

1 **SENATE FLOOR VERSION**

2 February 17, 2015

3 **AS AMENDED**

4 SENATE BILL NO. 243

By: Boggs of the Senate

and

Faught of the House

6  
7  
8 **[ public finance - payment of claims - electronic**  
9 **payments - income tax refunds - taxpayer election -**  
10 **effective date ]**

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

13 SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.64, as  
14 amended by Section 387, Chapter 304, O.S.L. 2012 (62 O.S. Supp.  
15 2014, Section 34.64), is amended to read as follows:

16 Section 34.64. A. Except as otherwise provided in the Oklahoma  
17 State Finance Act, procedures for paying claims or payrolls shall  
18 include the following:

19 1. All miscellaneous claims and payroll claims for the payment  
20 of money from the State Treasury, shall be filed with the Director  
21 of the Office of Management and Enterprise Services for audit and  
22 settlement prior to being filed for payment with the State  
23 Treasurer;

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

5        3. Such alternative procedures shall be at the discretion of  
6 the Director ~~of the Office of Management and Enterprise Services~~ and  
7 may include, but are not limited to:

8            a. a procedure to permit consolidated payment to vendors  
9                    for claims involving more than one agency of the state  
10                    when audit and settlement of such claims, as  
11                    hereinafter provided, can in all respects be  
12                    accomplished,

13            b. procedures based upon valid statistical sampling  
14                    models for preaudit of claims, against contracts,  
15                    purchase orders and other commitments before entering  
16                    such claims against the accounts, and

17            c. policies, procedures, and performance criteria for the  
18                    participation of agencies or departments, not  
19                    authorized by this section, to engage in an  
20                    alternative system for the settlement of claims; and

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

1 B. After claims or payrolls or both have been properly audited  
2 and recorded against the respective contracts, purchase orders,  
3 other commitments and accounts, the Division of Central Accounting  
4 and Reporting shall certify such claims or payrolls to the State  
5 Treasurer for payment.

6 C. It shall be the responsibility of the Division of Central  
7 Accounting and Reporting to determine that:

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

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

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

13 D. The Director ~~of the Office of Management and Enterprise~~  
14 ~~Services~~ or bonded employees in the Division of Central Accounting  
15 and Reporting authorized by the Director shall certify to the State  
16 Treasurer that the claim or payroll has been approved for payment.

17 E. 1. The Director ~~of the Office of Management and Enterprise~~  
18 ~~Services~~ shall be authorized to establish necessary agency  
19 disbursing funds to efficiently accommodate the cash flow  
20 requirements of applicable federal regulations, bond indebtedness,  
21 and other directives deemed appropriate by the Director.

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

1           3. The State Treasurer shall establish procedures for the state  
2 in accordance with Federal Banking and National Automated Clearing  
3 House Association standards, and agencies shall be required to  
4 utilize automated clearing house procedures established by the State  
5 Treasurer.

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

8           5. Agencies shall be further required to present these  
9 transactions to the Office of Management and Enterprise Services in  
10 a summarized format and shall include any accounting information  
11 necessary as determined by the Director ~~of the Office of Management~~  
12 ~~and Enterprise Services~~ including, but not limited to, information  
13 related to federal law.

14           6. Administrative expenditures shall not be eligible for these  
15 procedures.

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

18           F. The Director ~~of the Office of Management and Enterprise~~  
19 ~~Services~~ shall be authorized to process payments for federal tax  
20 withholding without claim forms. The Director shall establish a  
21 separate fund for the purpose of accumulating federal income tax  
22 withholding from payrolls and remitting same to the United States  
23 Treasury.

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

4 2. Agencies are responsible for the accrual of such interest  
5 liability of the state and shall provide payment to the Office of  
6 Management and Enterprise Services in the amount and method  
7 prescribed by the Director ~~of the Office of Management and~~  
8 ~~Enterprise Services~~.

9 3. Any liability of the U.S. Treasury as determined by federal  
10 law shall be deposited in the State Treasury and transferred by the  
11 Director ~~of the Office of Management and Enterprise Services~~ to the  
12 General Revenue Fund of the state subsequent to final determination  
13 and necessary audit resolution.

14 H. Payments disbursed from the State Treasury shall be conveyed  
15 solely through an electronic payment mechanism, subject to the  
16 provisions of Section 2385.16 of Title 68 of the Oklahoma Statutes.  
17 The State Treasurer may provide an exemption from the provisions of  
18 this subsection, with cause, provided the number of exempted  
19 payments and a corresponding list of causes shall be published in a  
20 regularly updated report which is featured prominently on the State  
21 Treasurer's website.

22 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2385.16, is  
23 amended to read as follows:  
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1 Section 2385.16. A. All payments received by the Oklahoma Tax  
2 Commission transmitted by employers for taxes withheld from  
3 employees and all payments received by the Tax Commission from  
4 taxpayers as herein provided shall be deposited with the State  
5 Treasurer in the Tax Commission's Official Depository Clearing  
6 Account and be designated Income Tax Withholding Funds. These funds  
7 shall be under the exclusive control of the Tax Commission. The Tax  
8 Commission is empowered and directed each month to transfer the  
9 amount thereof which the Tax Commission estimates to be necessary to  
10 make tax refunds to a separate account designated as the Income Tax  
11 Withholding Refund Account, and to make apportionments from such  
12 funds remaining in ~~said~~ the Official Depository Clearing Account, of  
13 the amount it considers available for distribution as income taxes  
14 collected. The Tax Commission shall maintain a balance in the  
15 refund account sufficient to cover anticipated tax refunds.

16 All warrants drawn against such refund account as provided in  
17 the preceding subsection which are not presented for payment within  
18 ninety (90) days of issuance thereof shall be void.

19 Persons entitled to refunds of monies represented by warrants  
20 which are not presented for payment within ninety (90) days from the  
21 date of issuance thereof may file claims for refund at any time  
22 within three (3) years from the due date of the return. Such claims  
23 shall be filed and paid under the provisions of Section 2373 of this  
24 Code, and if allowed shall be paid under the provisions of such

1 section. An income tax refund warrant which was not presented for  
2 payment within ninety (90) days from the date of issuance or  
3 reissued for a like amount up to three (3) years from the date of  
4 issuance of the original warrant shall be subject to reporting and  
5 remittance to the Oklahoma State Treasurer pursuant to the Uniform  
6 Unclaimed Property Act.

7 B. Neither the Tax Commission nor any member or employee  
8 thereof shall be held personally liable for making any refund by  
9 reason of a fraudulent withholding certificate being used as a basis  
10 for such refund.

11 C. The ~~Oklahoma~~ Tax Commission may use a direct deposit system  
12 and card-based disbursement system in lieu of checks or warrants for  
13 the purposes of issuing refunds for overpayment of individual income  
14 taxes; provided, at the election of the taxpayer such refunds may be  
15 issued by a means other than a card-based disbursement system and  
16 notice of the right to make such election shall be included on the  
17 face of the Individual Resident Income Tax Return. Notwithstanding  
18 the provisions of Section 205 of this title, the Tax Commission may  
19 enter into a contract with, and release taxpayer information to,  
20 entities deemed to be qualified by the Tax Commission to implement  
21 the card-based disbursement system. The Tax Commission shall not  
22 release to any entity contracted with pursuant to this section the  
23 full social security number of taxpayers opting to receive a refund  
24 through the card-based disbursement system.

1 SECTION 3. This act shall become effective November 1, 2015.

2 COMMITTEE REPORT BY: COMMITTEE ON FINANCE  
3 February 17, 2015 - DO PASS AS AMENDED  
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