

1 ENGROSSED HOUSE  
2 BILL NO. 3310

By: Eaves of the House

3 and

4 Kern of the Senate

5  
6  
7 An Act relating to state government; amending 74 O.S.  
8 2021, Section 85.5, as amended by Section 1, Chapter  
9 102, O.S.L. 2024 (74 O.S. Supp. 2025, Section 85.5),  
10 which relates to the powers and duties of the State  
11 Purchasing Director; adding duties related to  
12 adherence to state purchasing rules; requiring  
13 establishment of standards, evaluating compliance  
14 with standards, and required reporting; amending 74  
15 O.S. 2021, Section 840-2.18, as last amended by  
16 Section 1, Chapter 18, 1st Extraordinary Session,  
17 O.S.L. 2023 (74 O.S. Supp. 2025, Section 840-2.18),  
18 which relates to longevity payments; making  
19 eligibility for payments subject to certain  
20 provisions; disallowing compensation increases and  
21 longevity payment for noncompliance with certain  
22 standards; providing for codification; and providing  
23 an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2021, Section 85.5, as  
amended by Section 1, Chapter 102, O.S.L. 2024 (74 O.S. Supp. 2025,  
Section 85.5), is amended to read as follows:

Section 85.5. A. Except as otherwise provided in this section,  
the State Purchasing Director, under the supervision of the Director  
of the Office of Management and Enterprise Services, shall have sole

1 and exclusive authority and responsibility for all acquisitions by  
2 state agencies. In order to carry out the powers and duties of the  
3 Chief Information Officer and the Information Services Division, the  
4 Chief Information Officer shall have sole and exclusive authority  
5 and responsibility for all acquisitions of information and  
6 telecommunications technology, equipment, software, products and  
7 related peripherals and services by state agencies. Public  
8 construction contracts are awarded pursuant to Title 61 of the  
9 Oklahoma Statutes and are not subject to the Oklahoma Central  
10 Purchasing Act.

11 B. Every state agency shall determine its own quantitative  
12 needs for acquisitions and the general class or nature of the  
13 acquisitions. The State Purchasing Director, after consultation  
14 with the requisitioning state agency, shall have authority to  
15 determine the particular brand, model or other specific  
16 classification of each acquisition and to draft or invoke pursuant  
17 to the Oklahoma Central Purchasing Act specifications establishing  
18 the requirements for all necessary contracts or purchase orders.

19 C. The Director of the Office of Management and Enterprise  
20 Services shall have authority and responsibility to promulgate rules  
21 in connection with provisions of the Oklahoma Central Purchasing Act  
22 for:

23 1. The time, manner, authentication and form of making  
24 requisitions for acquisitions;

1           2. Inspection, analysis and testing of acquisitions or samples  
2 bidders submit prior to contract award;

3           3. The form and manner of submission for bids or proposals a  
4 bidder submits and the manner of accepting and opening bids or  
5 proposals;

6           4. The conditions under which the Office of Management and  
7 Enterprise Services shall require written contracts for  
8 acquisitions, the conditions under which acquisitions may be made on  
9 an open account basis, and the conditions and manner of negotiating  
10 such contracts;

11          5. Obtaining acquisitions produced by state institutions;

12          6. Conditions under which any of the rules herein authorized  
13 may be waived;

14          7. The amounts of and deposits on any bond or other surety  
15 required to be submitted with a bid or contract for the furnishing  
16 of acquisitions and the conditions under which such bond or other  
17 surety shall be required;

18          8. The manner and conditions of delivery, which shall include  
19 the designation of the common carrier of property to be used to  
20 transport acquisitions whenever a common carrier is used, and the  
21 acceptance, or rejection, including check of quantities, of any  
22 acquisitions;

23          9. The form of any estimate, order or other information  
24 required in connection with an acquisition;

1        10. State agency acquisitions not exceeding the acquisition  
2 threshold amount requiring competitive bid to ensure  
3 competitiveness, fairness, compliance with the Oklahoma Central  
4 Purchasing Act and Section 3001 et seq. of this title, which relates  
5 to the State Use Committee. The rules shall include separate  
6 provisions based on acquisition amounts as follows:

7            a. state agencies shall make acquisitions not exceeding  
8 Twenty-five Thousand Dollars (\$25,000.00), provided  
9 the acquisition process is fair and reasonable and is  
10 conducted pursuant to rules authorized pursuant to  
11 this section, and

12            b. state agencies with certified procurement officers and  
13 internal purchasing procedures found compliant by the  
14 State Purchasing Director may make acquisitions in  
15 excess of the fair and reasonable acquisition  
16 threshold amount provided for in this section and not  
17 exceeding Two Hundred Fifty Thousand Dollars  
18 (\$250,000.00), pursuant to rules authorized by this  
19 section;

20        11. Training by the State Purchasing Director of state agency  
21 procurement officers;

22        12. Review and audit by the State Purchasing Director of state  
23 agency acquisitions;

24

1 13. The conditions for increasing acquisition limits for state  
2 agencies which have had a prior reduction in acquisition limit by  
3 the Director of the Office of Management and Enterprise Services;

4 14. Use of a state purchase card to make acquisitions;

5 15. Any other matter or practice which relates to the  
6 responsibilities of the State Purchasing Director;

7 16. Conditions for determination and authorization of  
8 acquisition threshold amounts of state agencies;

9 17. The form and manner of verification by suppliers that the  
10 supplier is eligible to do business in the State of Oklahoma and has  
11 obtained all necessary permits and licenses, pursuant to applicable  
12 provisions of law; ~~and~~

13 18. Payment procedure rules for state agencies to adhere to  
14 regarding statewide contracts;

15 19. Payment procedure rules for state agencies to adhere to  
16 regarding contract invoice payment timelines, such procedures shall  
17 include, but not be limited to, features that facilitate:

18 a. the timely determination of whether invoices are  
19 proper invoices as defined in Section 34.73 of Title  
20 62 of the Oklahoma Statutes, by state agencies, and

21 b. actual payment of proper invoices as defined in  
22 Section 34.73 of Title 62 of the Oklahoma Statutes, by  
23 state agencies within sixty (60) days of receipt of  
24 such invoices by such state agencies.

1       20. A standard of assessment which identifies state agencies  
2 out of compliance with the procedures and timelines established  
3 pursuant to the provisions of paragraph 19 of this subsection; and

4       21. The creation and maintenance of a report identifying  
5 agencies identified as out of compliance pursuant to the provisions  
6 of paragraph 20 of this subsection, and provide that such report be  
7 made available on the website of the Office of Management and  
8 Enterprise Services. Such report shall include, but not be limited  
9 to, the month such agency was identified as out of compliance and  
10 the month such agency completed actions needed to be identified as  
11 in compliance.

12       D. The State Purchasing Director shall provide training for  
13 state agency procurement officials, and other procurement staff, and  
14 is authorized to require retraining of such procurement personnel  
15 found not to be in compliance with provisions of the Oklahoma  
16 Central Purchasing Act or associated rules. The training may  
17 include any matters related to state procurement practices. State  
18 agency purchasing officials that demonstrate proficiency shall be  
19 certified as "certified procurement officers" by the State  
20 Purchasing Director and shall be authorized to make acquisitions  
21 pursuant to provisions of the Oklahoma Central Purchasing Act and  
22 associated rules. The State Purchasing Director may assess a fee to  
23 state agencies for the training that does not exceed each state  
24

1 agency's pro rata share of the costs the State Purchasing Director  
2 incurs to provide the training.

3 E. The State Purchasing Director shall review state agency  
4 acquisitions for the purposes of:

5 1. Ensuring state agency compliance with provisions of the  
6 Oklahoma Central Purchasing Act;

7 2. Ensuring state agency compliance with rules promulgated by  
8 the Office of Management and Enterprise Services pursuant to the  
9 Oklahoma Central Purchasing Act;

10 3. Ensuring state agency compliance with provisions of Section  
11 3001 et seq. of this title pertaining to the State Use Committee;

12 4. Reporting any acquisition by any state agency found not to  
13 be in compliance with those sections or rules to the Director of the  
14 Office of Management and Enterprise Services;

15 5. A determination by the State Purchasing Director to reduce a  
16 state agency's acquisition authority amount when the state agency is  
17 found not to be in compliance with the Oklahoma Central Purchasing  
18 Act or associated rules or requirements of the State Purchasing  
19 Director pursuant to this section; and

20 6. A determination by the State Purchasing Director to increase  
21 a state agency's acquisition authority amount after the agency cures  
22 deficiencies in connection with a prior reduction in the authority  
23 amount by the State Purchasing Director.

24

1 F. 1. Based on written findings and when recommended by the  
2 State Purchasing Director, the Director of the Office of Management  
3 and Enterprise Services may:

4 ~~1. Transmit~~

5 a. transmit written findings by the State Purchasing  
6 Director to the State Auditor and Inspector for  
7 further investigation, indicating purchasing  
8 procedures that do not conform to the Oklahoma Central  
9 Purchasing Act or associated rules~~7, 1~~ or

10 ~~2. Transmit~~

11 b. transmit to the Attorney General or the State Auditor  
12 and Inspector for further investigation a report made  
13 by the State Purchasing Director that the Director of  
14 the Office of Management and Enterprise Services  
15 reasonably believes indicates that an action that  
16 constitutes a criminal violation pursuant to the  
17 Oklahoma Central Purchasing Act or other laws has been  
18 taken by any state agency, state agency official,  
19 bidder or supplier.

20 2. Based on the assessment report required pursuant to  
21 paragraph 2 of subsection M of this section, the Director of the  
22 Office of Management and Enterprise Services shall no later than  
23 January 31 annually submit to the Speaker of the Oklahoma House of  
24 Representatives and the President Pro Tempore of the Oklahoma State

1 Senate, a recommendation for a prospective reduction of not more  
2 than two percent (2%) in agency appropriations provided for  
3 administrative expenses of agencies assessed an "unsatisfactory"  
4 under a standard established by the Director, in such report.

5 G. 1. Pursuant to the requirements of the Oklahoma Central  
6 Purchasing Act, the State Purchasing Director shall have authority  
7 to enter into any statewide, multistate or multigovernmental  
8 contract. The state entity designated by law, as specified in  
9 Section 1010.3 of Title 56 of the Oklahoma Statutes, shall  
10 participate in the purchase of pharmaceuticals available through  
11 such multistate or multigovernmental contracts entered into by the  
12 State Purchasing Director.

13 2. Whenever it appears advantageous to the state or to any  
14 state agency to purchase or otherwise acquire any acquisition which  
15 may be offered for sale by the United States government or any  
16 agency thereof, the State Purchasing Director may execute a contract  
17 for the acquisition with the federal government or federal agency  
18 and may also utilize contracts awarded by other governmental  
19 agencies including, but not limited to, agencies of the United  
20 States of America.

21 3. The State Purchasing Director may designate, for use by  
22 state agencies, contracts described in this subsection and contracts  
23 awarded on behalf of one or more state agencies.

1 4. Prior to exercising the authority to cancel a contract, the  
2 State Purchasing Director may authorize renegotiation of an existing  
3 contract with an incumbent supplier for the purposes of obtaining  
4 more favorable terms for the state.

5 5. The State Purchasing Director shall have the authority to  
6 designate certain contracts for state agencies as statewide  
7 contracts and mandatory statewide contracts. In order to carry out  
8 the powers and duties of the Chief Information Officer and  
9 Information Services Division, the Chief Information Officer shall  
10 have the authority to designate certain information technology and  
11 telecommunication contracts as statewide contracts and mandatory  
12 statewide contracts and may negotiate consolidation contracts,  
13 enterprise agreements and high technology system contracts in lieu  
14 of or in conjunction with competitive bidding procedures to reduce  
15 acquisition cost.

16 6. The State Purchasing Director may publish such  
17 specifications relating to materials, supplies, equipment and  
18 services to be acquired for the state as may best promote  
19 competition and apprise potential suppliers of the type of product  
20 desired.

21 H. 1. The State Purchasing Director may develop and test new  
22 contracting policies, procedures and innovations that hold potential  
23 for making state procurement more effective and efficient and  
24 identify, and make recommendations to the Legislature of, any

1 appropriate changes in law. Such development and testing, proof of  
2 concept, pilot project or other similar test shall not be considered  
3 an acquisition subject to the Oklahoma Central Purchasing Act.

4 2. The State Purchasing Director is authorized to explore and  
5 investigate cost savings in energy, resource usage and maintenance  
6 contracts and to identify and negotiate contract solutions  
7 including, but not limited to, pilot projects to achieve cost  
8 savings for this state.

9 I. The State Purchasing Director shall endeavor to satisfy  
10 state agencies in terms of cost, quality and timeliness of the  
11 delivery of acquisitions by using bidders who have a record of  
12 successful past performance, promoting competition, minimizing  
13 administrative operating costs and conducting business with  
14 integrity, fairness and openness.

15 J. The State Purchasing Director shall undertake the following:

16 1. The use of electronic commerce pursuant to the Oklahoma  
17 Online Bidding Act for solicitation, notification and other  
18 purchasing processes;

19 2. Monitoring rules promulgated pursuant to the Oklahoma  
20 Central Purchasing Act to ensure that the rules satisfy the  
21 interests of the state, are clear and succinct and encourage  
22 efficiency in purchasing processes;

23 3. A program to identify suppliers' performance records;

24

1           4. Development of criteria for the use of sealed bid  
2 contracting procedures, negotiated contracting procedures, selection  
3 of types of contracts, postaward administration of purchase orders  
4 and contracts, addendums, termination of contracts and contract  
5 pricing;

6           5. Continual improvement in the quality of the performance of  
7 the Purchasing Division through training programs, management  
8 seminars, development of benchmarks and key management indicators,  
9 and development of standard provisions, clauses and forms;

10          6. The State Purchasing Director shall prescribe standardized  
11 contract forms and all other forms or certifications requisite or  
12 deemed necessary by the State Purchasing Director to effectuate the  
13 provisions of the Oklahoma Central Purchasing Act and associated  
14 rules;

15          7. Development of programs to improve customer relations  
16 through training, improved communications and appointment of  
17 technical representatives;

18          8. Provide for public two-way communication between procurement  
19 officers and potential bidders who have questions regarding a  
20 request for proposal or invitation to bid; and

21          9. Determine whether and to what extent information included in  
22 a bid or similar offer is confidential and reject all requests to  
23 disclose the information so designated.

24

1 K. The State Purchasing Director may utilize and authorize  
2 state agencies to utilize reverse auctions to obtain acquisitions.

3 L. Prior to the award of a contract to a supplier, the State  
4 Purchasing Director shall verify, pursuant to applicable provisions  
5 of law, that the supplier is eligible to do business in this state  
6 by confirming registration with the Secretary of State and franchise  
7 tax payment status pursuant to Sections 1203 and 1204 of Title 68 of  
8 the Oklahoma Statutes. The provisions of this subsection shall be  
9 applicable only if the contract amount is Two Hundred Fifty Thousand  
10 Dollars (\$250,000.00) or greater.

11 M. On an annual basis, the State Purchasing Director shall  
12 transmit to the Governor, Speaker of the House of Representatives  
13 and President Pro Tempore of the Senate a:

14 1. A report documenting the savings realized by each agency  
15 through the application of best spend practices including the  
16 collection and tracking of spend data, strategic sourcing programs  
17 and implementation of managed and mandatory statewide contracts and  
18 include in the report information regarding emergency acquisitions;  
19 and

20 2. A report documenting state agency compliance with the  
21 procedures established and assessment performed pursuant to the  
22 provisions of paragraphs 19 and 20 of subsection C of this section.  
23 Such report shall provide a list of all state agencies whose  
24 compliance has been assessed to be "unsatisfactory" under such

1 established procedures and standards established by the Director of  
2 the Office of Management and Enterprise Services, in addition such  
3 report shall include, but not be limited to, the number of invoices  
4 and aggregate value of unpaid invoices determined to be proper  
5 invoices as defined in Section 34.73 of Title 62 of the Oklahoma  
6 Statutes, according to the assessment conducted pursuant to the  
7 provisions of paragraph 20 of subsection C of this section. Such  
8 report shall be delivered in written or electronic format no later  
9 than January 31 annually.

10 N. The acquisition threshold amount applicable to an  
11 acquisition made pursuant to this act or associated rules shall not  
12 apply to state agency purchases; provided, the State Purchasing  
13 Director determines the agency has subject matter experts on staff  
14 having the specialized expertise to purchase goods or services, the  
15 agency possesses the necessary legal and procurement staff to  
16 procure and monitor the contracts and provided the Director of the  
17 Office of Management and Enterprise Services shall certify that the  
18 proposed purchase does not conflict with consolidated statewide  
19 spend initiatives.

20 1. Nothing in this subsection shall give an agency authority to  
21 issue statewide, multistate or multigovernmental contracts.

22 2. Agencies making purchases pursuant to this subsection shall:

23 a. be responsible for contracts awarded pursuant to this  
24 subsection, which includes, but may not be limited to,

1 contract management, protest costs, all costs  
2 connected with or incurred as a result of the  
3 contract, including legal representation,

4 b. comply with rules and policies of the Office of  
5 Management and Enterprise Services, and

6 c. report contracts issued pursuant to this subsection to  
7 the Office of Management and Enterprise Services,  
8 Central Purchasing Division, on a quarterly basis.

9 3. Purchases made in accordance with this subsection shall be  
10 made pursuant to rules authorized by this section.

11 O. The State Purchasing Director, with approval by the Director  
12 of the Office of Management and Enterprise Services, is authorized  
13 to make use of any state laboratories for the tests and analyses  
14 authorized in this section wherever practicable and to use private  
15 laboratories or the laboratories of another government agency if it  
16 is impracticable to use state laboratories. The State Purchasing  
17 Director is further authorized to cooperate in test and analysis  
18 programs or agreements with other states or the United States  
19 government and to accept federal funds and funds donated by private  
20 endowments or foundations for the purpose of participation in such  
21 testing programs.

22 P. The State Purchasing Director shall require all contractors  
23 or subcontractors who have entered into a contract with a public  
24 employer to submit an affidavit that the contractor or subcontractor

1 is in compliance with the provisions of Section 1313 of Title 25 of  
2 the Oklahoma Statutes. If the State Purchasing Director determines  
3 that a contractor or subcontractor has knowingly submitted a false  
4 affidavit:

5 1. The contractor or subcontractor shall be liable for an  
6 administrative penalty of Five Thousand Dollars (\$5,000.00) for the  
7 first offense, which shall increase by Two Thousand Dollars  
8 (\$2,000.00) for each subsequent offense; and

9 2. The public employer or the Office of Management and  
10 Enterprise Services may terminate the contract with the contractor  
11 or subcontractor.

12 SECTION 2. AMENDATORY 74 O.S. 2021, Section 840-2.18, as  
13 last amended by Section 1, Chapter 18, 1st Extraordinary Session,  
14 O.S.L. 2023 (74 O.S. Supp. 2025, Section 840-2.18), is amended to  
15 read as follows:

16 Section 840-2.18. A. A longevity pay plan is hereby adopted.  
17 This plan applies to all state employees, excluding members of  
18 boards and commissions, institutions under the administrative  
19 authority of the Oklahoma State Regents for Higher Education,  
20 employees of public school districts, and elected officials. The  
21 plan shall also apply to those employees of the Oklahoma School for  
22 the Blind and the Oklahoma School for the Deaf who qualify for  
23 longevity pay in accordance with subsection G of Section 1419 of  
24 Title 10 of the Oklahoma Statutes.

1 B. The Oklahoma Conservation Commission is hereby authorized to  
2 establish a longevity pay program for employees of the conservation  
3 districts employed under Section 3-3-103 of Title 27A of the  
4 Oklahoma Statutes. Such longevity pay program shall be consistent  
5 with the longevity pay program for state employees authorized under  
6 this title and payments shall be made in a manner consistent with  
7 procedures for reimbursement to conservation districts.

8 C. ~~To~~ Except as provided in Section 3 of this act, to be  
9 eligible for longevity pay, employees must have been continuously  
10 employed in the service of the state for a minimum of two (2) years  
11 in full-time status or in part-time status working more than one  
12 thousand (1,000) hours a year.

13 For purposes of this section, a break in service of thirty (30)  
14 calendar days or less shall not be considered an interruption of  
15 continuous service; a break in service of more than thirty (30)  
16 calendar days shall mark an end to continuous service. The  
17 legislative session employees who have worked for two (2) years or  
18 more in part-time status and are eligible for state retirement  
19 benefits, but do not receive other longevity payments, shall be  
20 eligible and shall be considered to have been continuously employed  
21 for purposes of calculating longevity payments, notwithstanding the  
22 provisions of subsection E of this section.

23 D. 1. Longevity pay for the first twenty (20) years of service  
24 shall be determined pursuant to the following schedule:

1	Years of Service	Annual Longevity Payment
2	At least 2 years but	
3	less than 4 years	\$250.00
4	At least 4 years but	
5	less than 6 years	\$426.00
6	At least 6 years but	
7	less than 8 years	\$626.00
8	At least 8 years but	
9	less than 10 years	\$850.00
10	At least 10 years but	
11	less than 12 years	\$1,062.00
12	At least 12 years but	
13	less than 14 years	\$1,250.00
14	At least 14 years but	
15	less than 16 years	\$1,500.00
16	At least 16 years but	
17	less than 18 years	\$1,688.00
18	At least 18 years but	
19	less than 20 years	\$1,900.00
20	At least 20 years	\$2,000.00

21       2. For each additional two (2) years of service after the first  
 22 twenty (20) years an additional Two Hundred Dollars (\$200.00) shall  
 23 be added to the amount stated above for twenty (20) years of  
 24 service.

1 The total amount of the annual longevity payment made to an  
2 employee by any and all state agencies in any year shall not exceed  
3 the amount shown on the table corresponding to that employee's years  
4 of service with the state, except as otherwise provided by Section  
5 840-2.28 of this title. Further, no employee shall receive  
6 duplicating longevity payments for the same periods of service with  
7 any and all agencies, except as otherwise provided by Section 840-  
8 2.28 of this title.

9 E. To determine years of service, cumulative periods of full-  
10 time employment or part-time employment working more than one  
11 hundred fifty (150) hours per month with the state excluding service  
12 as specified in subsection A of this section are applicable. Part-  
13 time employment, working one hundred fifty (150) hours per month or  
14 less for the state, excluding service as specified in subsection A  
15 of this section, shall be counted only if:

16 1. The period of employment was continuous for at least five  
17 (5) months; and

18 2. a. The person worked more than two-fifths (2/5) time.

19 Other employment shall not be counted as service for purposes of  
20 longevity payments. Further, no period of employment with the  
21 state, whether with one or more than one agency, shall be counted as  
22 more than full-time service.

23 b. For purposes of the computation required by this  
24 section, any service performed by a person during

1           which the person received compensation for duties  
2           performed for the state shall be counted if payment  
3           for such service was made using state fiscal  
4           resources. The provisions of this paragraph shall not  
5           apply to elected or appointed justices or judges,  
6           including special judges, who perform services in the  
7           trial or appellate courts. The provisions of this  
8           section shall apply to persons who perform services as  
9           an administrative law judge within the executive  
10          department and employees of the judicial branch.

11          F. Years of service under the administrative authority of the  
12          Oklahoma State Regents for Higher Education or the administrative  
13          authority of the Oklahoma Department of Career and Technology  
14          Education of any employee who is now employed in a job  
15          classification which is eligible for longevity pay shall be included  
16          in years of service for purposes of determining longevity pay.

17          G. Years of service shall be certified through the current  
18          employing agency by the appointing authority on a form approved by  
19          the Office of Management and Enterprise Services. The form shall be  
20          completed and posted as directed by the Director of the Office of  
21          Management and Enterprise Services by the current employing agency  
22          when the employee initially enters on duty with the agency and  
23          thereafter whenever the employee's anniversary date is changed.

1 H. Eligible employees, in full-time status or in part-time  
2 status working more than one hundred fifty (150) hours per month,  
3 shall receive one (1) lump-sum annual payment, in the amount  
4 provided on the preceding schedule, during the month following the  
5 anniversary date of the employee's most recent enter-on-duty day  
6 with the state. Upon implementation of the statewide information  
7 systems project, the lump-sum annual payment may be paid concurrent  
8 with the final payroll of the month of the employee's anniversary  
9 date. Eligible part-time employees who work one hundred fifty (150)  
10 hours per month or less shall receive one (1) lump-sum annual  
11 payment, based on the formula in subsection L of this section,  
12 during the month following the anniversary date of the employee's  
13 most recent enter-on-duty day with the state. To receive longevity  
14 pay an employee must be in pay status on or after his or her  
15 anniversary date.

16 Eligible employees who would not otherwise receive annual  
17 longevity payments because their employment includes regular periods  
18 of leave without pay in excess of thirty (30) calendar days shall  
19 receive one (1) lump-sum annual payment, based on the formula in  
20 subsection L of this section, during:

21 1. The month of August if the employee is in pay status on July  
22 1; or

23  
24

1           2. During the month following the employee's first return to  
2 duty that fiscal year if the employee is not in pay status on July  
3 1.

4           Except as otherwise provided by Section 840-2.28 of this title,  
5 employees terminated as a result of a reduction-in-force or retiring  
6 from state employment shall receive upon said termination or  
7 retirement the proportionate share of any longevity payment which  
8 may have accrued as of the date of termination or retirement.

9           Provided further that, the proportionate share of any longevity  
10 payment which may have accrued as of the date of death of an  
11 employee shall be made to the surviving spouse of the employee or if  
12 there is no surviving spouse to the estate of the employee.

13           I. Periods of leave without pay taken in accordance with  
14 Section 840-2.21 of this title shall be counted as service. Other  
15 periods of nonpaid leave status in excess of thirty (30) calendar  
16 days shall not mark a break in service; however, they shall:

17           1. Not be used in calculating total months of service for  
18 longevity pay purposes; and

19           2. Extend the anniversary date for longevity pay by the total  
20 period of time on nonpaid leave status except as provided in  
21 subsection H of this section for employees whose conditions of  
22 employment include regular periods of leave without pay.

1 J. Employees currently receiving longevity pay who work for the  
2 Oklahoma Department of Career and Technology Education shall not be  
3 eligible for the longevity pay plan provided for in this section.

4 K. A break in service with the state in excess of thirty (30)  
5 days but which does not exceed two (2) years which was caused by a  
6 reduction-in-force shall be treated as if it were a period of  
7 nonpaid leave status as provided for in subsection I of this section  
8 for the purpose of calculating total months of service for longevity  
9 pay. This subsection shall only apply to state employees laid off  
10 after June 30, 1982.

11 L. Eligible part-time employees working less than one hundred  
12 fifty (150) hours per month and other eligible employees with  
13 regular annual periods of leave without pay of more than thirty (30)  
14 calendar days will receive a prorated share of the "Annual Longevity  
15 Payment" authorized in subsection D of this section. The prorated  
16 amount of payment will be based on actual hours worked in the  
17 immediately preceding twelve (12) months.

18 M. An employee shall not be entitled to retroactive longevity  
19 payments as a result of amendments to this section unless  
20 specifically authorized by law.

21 N. The Director of the Office of Management and Enterprise  
22 Services is authorized to promulgate such Longevity Pay Plan Rules  
23 as he or she finds necessary to carry out the provisions of this  
24 section.

1 O. As of July 1, 1998, years of service with a city-county  
2 health department for employees who left a city-county health  
3 department for employment with the Department of Environmental  
4 Quality or the Oklahoma Department of Agriculture, Food, and  
5 Forestry, between July 1, 1993, and July 1, 1998, and who are now  
6 employed in a job classification that is eligible for longevity pay  
7 pursuant to this section, shall be included in years of service for  
8 purposes of determining longevity pay subsequent to July 1, 1998.

9 P. As of July 1, 2003, years of service with a local  
10 conservation district shall be included in years of service for  
11 purposes of determining longevity pay for local conservation  
12 district employees transferred to the Oklahoma Conservation  
13 Commission pursuant to the provisions of this section.

14 SECTION 3. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 840-2.18A of Title 74, unless  
16 there is created a duplication in numbering, reads as follows:

17 The chief executive officer of an agency identified as "out of  
18 compliance" pursuant to the provisions of paragraph 20 of subsection  
19 C of Section 85.5 of Title 74 of the Oklahoma Statutes shall be  
20 disqualified from receiving:

21 1. Any compensation increase during the period such agency  
22 under the officer's direction is identified as out of compliance and  
23 a period of equal length beyond the point in which such agency was  
24 identified as regaining compliance with such provisions; and

1        2. Any longevity payment otherwise payable pursuant to Section  
2 840-2.18 of Title 74 of the Oklahoma Statutes, to such officer in a  
3 calendar year in which such agency under the officer's direction is  
4 identified as out of compliance with such provisions.

5        SECTION 4. This act shall become effective November 1, 2026.

6        Passed the House of Representatives the 10th day of March, 2026.

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Presiding Officer of the House  
of Representatives

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11        Passed the Senate the \_\_\_\_\_ day of \_\_\_\_\_, 2026.

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Presiding Officer of the Senate

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