board member nor any member of his or her immediate family has  
15 ~~no substantial~~ an interest of five percent (5%) or more if the  
16 school district or technology center school district does not  
17 include any part of a municipality with a population greater than  
18 two thousand five hundred (2,500) according to the latest Federal  
19 Decennial Census and the company, individual, or business concern is  
20 located in the corporate limits of a municipality which is in the  
21 boundaries of the school district or technology center school  
22 district.

23 D. ~~A board member shall not be considered to be directly or~~  
24 ~~indirectly interested in any contract with a company, individual, or~~

1 ~~business concern that employs such board member or the spouse of the~~  
2 ~~board member if the board member or the spouse of the board member~~  
3 ~~has an interest of five percent (5%) or less in the company,~~  
4 ~~individual, or business concern~~ The provisions of this section shall  
5 apply to contracts entered into on or after the effective date of  
6 this act.

7 SECTION 2. It being immediately necessary for the preservation  
8 of the public peace, health, or safety, an emergency is hereby  
9 declared to exist, by reason whereof this act shall take effect and  
10 be in full force from and after its passage and approval.

11 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION  
12 February 24, 2026 - DO PASS AS AMENDED  
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