

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2164

By: Pfeiffer of the House

and

Haste of the Senate

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10 COMMITTEE SUBSTITUTE

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

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

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

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

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

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

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

21 A. Any current or former officer, employee, or contractor of a
22 state agency who obtains or obtained nonpublic information by virtue
23 of their government employment, government office, or contract with
24 a state agency, and who:

- 1 1. Uses such information for personal gain or benefit;
- 2 2. Acquires or divests them of a pecuniary interest in any
- 3 property, transaction, or enterprise which may be affected by such
- 4 information;
- 5 3. Speculates or wagers on the basis of such information;
- 6 4. Uses such information in a way that would affect any
- 7 personal pecuniary interest, including an interest held by an
- 8 immediate family member, or business entity their immediate family
- 9 member is associated with;
- 10 5. Discloses such information to any person, group, entity, or
- 11 others not entitled to receive such information; or
- 12 6. Aids another to do any of the foregoing,
- 13 shall be guilty of a felony punishable by imprisonment in the
- 14 custody of the Department of Corrections for a term not exceeding
- 15 five (5) years, or by a fine of Ten Thousand Dollars (\$10,000.00),
- 16 or both by such fine and imprisonment. Any person convicted of
- 17 violating any provision of this section shall be prohibited from
- 18 holding any public office in this state and shall be prohibited from
- 19 entering into any state contract.
- 20 B. Violation of any provision of this section shall be grounds
- 21 for removal from office or termination from state employment.
- 22 C. For purposes of this section, the term "immediate family
- 23 member" means:
- 24 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 aforementioned.

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"

1 means no more than fifteen (15) business days from the date the
2 request for information was received by the agency, unless extended
3 by written agreement.

4 Second. Gross partiality in office.

5 Third. Oppression in office.

6 Fourth. Corruption in office, which shall include the use of
7 public office or authority to procure, attempt to procure, or that
8 would foreseeably result in a personal benefit, profit, or
9 perquisite.

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

11 Sixth. Willful maladministration.

12 Seventh. Habitual drunkenness.

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

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

18 Section 1181.1. All elective or appointed officers in the State
19 of Oklahoma, including elective or appointed officers of the state
20 and elective or appointed officers in each county, city, town or
21 school district of the State of Oklahoma, but excluding any elective
22 officers liable to impeachment, shall be subject to removal from
23 office in such manner and for such causes as now provided by law, or
24 as may be provided by law passed subsequent to this act, and any

1 such officer or officers may be removed or ousted from office for
2 any act or acts of commission or omission or neglect which may be
3 committed, done or omitted during the term in which such ouster or
4 removal proceedings may be filed, and any such officer or officers,
5 may be removed or ousted from office for any act or acts of
6 commission, omission or neglect committed, done or omitted during a
7 previous or preceding term in ~~such~~ any office.

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

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

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

21 Any agreement or collusion among bidders or prospective bidders
22 in restraint of freedom of competition by agreement to bid at a
23 fixed price or to refrain from bidding, or otherwise, shall render
24 the bids of such bidders void. Any agreement or collusion among

1 state officers or employees and bidders or prospective bidders
2 intended to create a sole-source acquisition in contradiction to
3 Section 85.44D.1 of this title or to give a bidder or prospective
4 bidder a competitive advantage, including the disclosure of
5 nonpublic information, whether or not in exchange for anything of
6 value, shall render the bids of such bidders void. Persons
7 willfully violating this section shall be guilty of a felony. Any
8 person convicted of violating any provision of this section shall be
9 prohibited from holding any public office in this state and shall be
10 prohibited from entering into any state contract.

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

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

1 solicitation of bids has been withdrawn or the particular
2 information in question has been deleted or replaced through
3 alteration of the bid notice and said withdrawal or alteration has
4 been made equally and uniformly known. Any violation of this
5 subsection shall be a felony and shall render the proceedings void
6 and require solicitation and award anew. Any person convicted of
7 violating any provision of this section shall be prohibited from
8 holding any public office in this state and shall be prohibited from
9 entering into any state contract.

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

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

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

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

24

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

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

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

21 2. Any chief administrative officer of an agency, whether or
22 not such agency is subject to the Oklahoma Central Purchasing Act,
23 shall not enter into any contract for nonprofessional or
24 professional services for the purpose of or which would result in

1 the circumvention of the full-time equivalent employee limitation
2 established by law for such agency.

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

23 C. As used in this section, person is defined as any state
24 official or employee of a department, board, bureau, commission,

1 agency, trusteeship, authority, council, committee, trust, school
2 district, fair board, court, executive office, advisory group, task
3 force, study group, supported in whole or in part by public funds or
4 entrusted with the expenditure of public funds or administering or
5 operating public property, and all committees, or subcommittees
6 thereof, judges, justices and state legislators.

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

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

12 2. A contract between a business entity that is a part-time
13 certified court reporter and the Administrative Office of the
14 Courts, on behalf of the district courts, or the Office of the
15 Attorney General.

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

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

24

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

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

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

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

1 agency, and other pertinent information that will assure that the
2 new appointee is advised of such duties and responsibilities. The
3 briefing may be delegated in part to the executive director or other
4 managing officer of any department, system or authority under
5 supervision of the governing body, the responsibility for its
6 accomplishment remaining that of the chief executive officer.

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

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

1 A. For purposes of this section:

2 1. "Private economic interest" shall include any interest that
3 could foreseeably result in directly or indirectly receiving a
4 pecuniary gain, a competitive advantage, or sustaining pecuniary
5 loss as a result of an official act or forbearance. A "private
6 economic interest" shall not include an interest in a pension plan,
7 401k, individual retirement account or other retirement investment
8 vehicle that makes diversified investments over which the state
9 officer or employee or their immediate family member exercises no
10 control over the acquisition or sale of particular holdings.

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

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

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

1 a. any nonprofit or charitable organization or private
2 business, including but not limited to, a closely held
3 corporation, limited liability company, Subchapter S
4 corporation, or partnership, in which:

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

10 (2) the state officer or employee or their immediate
11 family member is a director, officer, owner,
12 partner, manager, employee, contractor,
13 consultant, board member, or agent,

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

18 (4) the state officer or employee or their immediate
19 family member, directly or indirectly, owns or
20 has owned stock, another form of equity interest,
21 stock options, debt instruments, or has received
22 dividends or income at any point during the
23 previous three hundred sixty-five (365) days, or
24

1 (5) the state officer or employee or their immediate
2 family member is negotiating or has any
3 arrangement concerning prospective employment,
4 b. any publicly traded corporation or other business
5 entity in which:

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

11 (2) the state officer or employee or their immediate
12 family member serves or has served as a director
13 or officer at any point during the previous three
14 hundred sixty-five (365) days.

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

19 B. It shall be unlawful for any state officer or employee of a
20 state agency to participate in their official capacity, through
21 decision, approval, disapproval, authorization, recommendation,
22 investigation, the rendering of advice, influence, or otherwise, in
23 any matter in which their immediate family member, or an associated
24 nongovernment entity has a direct or indirect private economic

1 interest. Any person convicted of willfully violating the
2 provisions of this subsection shall be guilty of a felony,
3 punishable by imprisonment in the custody of the Department of
4 Corrections for a term not less than one (1) year nor more than ten
5 (10) years and a fine not exceeding Ten Thousand Dollars
6 (\$10,000.00), and shall further be prohibited from holding any
7 public office in the state. The fact that the accused's conduct
8 also served a legitimate governmental purpose is no ground of
9 defense or of mitigation of punishment. Prosecutions for violations
10 of this subsection shall be commenced in accordance with subsection
11 A of Section 152 of Title 22 of the Oklahoma Statutes.

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

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

23 2. Furnish a copy of the statement to their superior, if any,
24 who shall assign the matter to another employee who does not have a

1 private economic interest. Their superior shall furnish a copy of
2 the statement to the Oklahoma Ethics Commission. If he has no
3 immediate superior, he shall furnish a copy of the statement
4 directly to the Oklahoma Ethics Commission. The statement shall
5 remain available for public inspection;

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

15 D. Any person convicted of violating the provisions of
16 subsection C of this section shall be guilty of a misdemeanor and
17 punished by imprisonment in the county jail for a term not to exceed
18 one (1) year, or by a fine not exceeding One Thousand Dollars
19 (\$1,000.00), or by both such fine and imprisonment.

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

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

24

1 G. A person shall not be guilty of an offense under this
2 section if the person's performance of official functions would not
3 affect the person, immediate family member, or associated
4 nongovernment entity differently than such performance would affect
5 the public generally, or would not affect the person, immediate
6 family member, or associated nongovernment entity, as a member of a
7 business, profession, occupation, or large class differently than
8 such performance would affect any other member of such business,
9 profession, occupation, or large class.

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

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

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20 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY AND PUBLIC SAFETY
21 OVERSIGHT, dated 03/03/2025 - DO PASS, As Amended.
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