

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 2164

6 By: Pfeiffer

7 COMMITTEE SUBSTITUTE

8 An Act relating to public corruption; amending 21
9 O.S. 2021, Section 344, which relates to crimes
10 against state revenue; changing punishment; providing
11 for removal; stating elements of certain unlawful
12 acts; providing penalties; amending 22 O.S. 2021,
13 Sections 1181, 1181.1, and 1181.2, which relate to
14 removal; providing definitions; specifying scope;
15 stating elements of certain unlawful acts; requiring
16 certain disclosures for bidders; amending 74 O.S.
17 2021, Section 85.42, which relates to the Oklahoma
18 Central Purchasing Act; providing consequence for
19 certain unlawful acts; requiring certification of
20 conflict of interest compliance by state agency head;
21 amending 74 O.S. 2021, Section 3101, which relates to
22 newly appointed members of state agencies; requiring
23 ethics training for first-time state officers;
24 stating elements of certain unlawful acts; providing
definitions; providing exceptions; providing
penalties; providing for codification; and providing
an effective date.

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

1 property, or make, approve, negotiate, or authorize any contract in
2 his or her official capacity, who voluntarily becomes interested
3 individually in such sale, lease or contract, directly or
4 indirectly, is guilty of a ~~misdemeanor~~ felony and shall further be
5 prohibited from holding any public office in the state. Violation
6 of this section shall be grounds for removal from office or
7 termination from state employment.

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

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

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

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

17 A. Any current or former officer, employee, or contractor of a
18 state agency who obtains or obtained nonpublic information by virtue
19 of their government employment, government office, or contract with
20 a state agency, and who:

21 1. Uses such information for personal gain or benefit;

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

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

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

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

8 6. Aids another to do any of the foregoing,
9 shall be guilty of a felony punishable by imprisonment in the
10 custody of the Department of Corrections for a term not exceeding
11 five (5) years, or by a fine of Ten Thousand Dollars (\$10,000.00),
12 or both by such fine and imprisonment. Any person convicted of
13 violating any provision of this section shall be prohibited from
14 holding any public office in this state and shall be prohibited from
15 entering into any state contract.

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

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

- 20 1. A spouse;
- 21 2. A spouse's parents;
- 22 3. A child by birth or adoption;
- 23 4. A stepchild;
- 24 5. A parent;

- 1 6. A grandparent;
- 2 7. A grandchild;
- 3 8. A sibling;
- 4 9. A spouse's siblings; or
- 5 10. A spouse of any immediate family member aforementioned.

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

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

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

24 Second. Gross partiality in office.

1 Third. Oppression in office.

2 Fourth. Corruption in office, which shall include the use of
3 public office or authority to procure, attempt to procure, or that
4 would foreseeably result in a personal benefit, profit, or
5 perquisite.

6 Fifth. Extortion or willful overcharge of fees in office.

7 Sixth. Willful maladministration.

8 Seventh. Habitual drunkenness.

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

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

14 Section 1181.1. All elective or appointed officers in the State
15 of Oklahoma, including elective or appointed officers of the state
16 and elective or appointed officers in each county, city, town or
17 school district of the State of Oklahoma, but excluding any elective
18 officers liable to impeachment, shall be subject to removal from
19 office in such manner and for such causes as now provided by law, or
20 as may be provided by law passed subsequent to this act, and any
21 such officer or officers may be removed or ousted from office for
22 any act or acts of commission or omission or neglect which may be
23 committed, done or omitted during the term in which such ouster or
24 removal proceedings may be filed, and any such officer or officers,

1 may be removed or ousted from office for any act or acts of
2 commission, omission or neglect committed, done or omitted during a
3 previous or preceding term in ~~such~~ any office.

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

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

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

17 Any agreement or collusion among bidders or prospective bidders
18 in restraint of freedom of competition by agreement to bid at a
19 fixed price or to refrain from bidding, or otherwise, shall render
20 the bids of such bidders void. Any agreement or collusion among
21 state officers or employees and bidders or prospective bidders
22 intended to create a sole-source acquisition in contradiction to
23 Section 85.44D.1 of this title or to give a bidder or prospective
24 bidder a competitive advantage, including the disclosure of

1 nonpublic information, whether or not in exchange for anything of
2 value, shall render the bids of such bidders void. Persons
3 willfully violating this section shall be guilty of a felony. Any
4 person convicted of violating any provision of this section shall be
5 prohibited from holding any public office in this state and shall be
6 prohibited from entering into any state contract.

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

10 Any disclosure by an employee of a public agency of the material
11 terms of a bid submitted in response to a bid notice issued by a
12 public agency in advance of the time set for opening of all bids so
13 submitted shall be unlawful. It shall also be unlawful for any
14 person to solicit, possess, provide, or receive information which is
15 to be contained in a bid notice of a public agency, for use in
16 preparing a bid, in advance of the date on which said bid notice is
17 to be made equally and uniformly known to all prospective bidders
18 and the public, and it shall further be unlawful for any employee of
19 a public agency to withhold or impede the distribution of said
20 information after notice of the bid has been given, unless the
21 solicitation of bids has been withdrawn or the particular
22 information in question has been deleted or replaced through
23 alteration of the bid notice and said withdrawal or alteration has
24 been made equally and uniformly known. Any violation of this

1 subsection shall be a felony and shall render the proceedings void
2 and require solicitation and award anew. Any person convicted of
3 violating any provision of this section shall be prohibited from
4 holding any public office in this state and shall be prohibited from
5 entering into any state contract.

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

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

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

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

20 3. The names of all persons having any such business or
21 familial relationships and the positions they hold with their
22 respective companies, firms, or state agencies. If none of the
23 business or familial relationships hereinabove mentioned exist, then
24 a statement to that effect.

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

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

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

22 B. Each contract, including change orders, extensions,
23 renewals, or amendments, entered into by any person or firm with the
24 State of Oklahoma shall include a statement certifying that no

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

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

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

6 1. A contract for professional services at any time with a
7 person who is a qualified interpreter for the deaf; and

8 2. A contract between a business entity that is a part-time
9 certified court reporter and the Administrative Office of the
10 Courts, on behalf of the district courts, or the Office of the
11 Attorney General.

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

15 1. The Department of Transportation, Oklahoma Water Resources
16 Board, Department of Environmental Quality, Oklahoma Tourism and
17 Recreation Department, the Oklahoma Turnpike Authority and the
18 Oklahoma Department of Agriculture, Food, and Forestry may contract
19 with a person who has retired from state service;

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

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

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

10 Section 3101. A. The chief executive officer of any state
11 agency, board, commission, council or other governing body of any
12 department, system or authority is required, as part of ~~his~~ their
13 duties, to brief any newly appointed member of such governing body
14 within two (2) weeks from the date of the member's appointment
15 regarding ~~his~~ their duties and responsibilities and those of the
16 body to which ~~he has~~ they have been appointed, providing the new
17 member with a copy of the statute or Constitutional provision
18 pertaining thereto, a copy of the last twelve (12) monthly operating
19 budgets showing all disbursements and receipts of such department or
20 agency, and a copy of all rules and regulations existing in said
21 agency, and other pertinent information that will assure that the
22 new appointee is advised of such duties and responsibilities. The
23 briefing may be delegated in part to the executive director or other
24 managing officer of any department, system or authority under

1 supervision of the governing body, the responsibility for its
2 accomplishment remaining that of the chief executive officer.

3 A. B. Beginning January 1, 2027, each person elected or
4 appointed for the first time as chief executive officer or head of a
5 state agency, board, bureau, trust, commission, council, department,
6 system, or authority shall be required within one (1) year after
7 taking the oath of office to attend a course directed by the
8 Oklahoma Ethics Commission. The curriculum for the course shall
9 include, but not be limited to: conflicts of interest, impartiality,
10 misuse of office, misuse of authority, and financial disclosures. A
11 certificate of completion shall be awarded to those persons who
12 attend and successfully complete the course and a list of those
13 persons shall be maintained the Oklahoma Ethics Commission. Any
14 person who fails to satisfy the education requirements of this
15 section shall cease to hold office commencing at the next scheduled
16 meeting of the governing body following the first-year anniversary
17 of the person's taking the oath of office.

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

21 A. For purposes of this section:

22 1. "Private economic interest" shall include any interest that
23 could foreseeably result in directly or indirectly receiving a
24 pecuniary gain, a competitive advantage, or sustaining pecuniary

1 loss as a result of an official act or forbearance. A "private
2 economic interest" shall not include an interest in a pension plan,
3 401k, individual retirement account or other retirement investment
4 vehicle that makes diversified investments over which the state
5 officer or employee or their immediate family member exercises no
6 control over the acquisition or sale of particular holdings.

7 2. The term "immediate family member" of a state officer or
8 employee means:

- 9 a. a spouse,
- 10 b. the parents of a spouse,
- 11 c. a child by birth or adoption,
- 12 d. a stepchild,
- 13 e. a parent,
- 14 f. a grandparent,
- 15 g. a grandchild,
- 16 h. a sibling,
- 17 i. a spouse's sibling, or
- 18 j. a spouse of any immediate family member
19 aforementioned.

20 3. The term "associated nongovernment entity" shall mean:

- 21 a. any nonprofit or charitable organization or private
22 business, including but not limited to, a closely held
23 corporation, limited liability company, Subchapter S
24 corporation, or partnership, in which:

1 (1) the state officer or employee or their immediate
2 family member has or has had a business
3 relationship other than a routine consumer
4 transaction at any point during the previous
5 three hundred sixty-five (365) days,

6 (2) the state officer or employee or their immediate
7 family member is a director, officer, owner,
8 partner, manager, employee, contractor,
9 consultant, board member, or agent,

10 (3) the state officer or employee or their immediate
11 family member receives or has received income or
12 other financial compensation at any point during
13 the previous three hundred sixty-five (365) days,

14 (4) the state officer or employee or their immediate
15 family member, directly or indirectly, owns or
16 has owned stock, another form of equity interest,
17 stock options, debt instruments, or has received
18 dividends or income at any point during the
19 previous three hundred sixty-five (365) days, or

20 (5) the state officer or employee or their immediate
21 family member is negotiating or has any
22 arrangement concerning prospective employment,

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

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

6 (2) the state officer or employee or their immediate
7 family member serves or has served as a director
8 or officer at any point during the previous three
9 hundred sixty-five (365) days.

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

14 B. It shall be unlawful for any state officer or employee of a
15 state agency to participate in their official capacity, through
16 decision, approval, disapproval, authorization, recommendation,
17 investigation, the rendering of advice, influence, or otherwise, in
18 any matter in which their immediate family member, or an associated
19 nongovernment entity has a direct or indirect private economic
20 interest. Any person convicted of willfully violating the
21 provisions of this subsection shall be guilty of a felony,
22 punishable by imprisonment in the custody of the Department of
23 Corrections for a term not less than one (1) year nor more than ten
24 (10) years and a fine not exceeding Ten Thousand Dollars

1 (\$10,000.00), and shall further be prohibited from holding any
2 public office in the state. The fact that the accused's conduct
3 also served a legitimate governmental purpose is no ground of
4 defense or of mitigation of punishment. Prosecutions for violations
5 of this subsection shall be commenced in accordance with subsection
6 A of Section 152 of Title 22 of the Oklahoma Statutes.

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

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

18 2. Furnish a copy of the statement to their superior, if any,
19 who shall assign the matter to another employee who does not have a
20 private economic interest. Their superior shall furnish a copy of
21 the statement to the Oklahoma Ethics Commission. If he has no
22 immediate superior, he shall furnish a copy of the statement
23 directly to the Oklahoma Ethics Commission. The statement shall
24 remain available for public inspection;

1 3. If they are an elected officer or if they are appointed as
2 the chief executive officer or head of a state agency, they shall
3 furnish a copy of the statement to the presiding officer of the
4 governing body of the agency on which they serve, who shall cause
5 the statement to be printed in the minutes of the next meeting and
6 require that they be excused from any votes, deliberations, and
7 other actions on the matter in which the potential conflict of
8 interest exists and shall cause the disqualification and the reasons
9 for it to be noted in the minutes.

10 D. Any person convicted of violating the provisions of
11 subsection C of this section shall be guilty of a misdemeanor and
12 punished by imprisonment in the county jail for a term not to exceed
13 one (1) year, or by a fine not exceeding One Thousand Dollars
14 (\$1,000.00), or by both such fine and imprisonment.

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

17 F. Any transaction or contract entered into in violation of any
18 provision of this section is void.

19 G. A person shall not be guilty of an offense under this
20 section if the person's performance of official functions would not
21 affect the person, immediate family member, or associated
22 nongovernment entity differently than such performance would affect
23 the public generally, or would not affect the person, immediate
24 family member, or associated nongovernment entity, as a member of a

1 business, profession, occupation, or large class differently than
2 such performance would affect any other member of such business,
3 profession, occupation, or large class.

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

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

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