

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2164

By: Pfeiffer

4
5
6 AS INTRODUCED

7 An Act relating to public corruption; amending 21
8 O.S. 2021, Section 344, which relates to crimes
9 against state revenue; changing punishment; providing
10 for removal; adding new law 21 O.S. Section 365,
11 which relates to nonpublic government information;
12 stating elements of certain unlawful acts; providing
13 penalties; amending 22 O.S. 2021, Sections 1181,
14 1181.1, and 1181.2, which relate to removal;
15 providing definitions; specifying scope; adding new
16 laws 74 O.S. Sections 85.22A, 85.22B, and 85.22C,
17 which relate to collusion and conflicts of interest;
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; and
adding new law 74 O.S. Section 3102.1, which relates
to conflicts of interest; 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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 1. A spouse;

24 2. A spouse's parents;

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

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

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

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

1 request for information was received by the agency, unless extended
2 by written agreement.

3 Second. Gross partiality in office.

4 Third. Oppression in office.

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

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

10 Sixth. Willful maladministration.

11 Seventh. Habitual drunkenness.

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

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

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

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

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

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

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

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

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

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

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

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

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

12 Each bidder shall accompany a bid with a written statement under
13 oath disclosing the following information:

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

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

22 3. The names of all persons having any such business or
23 familial relationships and the positions they hold with their
24 respective companies, firms, or state agencies. If none of the

1 business or familial relationships hereinabove mentioned exist, then
2 a statement to that effect.

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

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

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

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

21 C. As used in this section, person is defined as any state
22 official or employee of a department, board, bureau, commission,
23 agency, trusteeship, authority, council, committee, trust, school
24 district, fair board, court, executive office, advisory group, task

1 force, study group, supported in whole or in part by public funds or
2 entrusted with the expenditure of public funds or administering or
3 operating public property, and all committees, or subcommittees
4 thereof, judges, justices and state legislators.

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

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

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

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

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

22 2. To maintain public health infrastructure and preparedness,
23 the State Department of Health and city-county health departments
24 may contract with a physician assistant, registered nurse, advanced

1 practice nurse, nurse midwife, registered dietician, occupational
2 therapist, physical therapist or speech-language pathologist who has
3 retired from state service; and

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

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

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

1 managing officer of any department, system or authority under
2 supervision of the governing body, the responsibility for its
3 accomplishment remaining that of the chief executive officer.

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

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

22 A. For purposes of this section:

23 1. "Private economic interest" shall include any interest that
24 could foreseeably result in directly or indirectly receiving a

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 B. It shall be unlawful for any state officer or employee of a
17 state agency to participate in their official capacity, through
18 decision, approval, disapproval, authorization, recommendation,
19 investigation, the rendering of advice, influence, or otherwise, in
20 any matter in which their immediate family member, or an associated
21 nongovernment entity has a direct or indirect private economic
22 interest. Any person convicted of willfully violating the
23 provisions of this subsection shall be guilty of a felony,
24 punishable by imprisonment in the custody of the Department of

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

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

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

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

1 directly to the Oklahoma Ethics Commission. The statement shall
2 remain available for public inspection;

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

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

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

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

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

1 the public generally, or would not affect the person, immediate
2 family member, or associated nongovernment entity, as a member of a
3 business, profession, occupation, or large class differently than
4 such performance would affect any other member of such business,
5 profession, occupation, or large class.

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

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

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