

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1199

By: Sacchieri

AS INTRODUCED

An Act relating to schools; amending 70 O.S. 2021, Section 5-124, which relates to prohibitions on certain school district board of education contracts; making certain prohibitions applicable to technology center school district boards of education; clarifying when a board member is considered to have certain interest; modifying exceptions to certain contractual prohibitions; expanding certain prohibitions to include immediate family members; removing language regarding when certain member is not considered interested; providing for applicability; updating statutory language; and declaring an emergency.

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

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

Section 5-124. A. Except as otherwise provided in this section, no board of education of any school district or technology center school district in this state shall make any contract with any of its members or with any company, individual, or business concern in which any of its members shall be directly or indirectly interested. All contracts made in violation of this section shall

1 be wholly void. ~~A~~ For the purposes of this section, a member of a
2 board of education shall be considered to be interested in any
3 contract made with any company, individual, or ~~any~~ business concern
4 if the member of the board of education or any member of the
5 immediate family of the member is employed by or owns any
6 substantial an interest of five percent (5%) or more in same the
7 company, individual, or business concern.

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

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

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

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

23 C. 1. The ~~governing~~ board of education of a technology center
24 school district may enter into a contract for the technology center

1 school district to provide training for a company, individual, or
2 business concern by which a member of the board or a member of his
3 or her immediate family is employed or in which the board member or
4 a member of his or her immediate family has an interest of five
5 percent (5%) or more. A board member shall abstain from voting on
6 any such contract between the technology center school district
7 board of education and the company, individual, or business concern
8 ~~by which the member is employed.~~

9 2. A board of education of a school district or technology
10 center school district may enter into a contract with a company,
11 individual, or business concern ~~in~~ by which a board member or a
12 ~~member's spouse~~ member of his or her immediate family is employed ~~by~~
13 or in which the board member or any member of his or her immediate
14 family has ~~a substantial~~ an interest of five percent (5%) or more if
15 the company, individual, or business concern is the only supplier
16 having a place of business located within the school district or
17 technology center school district or within ten (10) miles of the
18 needed services or materials. The board member shall abstain from
19 voting on any such contract between the company, individual, or
20 business concern ~~in which that member has a substantial interest,~~
21 and the minutes of the board meeting at which the contract is
22 approved shall state that the contract is being made because of the
23 lack of another supplier with a place of business located within the
24

1 school district or technology center school district or within ten
2 (10) miles of the needed services or materials.

3 3. A board of education of a school district or technology
4 center school district which has entered into a lease-purchase
5 agreement, prior to the time a board member ~~which~~ who is employed by
6 or has an immediate family member who is employed by or has a
7 ~~substantial~~ an interest of five percent (5%) or more or has an
8 immediate family member who has an interest of five percent (5%) or
9 more in the company, individual, or business concern became a member
10 of the board of education, may, after the member becomes a board
11 member, continue to exercise any fiscal year options in the lease-
12 purchase agreement for renewal of the lease-purchase for the balance
13 of the contract term. The affected board member shall abstain from
14 voting on such fiscal year renewal of the continuation of the lease-
15 purchase agreement.

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

1 Decennial Census and the company, individual, or business concern is
2 located in the corporate limits of a municipality which is in the
3 boundaries of the school district or technology center school
4 district.

5 D. ~~A board member shall not be considered to be directly or~~
6 ~~indirectly interested in any contract with a company, individual, or~~
7 ~~business concern that employs such board member or the spouse of the~~
8 ~~board member if the board member or the spouse of the board member~~
9 ~~has an interest of five percent (5%) or less in the company,~~
10 ~~individual, or business concern~~ The provisions of this section shall
11 apply to contracts entered into on or after the effective date of
12 this act.

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

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