

An Act

ENROLLED HOUSE
BILL NO. 2164

By: Pfeiffer of the House

and

Haste and Kirt of the
Senate

An Act relating to public corruption; amending 21 O.S. 2021, Section 344, which relates to crimes against state revenue; modifying elements of certain offense; modifying punishment for certain offense; providing for removal; establishing elements of certain offense; creating felony offense; establishing penalties; prohibiting certain acts upon conviction of certain offense; providing for removal or termination upon certain circumstances; defining term; amending 22 O.S. 2021, Sections 1181, 1181.1, and 1181.2, which relate to removal; defining terms; specifying scope of provisions; stating elements of certain unlawful acts; requiring certain disclosures for bidders; amending 74 O.S. 2021, Section 85.42, which relates to the Oklahoma Central Purchasing Act; providing consequence for certain unlawful acts; requiring certification of conflict of interest compliance by state agency head; amending 74 O.S. 2021, Section 3101, which relates to newly appointed members of state agencies; requiring ethics training for first-time state officers; authorizing certain removal for failure to complete certain training; defining terms; prohibiting certain actions by state officer or employee; creating felony offense; establishing penalties; requiring certain written statement disclosing private economic interest under certain circumstances; requiring certain statements to be available to the public; establishing procedures for governing body upon receipt of certain statement; creating misdemeanor offense; establishing penalties; authorizing certain removal or termination; providing for voiding of certain transaction or contract; providing exceptions; providing construing provisions; updating statutory

language; updating statutory reference; making language gender-neutral; providing for codification; and providing an effective date.

SUBJECT: Public corruption

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

SECTION 1. AMENDATORY 21 O.S. 2021, Section 344, is amended to read as follows:

Section 344. A. Except as otherwise provided in this section, every public officer, being authorized to sell or lease any property, or make, approve, negotiate, or authorize any contract in his or her official capacity, who voluntarily becomes interested individually in such sale, lease or contract, directly or indirectly, is shall, upon conviction, be guilty of a misdemeanor felony and shall be prohibited from holding any public office in this state. Violation of this section shall be grounds for removal from office or termination from state employment.

B. The provisions of this section shall not apply to:

1. Municipal officers who are subject to the provisions of Section 8-113 of Title 11 of the Oklahoma Statutes; and

2. Conservation district board members participating in programs authorized by Section 3-2-106 of Title 27A of the Oklahoma Statutes.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 365 of Title 21, unless there is created a duplication in numbering, reads as follows:

A. Any current or former officer, employee, or contractor of a state agency who obtains or obtained nonpublic information because of his or her government employment, government office, or contract with a state agency, and who corruptly, as defined by Section 94 of Title 21 of the Oklahoma Statutes:

1. Uses such information for personal gain or benefit;

2. Acquires or divests a pecuniary interest in any property, transaction, or enterprise which may be affected by such information;

3. Speculates or wagers on the basis of such information;

4. Uses such information in a way that would affect any personal pecuniary interest, including an interest held by an immediate family member, or business entity with which the immediate family member is associated;

5. Discloses such information to any person, group, entity, or others not entitled to receive such information; or

6. Aids another to commit any act set forth in paragraphs 1 through 5 of this subsection,

shall, upon conviction, be guilty of a felony punishable by a fine not to exceed Ten Thousand Dollars (\$10,000.00), by imprisonment in the custody of the Department of Corrections for a term not to exceed five (5) years, or by both such fine and imprisonment. Any person convicted of violating any provision of this section shall be prohibited from holding any public office in this state and shall be prohibited from entering into any state contract.

B. Violation of any provision of this section shall be grounds for removal from office or termination from state employment.

C. For purposes of this section, the term "immediate family member" means:

1. A spouse;
2. A spouse's parents;
3. A child by birth or adoption;
4. A stepchild;
5. A parent;
6. A grandparent;
7. A grandchild;

8. A sibling;
9. A spouse's siblings; or
10. A spouse of any immediate family member listed in this subsection.

SECTION 3. AMENDATORY 22 O.S. 2021, Section 1181, is amended to read as follows:

Section 1181. Any officer not subject to impeachment elected or appointed to any state, county, township, city, town or other office under the laws of the state may, ~~in the manner provided in this article in addition to any other methods and causes provided by law,~~ be removed from office for any of the following causes:

First. Habitual or willful neglect of duty, which, for a state officer, shall include, but not be limited to, knowingly giving false testimony to a committee of either house of the Legislature, knowingly engaging in operations beyond the constitutional or statutory authority delegated to the agency that the officer is employed by or serves, or repeatedly refusing to provide information to a committee, either house or a member of the Legislature in a timely manner. For the purposes of this section, "timely manner" means no more than fifteen (15) business days from the date the request for information was received by the agency, unless extended by written agreement.

Second. Gross partiality in office.

Third. Oppression in office.

Fourth. Corruption in office, which shall include the use of public office or authority to procure or attempt to procure a personal benefit, profit, or perquisite.

Fifth. Extortion or willful overcharge of fees in office.

Sixth. Willful maladministration.

Seventh. Habitual drunkenness.

Eighth. Failure to produce and account for all public funds and property in his or her hands, at any settlement or inspection authorized or required by law.

SECTION 4. AMENDATORY 22 O.S. 2021, Section 1181.1, is amended to read as follows:

Section 1181.1. All elective or appointed officers in ~~the State of Oklahoma~~ this state, including elective or appointed officers of the state and elective or appointed officers in each county, city, town or school district of ~~the State of Oklahoma~~ this state, but excluding any elective officers liable to impeachment, shall be subject to removal from office in such manner and for such causes as now provided by law, or as may be provided by law passed subsequent to this ~~act~~ section and Section 1181.2 of this title, and any such officer or officers may be removed or ousted from office for any act or acts of commission or omission or neglect which may be committed, done or omitted during the term in which such ouster or removal proceedings may be filed, and any such officer or officers, may be removed or ousted from office for any act or acts of commission, omission or neglect committed, done or omitted during a previous or preceding term in such any office.

SECTION 5. AMENDATORY 22 O.S. 2021, Section 1181.2, is amended to read as follows:

Section 1181.2. The complaint, petition, accusation or proceeding for removal or ouster from office may include allegations or charges of any act or acts of commission, omission or neglect which may be committed, done or omitted during the term of office in which such ouster or removal proceeding may be filed, and may also include allegations or charges as to any act or acts of commission, omission or neglect committed, done or omitted during a previous or preceding term in such any office.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 85.22A of Title 74, unless there is created a duplication in numbering, reads as follows:

Any agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding for any purpose or by any manner prohibited in Section 2 of this act shall render the bids of such bidders void. Any agreement or collusion among state officers or employees and bidders or prospective bidders intended to create a sole-source acquisition in contradiction to Section 85.44D.1 of Title 74 of the Oklahoma Statutes or to give a bidder or prospective bidder a competitive advantage, for any purpose or by any manner prohibited in Section 2 of this act, whether or not in exchange for

anything of value, shall render the bids of such bidders void. Persons willfully violating this section shall, upon conviction, be guilty of a felony. Any person convicted of violating any provision of this section shall be prohibited from holding any public office in this state and shall be prohibited from entering into any state contract.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 85.22B of Title 74, unless there is created a duplication in numbering, reads as follows:

Any disclosure by an employee of a public agency of the material terms of a bid submitted in response to a bid notice issued by a public agency in advance of the time set for opening of all bids so submitted shall be unlawful. It shall be unlawful for any person to solicit, possess, provide, or receive information which is to be contained in a bid notice of a public agency, for use in preparing a bid, in advance of the date on which the bid notice is to be made equally and uniformly known to all prospective bidders and the public. It shall be unlawful for any employee of a public agency to withhold or impede the distribution of such information after notice of the bid has been given, unless the solicitation of bids has been withdrawn or the particular information in question has been deleted or replaced through alteration of the bid notice and the withdrawal or alteration has been made equally and uniformly known. Any violation of this section for any purpose or in any manner prohibited in Section 2 of this act shall be a felony and shall render the proceedings void and require a new solicitation and award. Any person convicted of violating any provision of this section shall be prohibited from holding any public office in this state and shall be prohibited from entering into any state contract.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 85.22C of Title 74, unless there is created a duplication in numbering, reads as follows:

A. Each bidder and each recipient of a sole-source contract shall accompany a bid with a written statement under oath disclosing the following information:

1. Any known business or familial relationship then in effect or which existed within one (1) year prior to the date of such statement between any officer or director of the bidding company and any officer or employee of the state agency receiving the bid;

2. The nature of any such known business or familial relationships then in effect or which existed within one (1) year prior to the date of such statement with any officer or employee of the state agency receiving the bid; and

3. The names of all known persons having any such business or familial relationships and the positions they hold within their respective companies, firms, or state agencies.

B. If no business or familial relationships listed in subsection A of this section exist, a bidder or recipient shall submit a written statement under oath that no such relationships exist.

SECTION 9. AMENDATORY 74 O.S. 2021, Section 85.42, is amended to read as follows:

Section 85.42. A. 1. Except as otherwise provided for in this section or other applicable law, any agency, whether or not such agency is subject to the Oklahoma Central Purchasing Act, ~~is shall be prohibited from entering into a sole source sole-source contract or agreement or a contract or agreement for professional services with or for the services of any person,~~ who has terminated employment with or who has been terminated by that agency for one (1) year after the termination date of the employee from the agency. ~~Any contract or agreement entered into in violation of this subsection shall be void. Any person found to have violated this subsection shall be prohibited from entering into any state contract for a period of five (5) years from the date of the execution of the contract or agreement.~~ The provisions of this subsection shall not prohibit an agency from hiring or rehiring such person as a state employee.

2. Any chief administrative officer of an agency, whether or not such agency is subject to the Oklahoma Central Purchasing Act, shall not enter into any contract for nonprofessional or professional services for the purpose of or which would result in the circumvention of the ~~full-time equivalent full-time-equivalent~~ employee limitation established by law for such agency.

B. Each contract, including change orders, extensions, renewals, or amendments, entered into by any person or firm with the State of Oklahoma shall include a statement certifying that no person who has been involved in any manner in the development, approval, or negotiation of ~~that~~ such contract while employed by the

state shall be employed or given anything of value to fulfill any of the services provided for under the contract. Each contract, including change orders, extensions, renewals, or amendments, shall include a statement from the chief executive officer or head of the contracting state agency certifying that no known officer or employee of the contracting state agency who has any direct or indirect financial, pecuniary, or other personal interest in the contract has been involved in any manner in the development, approval, or negotiation of the contract through influence, decision, recommendation, or otherwise. This subsection shall not preclude faculty and staff of the institutions within The Oklahoma State System of Higher Education from negotiating and participating in research grants and educational contracts. Nor shall this This subsection shall not apply to Oklahoma Department of Commerce personnel who contract to provide services to the Oklahoma Capital Investment Board.

C. As used in this section, person is defined as "person" means any state official or employee of a department, board, bureau, commission, agency, trusteeship, authority, council, committee, trust, school district, fair board, court, executive office, advisory group, task force, study group, supported in whole or in part by public funds or entrusted with the expenditure of public funds or administering or operating public property, and all committees, or subcommittees thereof, judges, justices and state legislators.

D. Notwithstanding anything to the contrary in this section, the following sole source sole-source or professional services contracts are allowed at any time:

1. A contract for professional services at any time with a person who is a qualified interpreter for the deaf; and
2. A contract between a business entity that is a part-time certified court reporter and the Administrative Office of the Courts, on behalf of the district courts, or the Office of the Attorney General.

E. Provided the provisions specified in subsection B of this section are satisfied, the following professional services contracts are allowed:

1. The Department of Transportation, Oklahoma Water Resources Board, Department of Environmental Quality, Oklahoma Tourism and

Recreation Department, the Oklahoma Turnpike Authority and the Oklahoma Department of Agriculture, Food, and Forestry may contract with a person who has retired from state service;

2. To maintain public health infrastructure and preparedness, the State Department of Health and city-county health departments may contract with a physician assistant, ~~registered nurse~~ Registered Nurse, advanced practice nurse, ~~nurse midwife~~ Nurse-Midwife, registered dietician, occupational therapist, physical therapist or speech-language pathologist who has retired from state service; and

3. The Department of Mental Health and Substance Abuse Services may contract with a physician, ~~registered nurse~~ Registered Nurse, registered pharmacist or person meeting the definition of a licensed mental health professional, as defined in Title 43A of the Oklahoma Statutes, who has separated and/or retired from state service.

SECTION 10. AMENDATORY 74 O.S. 2021, Section 3101, is amended to read as follows:

Section 3101. A. The chief executive officer of any state agency, board, commission, council or other governing body of any department, system or authority ~~is shall be~~ required, as part of his or her duties, to brief any newly appointed member of such governing body within two (2) weeks from the date of the member's appointment regarding ~~his~~ duties and responsibilities and those of the body to which ~~he~~ the member has been appointed, providing the new member with a copy of the statute or ~~Constitutional~~ constitutional provision pertaining thereto, a copy of the last twelve (12) monthly operating budgets showing all disbursements and receipts of such department or agency, and a copy of all rules and regulations existing in ~~said~~ the agency, and other pertinent information that will assure that the new appointee is advised of such duties and responsibilities. The briefing may be delegated in part to the executive director or other managing officer of any department, system or authority under supervision of the governing body, the responsibility for its accomplishment remaining that of the chief executive officer.

B. Beginning January 1, 2027, each person elected or appointed for the first time as chief executive officer or head of a state agency, board, bureau, trust, commission, council, department, system, or authority shall be required within one (1) year after taking the oath of office to attend a course directed by the Ethics Commission. The curriculum for the course shall include, but not be

limited to, conflicts of interest, impartiality, misuse of office, misuse of authority, and financial disclosures. A certificate of completion shall be awarded to those persons who attend and successfully complete the course, and a list of such persons shall be maintained by the Ethics Commission. Any person who fails to satisfy the education requirements of this section shall cease to hold office commencing at the next scheduled meeting of the governing body following the first-year anniversary of the person's taking the oath of office.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3102.1 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. For purposes of this section:

1. "Associated nongovernment entity" means:

- a. any nonprofit or charitable organization or private business including, but not limited to, a closely held corporation, limited liability company, subchapter S corporation, or partnership, in which:
 - (1) the state officer or employee or his or her immediate family member has or has had a business relationship other than a routine consumer transaction at any point during the previous three hundred sixty-five (365) days,
 - (2) the state officer or employee or his or her immediate family member is a director, officer, owner, partner, manager, employee, contractor, consultant, board member, or agent,
 - (3) the state officer or employee or his or her immediate family member receives or has received income or other financial compensation at any point during the previous three hundred sixty-five (365) days,
 - (4) the state officer or employee or his or her immediate family member, directly or indirectly, owns or has owned stock, another form of equity interest, stock options, debt instruments, or has received dividends or income at any point during

the previous three hundred sixty-five (365) days,
or

(5) the state officer or employee or his or her immediate family member is negotiating or has any arrangement concerning prospective employment, or

b. any publicly traded corporation or other business entity in which:

(1) the state officer or employee or his or her immediate family member holds or has held an ownership interest of five percent (5%) or more at any point during the previous three hundred sixty-five (365) days, or

(2) the state officer or employee or his or her immediate family member serves or has served as a director or officer at any point during the previous three hundred sixty-five (365) days;

2. "Immediate family member" of a state officer or employee means:

- a. a spouse,
- b. the parents of a spouse,
- c. a child by birth or adoption,
- d. a stepchild,
- e. a parent,
- f. a grandparent,
- g. a grandchild,
- h. a sibling,
- i. a spouse's sibling, or
- j. a spouse of any immediate family member listed in this paragraph;

3. "Private economic interest" includes any interest that could foreseeably result in directly or indirectly receiving a pecuniary gain, a competitive advantage, or sustaining pecuniary loss as a result of an official act or forbearance. A private economic interest shall not include an interest in a pension plan, 401(k), individual retirement account or other retirement investment vehicle that makes diversified investments over which the state officer or employee or his or her immediate family member exercises no control over the acquisition or sale of particular holdings; and

4. "State agency" includes any office, bureau, board, council, commission, department, authority, institution, trust, unit, division, or body of the executive branch of the state government, excluding political subdivisions of the state.

B. It shall be unlawful for any state officer or employee of a state agency to participate in his or her official capacity through decision, approval, disapproval, authorization, recommendation, investigation, the rendering of advice, influence, or otherwise, in any matter in which he or she has a private economic interest or in which his or her immediate family member or an associated nongovernment entity has a private economic interest. Any person convicted of knowingly and willfully violating the provisions of this subsection shall, upon conviction, be guilty of a felony punishable by a fine not to exceed Ten Thousand Dollars (\$10,000.00), by imprisonment in the custody of the Department of Corrections for a term not less than one (1) year nor more than ten (10) years, or by both such fine and imprisonment. Such person shall be prohibited from holding any public office in this state. The fact that the accused's conduct also served a legitimate governmental purpose is no ground of defense or of mitigation of punishment. Prosecutions for violations of this subsection shall be commenced in accordance with subsection A of Section 152 of Title 22 of the Oklahoma Statutes.

C. A state officer or employee who, in the discharge of his or her official responsibilities, is required or called upon to participate in a matter in which he or she has a private economic interest or in which his or her immediate family member or an associated nongovernment entity has a private economic interest, within thirty (30) days of becoming aware of such potential conflict arising from a private economic interest or prior to the official action affected by the private economic interest, whichever is first, shall:

1. Prepare a certified written statement describing the matter requiring participation and the nature of the potential conflict of interest with respect to the matter in detail sufficient to be understood by the public;

2. Furnish a copy of the statement to his or her superior, if any, who shall assign the matter to another employee who does not have a private economic interest. The superior shall furnish a copy of the statement to the Ethics Commission. If he or she has no immediate superior, he or she shall furnish a copy of the statement directly to the Ethics Commission. The statement shall remain available for public inspection; and

3. If the person is an elected officer or if he or she is appointed as the chief executive officer or head of a state agency, he or she shall furnish a copy of the statement to the presiding officer of the governing body of the agency on which he or she serves, who shall cause the statement to be printed in the minutes of the next meeting and require that the person be excused from any votes, deliberations, and other actions on the matter in which the potential conflict of interest exists and shall cause the disqualification and the reasons for the disqualification to be noted in the minutes.

D. Any person convicted of knowingly and willfully violating the provisions of subsection C of this section shall, upon conviction, be guilty of a misdemeanor punishable by a fine not to exceed One Thousand Dollars (\$1,000.00), by imprisonment in the county jail for a term not to exceed one (1) year, or by both such fine and imprisonment.

E. Violation of any provision of this section shall be grounds for removal from office or termination from state employment.

F. Any transaction or contract entered into in violation of any provision of this section shall be void.

G. A person shall not be guilty of an offense under this section if the person's performance of official functions would not affect the person, immediate family member, or associated nongovernment entity differently than such performance would affect the public generally, or would not affect the person, immediate family member, or associated nongovernment entity, as a member of a business, profession, occupation, or large class differently than

such performance would affect any other member of such business, profession, occupation, or large class.

H. The provisions of this section shall be cumulative to existing laws. Nothing in this section shall prohibit a state agency from implementing more restrictive policies to address conflicts of interest that remain in compliance with this section. Nothing in this section shall be construed to invalidate any other provision of law establishing more restrictive procedures or measures to prevent conflicts of interest between public duties and private economic interests.

SECTION 12. This act shall become effective November 1, 2025.

Passed the House of Representatives the 21st day of May, 2025.

Presiding Officer of the House
of Representatives

Passed the Senate the 6th day of May, 2025.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____
day of _____, 20_____, at _____ o'clock _____. M.
By: _____

Approved by the Governor of the State of Oklahoma this _____
day of _____, 20_____, at _____ o'clock _____. M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____
day of _____, 20_____, at _____ o'clock _____. M.
By: _____