

1 ENGROSSED SENATE
2 BILL NO. 243

By: Boggs of the Senate

3 and

4 Faught of the House

5
6 [public finance - payment of claims - electronic
7 payments - income tax refunds - taxpayer election -
8 effective date]
9

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

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

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

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

22 2. The Director ~~of the Office of Management and Enterprise~~
23 ~~Services~~ may establish alternative procedures for the settlement of
24

1 claims whenever such procedures are more advantageous so long as
2 they are consistent with the requirements of state law;

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

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

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

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

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

23 B. After claims or payrolls or both have been properly audited
24 and recorded against the respective contracts, purchase orders,

1 other commitments and accounts, the Division of Central Accounting
2 and Reporting shall certify such claims or payrolls to the State
3 Treasurer for payment.

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

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

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

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

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

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

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

23 3. The State Treasurer shall establish procedures for the state
24 in accordance with Federal Banking and National Automated Clearing

1 House Association standards, and agencies shall be required to
2 utilize automated clearing house procedures established by the State
3 Treasurer.

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

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

12 6. Administrative expenditures shall not be eligible for these
13 procedures.

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

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

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

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

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

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

19 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2385.16, is
20 amended to read as follows:

21 Section 2385.16. A. All payments received by the Oklahoma Tax
22 Commission transmitted by employers for taxes withheld from
23 employees and all payments received by the Tax Commission from
24 taxpayers as herein provided shall be deposited with the State

1 Treasurer in the Tax Commission's Official Depository Clearing
2 Account and be designated Income Tax Withholding Funds. These funds
3 shall be under the exclusive control of the Tax Commission. The Tax
4 Commission is empowered and directed each month to transfer the
5 amount thereof which the Tax Commission estimates to be necessary to
6 make tax refunds to a separate account designated as the Income Tax
7 Withholding Refund Account, and to make apportionments from such
8 funds remaining in ~~said~~ the Official Depository Clearing Account, of
9 the amount it considers available for distribution as income taxes
10 collected. The Tax Commission shall maintain a balance in the
11 refund account sufficient to cover anticipated tax refunds.

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

15 Persons entitled to refunds of monies represented by warrants
16 which are not presented for payment within ninety (90) days from the
17 date of issuance thereof may file claims for refund at any time
18 within three (3) years from the due date of the return. Such claims
19 shall be filed and paid under the provisions of Section 2373 of this
20 Code, and if allowed shall be paid under the provisions of such
21 section. An income tax refund warrant which was not presented for
22 payment within ninety (90) days from the date of issuance or
23 reissued for a like amount up to three (3) years from the date of
24 issuance of the original warrant shall be subject to reporting and

1 remittance to the Oklahoma State Treasurer pursuant to the Uniform
2 Unclaimed Property Act.

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

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

21 SECTION 3. This act shall become effective November 1, 2015.
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1 Passed the Senate the 11th day of March, 2015.

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4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2015.

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8 _____
9 Presiding Officer of the House
10 of Representatives