

## INTRODUCTION

This guide has been developed by Crawford & Associates, P.C. from codified State statute publications and is intended to serve as a reference tool for quick identification of Oklahoma State laws applicable to municipal finance and accounting issues. This guide is not intended to be an all-inclusive summary of all statutory provisions applicable to cities and towns, but it is designed to assist municipal officials and auditors in identifying provisions of State law for further research. The topic areas addressed in this guide are as follows:

- [Forms of Municipal Government and Officers Duties](#)
- [Legally Required Funds](#)
- [Municipal Budgeting](#)
- [Deposits and Investments](#)
- [Revenue Restrictions](#)
- [Debt Restrictions and Limitations](#)
- [Payroll, Purchasing and Spending](#)
- [Public Trusts and Authorities](#)
- [Miscellaneous Provisions](#)

An important point to be noted is that this guide addresses Oklahoma State statutes only. Each local government may have a charter, code of ordinances, and/or resolutions that may provide more stringent requirements than these State laws. On subjects of local interest only (seek legal counsel advice on the definition of these items), where conflicts of law exist between State statutes and the local law, normally the local law will prevail. However, in subjects that are not of local interest only, generally the more stringent requirements will prevail, whether in State law or local law.

In monitoring compliance with legal requirements applicable to municipalities finance and accounting, one should become familiar with requirements that may go beyond State statutes, such as the following:

- Laws
  - Federal
  - State
  - Local
- Regulations
  - Federal Circulars
  - State Agency Regulations
  - Local Resolutions and Policy
- Grants and Contracts
  - Grant Awards
  - Trust Indentures
  - Bond or Note Indentures
  - Employment Contracts
  - Union Contracts
  - Purchase Contracts
  - Wills and Trust Documents

This reference guide, to be effectively used, requires annual update each legislative session. This version has been updated through the 2021 session of the Oklahoma Legislature.

**SUBJECT: FORMS OF MUNICIPAL GOVERNMENT AND OFFICERS' DUTIES**

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<p><b>Incorporated Cities and Towns</b></p>	<p>11 O.S. § 2-101 – 7-107</p>	<p>Any community of people residing in compact form may become incorporated as a town in the manner. If the resident population is one thousand (1,000) or more, a town or community of people residing in compact form may become incorporated as a city.</p> <p>Any community which has operated as an incorporated municipality for twenty-five (25) years or more but which does not have any evidence of its articles of incorporation shall be presumed to have incorporated as the statutory form of municipal government under which it has operated.</p> <p>Any city may become an incorporated town. A petition for a city to become an incorporated town, signed by at least thirty-five percent (35%) of the registered voters of the city, as shown by the preceding general election, shall be filed with the board of county commissioners of the county in which the city is located.</p> <p>Municipalities can be consolidated. By election of both municipalities, any two or more municipalities lying adjacent to each other may consolidate and become one municipal corporation.</p> <p>Municipalities can be dissolved voluntarily or involuntarily.</p> <p>Voluntary - An application for dissolution of a municipality, signed by not less than one-third of the registered voters residing in the municipality as shown by the preceding general election, can be filed with the governing body of the municipality. If the governing body of the municipality determines that the reasons for dissolution are good, it shall call for an election for the purpose of submitting to the registered voters of the municipality the question of whether or not the municipality should be dissolved.</p> <p>Involuntary - The district attorney for the county in which the municipal government is located may petition for involuntary dissolution of a municipality when the government of a municipality ceases to function by reason of the following: (1) General municipal elections have not been called in the municipality for two successive general municipal elections; or (2) A majority of all the members of the governing body fail to qualify for two successive general municipal elections.</p> <p><b>Incorporated Town</b></p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>A petition for incorporation of a town, signed by at least one-third (1/3) of the registered voters residing in the proposed town as shown by the preceding general election or by at least twenty-five (25) registered voters residing in the proposed town, whichever number is greater, shall be presented to the board of county commissioners of the county in which the proposed town is located. County shall call for an election.</p> <p>The officers to be elected shall be those provided by law applicable to the town board of trustees form of government. A town shall be divided into three (3) or five (5) wards.</p> <p><b>Incorporated City</b></p> <p>A petition for incorporation of a city, signed by at least thirty-five percent (35%) of the registered voters residing in the proposed city, as shown by the preceding general election, shall be filed with the board of county commissioners of the county in which the proposed city is located. County shall call for an election.</p> <p>A city to be operated under the statutory aldermanic form of government shall be divided into at least four (4) wards. A city to be operated under the statutory council-manager or statutory strong-mayor-council form shall be divided into four (4) or six (6) wards.</p> <p><b>Bonds</b> - The municipal governing body shall require the municipal treasurer, any officer or employee designated by ordinance to sign municipal warrants or municipal checks, and any other officers and employees as the governing body may designate by ordinance, to give bond for the faithful performance of his duties within ten (10) days after his election or appointment, in such amount and form as the governing body shall prescribe. The municipality shall pay the premiums on such bonds.</p> <p><b>Nepotism</b> - No elected or appointed official or other authority of the municipal government shall appoint or elect any person related by affinity or consanguinity within the third degree to any governing body member or to himself or, in the case of a plural authority, to any one of its members to any office or position of profit in the municipal government. The provisions of this section shall not prohibit an officer or employee already in the service of the municipality from continuing in such service or from promotion therein. A person may hold more than one office or position in a municipal government as the governing body may ordain. A member of the governing body</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>shall not receive compensation for service in any municipal office or position other than his elected office.</p> <p><b>Required Training</b> - Each person elected for the first time to a position of a municipality shall be required within one year after taking the oath of office to attend an institute for municipal officials consisting of 8 hours of training. A person elected to a municipal position who fails to satisfy the education requirements of this section shall cease to hold the position commencing at the next scheduled meeting of the governing body following the first year anniversary of the person’s taking the oath of office.</p>
<p><b>Municipal Charters</b></p>	<p>11 O.S. §8-101 – 8-114; § 13-101 – 13-115</p>	<p>Any city or town containing a population of two thousand (2,000) inhabitants or more, as shown by the latest federal census or other census recognized by the laws of Oklahoma, may frame a charter for its own government.</p> <p>The mayor of an incorporated municipality can issue an order calling for an election on the question of whether or not the municipality shall frame a charter for its own government and elect a board of freeholders to prepare the charter when: (1) A petition signed by not less than twenty-five percent (25%) of the registered voters of the municipality, as shown by the preceding general election, is filed with the governing body; or (2) The governing body, by resolution, so directs. The board of freeholders shall prepare a charter for the municipality within ninety (90) days after their election. The charter shall be consistent with and subject to the Oklahoma Constitution and shall not be in conflict with the Constitution and laws relating to the exercise of initiative and referendum.</p> <p>Whenever a charter is in conflict with any law relating to municipalities in force at the time of the adoption and approval of the charter, the provisions of the charter shall prevail and shall operate as a repeal or suspension of the state law or laws to the extent of any conflict.</p> <p>Charter may be amended with voter approval. Amendments to a municipal charter may be proposed by: (1) An initiative petition, signed by a number of the registered voters residing in the municipality equal to at least twenty-five percent (25%) of the total number of votes cast at the preceding general election; (2) A resolution of the municipal governing body. The Governor shall approve the charter amendments if they are not in conflict with the Constitution and laws of Oklahoma. Upon approval, the charter as amended shall become the organic law of the municipality and supersede any existing charter and all ordinances in conflict with it.</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p><b>Officer Compensation</b> - Where a municipality has adopted a charter and the charter does not address compensation of elective city officers, the compensation of such elective city officers may be fixed by ordinance.</p>
<p><b>Statutory Aldermanic</b></p>	<p>11 O.S. § 9-101 – 9-118</p>	<p><b>Governing Body</b> – The governing body of a statutory aldermanic city shall consist of the mayor, who is elected at large, and one or two council members from each ward of the city. Other officers elected include, City Clerk, City Treasurer, Street Commissioner, and Police Chief/Marshal.</p> <p><b>Mayor</b> - The mayor is not considered a member of the council for quorum or voting purposes; except that he or she may vote on questions under consideration by the council only when the council is equally divided. Mayor serves as the CEO. The Mayor also serves as the President of the City Council unless the Council has elected another member to be the President.</p> <p><b>Clerk</b> - The city clerk shall be an officer of the city. The clerk shall serve as clerk for the council. The city clerk shall: (1) keep the journal of the proceedings of the city council; (2) enroll all ordinances and resolutions passed by the council in a book or set of books kept for that purpose; (3) have custody of documents, records, and archives, as may be provided for by law or by ordinance, and have custody of the seal of the city; (4) attest and affix the seal of the city to documents as required by law or by ordinance; and (5) have such other powers, duties, and functions related to his statutory duties as may be prescribed by law or by ordinance. The person who serves as city clerk may be employed by the city to perform duties not related to his position as city clerk. The salary, if any, for said duties shall be provided for separately by ordinance.</p> <p><b>Treasurer</b> - The city treasurer shall be an officer of the city. Subject to such regulations as the council may prescribe, the city treasurer shall deposit daily funds received for the city in depositories as the council may designate. The city treasurer shall have such other powers, duties, and functions related to his statutory duties as may be prescribed by law or by ordinance. The person who serves as city treasurer may be employed by the city to perform duties not related to his position as city treasurer. The salary, if any, for said duties shall be provided for separately by ordinance.</p> <p><b>Compensation of Officers</b> - The compensation of all elective city officers shall be fixed by ordinance.</p>
<p><b>Strong Mayor - Council</b></p>	<p>11 O.S. § 11-101 – 11-125</p>	<p><b>Governing Body</b> – The governing body of a statutory strong-mayor-council city shall consist of the mayor, who is elected at</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>large, and one (1) councilmember from each ward of the city. The mayor shall serve as ex officio councilmember at large.</p> <p><b>CEO</b> - Mayor serves as the CEO. The Mayor also serves as the President of the City Council and shall preside at meetings of the council and shall certify to the correct enrollment of all ordinances and resolutions passed by it. As councilmember at large, he or she shall have all the powers, rights, privileges, duties and responsibilities of a councilmember, including the right to vote on questions. The mayor may appoint himself, or the council or other authority may elect or appoint him, to other offices and positions in the city government, subject to regulations as the council may prescribe; but he may not receive compensation for service in such other offices and positions. The council may provide that the mayor shall hold ex officio designated administrative offices subordinate to the mayor as well as other designated compatible city offices. The mayor, subject to any regulations which the council may prescribe, shall contract for, purchase, or issue purchase authorizations for all supplies, materials and equipment for offices, departments and agencies of the city government. Every contract or purchase exceeding an amount to be established by ordinance shall require the prior approval of the council. The mayor may also sell or transfer to or between offices, departments and agencies, surplus or obsolete supplies, materials and equipment, subject to regulations as the council may prescribe.</p> <p><b>Clerk</b> - The city clerk shall be an officer of the city, appointed by the mayor. The clerk shall serve as clerk for the council. The city clerk shall: (1) keep the journal of the proceedings of the city council; (2) enroll all ordinances and resolutions passed by the council in a book or set of books kept for that purpose; (3) have custody of documents, records, and archives, as may be provided for by law or by ordinance, and have custody of the seal of the city; (4) attest and affix the seal of the city to documents as required by law or by ordinance; and (5) have such other powers, duties, and functions related to his statutory duties as may be prescribed by law or by ordinance. The person who serves as city clerk may be employed by the city to perform duties not related to his position as city clerk. The salary, if any, for said duties shall be provided for separately by ordinance.</p> <p><b>Treasurer</b> - The city treasurer shall be an officer of the city, appointed by the mayor for an indefinite term. The council may provide by ordinance that the same person may hold both the office of city clerk and the office of city treasurer. Said council may also provide by ordinance that the city clerk shall be ex officio city treasurer and that an acting city clerk</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>shall be ex officio acting city treasurer. Subject to such regulations as the council may prescribe, the city treasurer shall deposit daily funds received for the city in depositories as the council may designate. The city treasurer shall have such other powers, duties, and functions related to his statutory duties as may be prescribed by law or by ordinance. The person who serves as city treasurer may be employed by the city to perform duties not related to his position as city treasurer. The salary, if any, for said duties shall be provided for separately by ordinance.</p> <p><b>Departments</b> - In a statutory strong-mayor-council city, there shall be a police department, a fire department, a department of law headed by a city attorney, and such other administrative departments, offices and agencies as the council may establish. Appointments and promotions in the service of a statutory strong-mayor-council city shall be made solely on the basis of merit and fitness; and removals, demotions, suspensions and layoffs shall be made solely for the good of the service. The council by ordinance may establish a merit system and provide for its organization and functioning, and provide for personnel administration and regulations of personnel matters. If and when the council establishes a merit system, it shall create a personnel department, the head of which shall be a personnel director appointed by the mayor for an indefinite term. The mayor may serve also as personnel director.</p> <p><b>Officers and Employees</b> - All officers and employees of a statutory strong-mayor-council city shall be divided into the classified and the unclassified service. The unclassified service shall consist of: (1) The mayor and council members, one secretary of the mayor, if any, the municipal judge, and one clerk or secretary of the municipal court, if any; (2) All personnel appointed, elected or confirmed by the council; (3) Members and secretaries of boards, commissions and other plural authorities; (4) All personnel who serve without compensation; and (5) Persons appointed or employed on a temporary basis to make or conduct a special audit, inquiry, investigation, study, examination or installation, or to perform a temporary professional or technical service, subject to exclusions, limitations and regulations as may be prescribed by ordinance or personnel rules. All other officers and employees shall be in the classified service. Political appointments and promotions for reasons other than merit are prohibited for classified employees.</p> <p><b>Compensation of Officers</b> - The compensation of all elective city officers shall be fixed by ordinance.</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<p><b>Statutory Council-Manager</b></p>	<p>11 O.S. § 10-101 – 10-121</p>	<p><b>Governing Body</b> – The governing body of a statutory council-manager city shall consist of one (1) council member from each ward of the city and one (1) councilmember at large. The council shall elect from among its members a mayor and a vice-mayor. Except for the purposes of inquiry, the council and its members shall deal with the administrative service of the city solely through the city manager. The council and its members may not: (1) Direct or request the city manager or other authority to appoint or remove officers or employees; (2) Participate in any manner in the appointment or removal of officers and employees of the city, except as provided by law; or (3) Give orders on ordinary administrative matters to any subordinate of the city manager either publicly or privately.</p> <p><b>CEO</b> - The city manager, appointed by the city council, serves as the CEO. The council may suspend or remove the city manager or acting city manager at any time by a vote of a majority of all its members. . The city manager shall contract for, purchase, or issue purchase authorizations for all supplies, materials, and equipment for offices, departments, and agencies of the city government, subject to any regulations which the council may prescribe. Every contract or purchase exceeding an amount to be established by the council shall require the prior approval of the council. The city manager may also sell or transfer to or between offices, departments, and agencies surplus or obsolete supplies, materials, and equipment, subject to regulations the council may prescribe.</p> <p><b>Clerk</b> - The city clerk shall be an officer of the city, appointed by the city manager. The clerk shall serve as clerk for the council. The city clerk shall: (1) keep the journal of the proceedings of the city council; (2) enroll all ordinances and resolutions passed by the council in a book or set of books kept for that purpose; (3) have custody of documents, records, and archives, as may be provided for by law or by ordinance, and have custody of the seal of the city; (4) attest and affix the seal of the city to documents as required by law or by ordinance; and (5) have such other powers, duties, and functions related to his statutory duties as may be prescribed by law or by ordinance. The person who serves as city clerk may be employed by the city to perform duties not related to his position as city clerk. The salary, if any, for said duties shall be provided for separately by ordinance.</p> <p><b>Treasurer</b> - The city treasurer shall be an officer of the city, appointed by the city council for an indefinite term. The council may provide by ordinance that the same person may hold both the office of city clerk and the office of city treasurer. Subject to such regulations as the council may prescribe, the city treasurer shall deposit daily funds received</p>



TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>for the city in depositories as the council may designate. The city treasurer shall have such other powers, duties, and functions related to his statutory duties as may be prescribed by law or by ordinance. The person who serves as city treasurer may be employed by the city to perform duties not related to his position as city treasurer. The salary, if any, for said duties shall be provided for separately by ordinance.</p> <p><b>Departments</b> - In a statutory council-manager city, there shall be a police department, a fire department, a department of law headed by a city attorney, and other administrative departments, offices and agencies as the council may establish.</p> <p><b>Compensation of Officers</b> - The compensation of all elective city officers shall be fixed by ordinance.</p>
<p><b>Statutory Town</b></p>	<p>11 O.S. § 12-101 – 12-114</p>	<p><b>Governing Body</b> – The town board of trustees shall consist of either three (3) or five (5) trustees who shall be nominated from wards or at large and elected at large. The governing body may submit to the voters the question of whether the town board shall consist of either three (3) or five (5) trustees. The board of trustees may, by ordinance, provide for the nomination and election at large of the trustees of a statutory town board of trustees form of government.</p> <p><b>Mayor</b> - Mayor serves as the head of the town government for all ceremonial purposes and shall have other powers, duties and functions as prescribed by law or ordinance. The mayor also serves as the CEO of the town for purposes of applying the Municipal Budget Act. The board of trustees shall elect from among its members a mayor. The mayor shall have all the powers, rights, privileges, duties and responsibilities of a trustee, including the right to vote on questions.</p> <p><b>Clerk</b> - The town clerk shall be an officer of the town. The clerk shall serve as clerk for the board of trustees. The town clerk shall: (1) keep the journal of the proceedings of the town board; (2) enroll all ordinances and resolutions passed by the trustees in a book or set of books kept for that purpose; (3) have custody of documents, records, and archives, as may be provided for by law or by ordinance, and have custody of the seal of the town; (4) attest and affix the seal of the town to documents as required by law or by ordinance; and (5) have such other powers, duties, and functions related to his or her statutory duties as may be prescribed by law or by ordinance. The person who serves as town clerk may be employed by the town to perform duties not related to his position as town</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>clerk. The salary, if any, for said duties shall be provided for separately by ordinance.</p> <p><b>Treasurer</b> - The town treasurer shall be an officer of the town. The town treasurer shall: (1) maintain accounts and books to show where and from what source all monies paid to him or her have been derived and to whom and when any monies have been paid; (2) deposit daily funds received for the town in depositories as the board of trustees may designate; and (3) have such other powers, duties, and functions related to his statutory duties as may be prescribed by law or by ordinance. The person who serves as town treasurer may be employed by the town to perform duties not related to his position as town treasurer. The salary, if any, for said duties shall be provided for separately by ordinance. The books and accounts of the town treasurer shall be subject at all times to examination by the board of trustees.</p> <p><b>Compensation of Officers</b> - The compensation of all elective city officers shall be fixed by ordinance.</p>

**SUBJECT: LEGALLY REQUIRED FUNDS**

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Sinking Funds</b>	Art. 10, § 28, OK Constitution; 62 O.S., § 431-451	Sinking funds shall be used for the levy of additional revenue for (1) payment of interest as due (2) payment of bonds as due and (3) payment of judgments required to be paid. This is applicable to municipalities, not public trusts/authorities.
<b>Cemetery Care Fund</b>	11 O.S. § 26-109	12.5% of revenue from lot sales and interments from municipally owned cemeteries shall be segregated in a permanent fund entitled "Cemetery Care Fund" and the principal of the fund restricted to purchasing cemetery land or making cemetery capital improvements. Interest may be used for same purpose or for cemetery care and maintenance.
<b>Cemetery Perpetual Care Fund</b>	11 O.S. § 26-201	A trust fund required for donations or bequests made for special care to specific lots, monuments or mausoleums. Only the interest from investment of principal may be used, unless otherwise specified by the donor. Often involves a district court and trustee.

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Airport Fund</b>	3 O.S. § 65.12 - 65.13	Requires all revenues obtained by a municipality from ownership, control, or operation of an airport facility to be accounted for in a separate fund. The revenue is restricted to airport operations. Municipalities in counties with population over 230,000 need not establish a separate fund. Federal and state aid for airports shall be kept in separate funds unless otherwise prescribed by the granting agency.
<b>Hospital Fund</b>	11 O.S. § 30-104	Municipal hospital revenue shall be paid to municipal treasurer to be deposited in a separate account in the treasury to be designated a "hospital fund".
<b>Limited Purpose Sales Tax Fund</b>	68 O.S. § 2701	Sales tax approved by the voters and levied for a limited purpose shall be deposited in a "limited purpose fund" and used only in accordance with authorizing ordinance. All other sales tax shall be deposited in the General Fund. Fund must be interest bearing and retain the interest.
<b>Recreation Grant or Donation Fund</b>	11 O.S. § 33-109	Money derived from recreation grants, gifts or bequests shall be deposited by the municipal treasurer in a separate continuing fund, unless otherwise specified by the donor or grantor, and be used for the specified recreation purposes.
<b>Special Assessment Funds</b>	11 O.S. § 36-221 & 37-226	Collections from special assessment district projects shall be deposited in a separate fund and used to pay off any assessment bonds principal and interest as due. Any remaining surplus after all bonds have been retired shall be used only for the purpose of repairing or maintaining the improvements for which the assessment was made.
<b>Retirement/Pension Fund</b>	11 O.S. § 48-101 - 48-106	Single employer pension or retirement moneys of a municipality must be accounted for in a separate fund. The fund shall be known as the "Employee Retirement System of _____". Payments into this fund by the municipality must be appropriated by the governing body.
<b>Federal Assistance Funds</b>	68 O.S. § 3003B	All funds received by a municipality from the federal government pursuant to the distribution of funds by the State shall be deposited in a fund separate and apart from all other funds.

**SUBJECT: MUNICIPAL BUDGETING**

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<p><b>Municipal Budget Act</b></p>	<p>11 O.S. § 17-201 - 17-218</p>	<p>Act applies to municipalities that have opted, <u>by resolution</u>, to come under the Act's provisions. Key features include:</p> <p><b>Budget Options:</b></p> <ol style="list-style-type: none"> <li>1. Fund-based budget (budget for each separate fund)</li> <li>2. Purpose-based budget (Crosses multiple funds)</li> </ol> <p><b>Legal Deadlines:</b></p> <ol style="list-style-type: none"> <li>1. CEO prepared budget submitted to governing body (30 days prior to start of fiscal year)</li> <li>2. Public hearing on proposed budget (15 days prior to start of fiscal year)</li> <li>3. Publish budget summary and notice of public hearing (5 days before hearing) in newspaper and posted to municipality's website</li> <li>4. Adoption by governing body, by resolution, (7 days prior to start of fiscal year)</li> <li>5. Submission to State Auditor &amp; Inspector (within 30 days after start of fiscal year)</li> </ol> <p><b>Fund-Based Budget Provisions:</b></p> <ul style="list-style-type: none"> <li>• Required Content for Fund-Based Budgets:             <ol style="list-style-type: none"> <li>1. Budget Message</li> <li>2. Budget Summary</li> <li>3. Fund Budgets, in tabular form by department and object account category</li> <li>4. Three years of fund budgets (revenues and expenditures) - prior year actual, current year budget, and proposed budget year</li> </ol> </li> <li>• Requires annual budget for general fund and all other funds established by the governing body, except for grant funds and capital project funds that can be budgeted one time at start of project.</li> <li>• Must be balanced (i.e. est. revenues + appropriated fund balance = appropriations).</li> <li>• Accounting for expenditures must at least be at the object category level within each department as follows:             <ol style="list-style-type: none"> <li>1. Personal services</li> <li>2. Materials and supplies</li> <li>3. Other services and charges</li> <li>4. Capital outlay</li> <li>5. Debt service</li> <li>6. Interfund transfers</li> </ol> </li> </ul>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<ul style="list-style-type: none"> <li>• The legal level of expenditure and encumbrance control is department appropriation total within a fund, if not established at a lower level by resolution.</li> <li>• Cannot have expenditures + encumbrances exceed 90% of est. revenues until revenues received + beginning fund balance is least 90% of estimate.</li> <li>• Budget amendments can be made anytime:               <ol style="list-style-type: none"> <li>1. Transfers - can be approved only by CEO/designee if by resolution</li> <li>2. Supplemental or Fund Decreases - requires governing body approval and submission to State Auditor's Office</li> </ol> </li> <li>• Sinking fund estimate of needs to be filed with county excise board.</li> </ul> <p><b>Purpose-Based Budget Provisions:</b></p> <ul style="list-style-type: none"> <li>• Each municipality shall adopt an appropriation for each purpose as established by the governing body;</li> <li>• In all cases the appropriations shall not exceed the income and revenue provided by the governing body from estimated revenues and appropriated fund balance;</li> <li>• The adopted budget shall be in effect on and after the first day of the fiscal year to which it applies. The budget as adopted and filed with the State Auditor and Inspector shall constitute an appropriation for each purpose as defined by the governing body, and the appropriation thus made shall not be used for any other purpose except as provided by law;</li> <li>• The chief executive officer, or designee, as authorized by the governing body, may transfer any unexpended and unencumbered appropriation or any portion thereof from one purpose to another; except that no appropriation for debt service or other appropriation required by law or ordinance may be reduced below the minimums required;</li> <li>• No encumbrance or expenditure may be authorized or made by any officer or employee which exceeds the available appropriation for each purpose as defined by the governing body;</li> <li>• The governing body may amend the budget to make supplemental appropriations to any purpose up to the amount of additional unappropriated income and revenues which become available during the fiscal year;</li> </ul>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<ul style="list-style-type: none"> <li>• If at any time during the budget year it appears probable that revenues available will be insufficient to meet the amount appropriated, or that due to unforeseen emergencies there is temporarily insufficient money to meet the requirements of appropriation, the governing body shall take action as it deems necessary through budget amendments; and</li> <li>• A budget amendment as provided in this section authorizing supplemental appropriations or a decrease in the total appropriation of funds shall be adopted at a meeting of the governing body and filed with the municipal clerk and the State Auditor and Inspector.</li> </ul>
<p><b>Estimate of Needs Laws</b></p>	<p>68 O.S. § 3001-33 &amp; 62 O.S. § 461</p>	<p>Act is applicable to all municipalities that have not opted, by resolution, to come under the provisions of the Municipal Budget Act in Title 11. <b>(Also, allows municipalities to prepare an annual budget in a form other than the Estimate of Needs)</b></p> <p>If the Estimate of Needs is used, the statute requires budget only for General Fund and Sinking Fund at the budget filing date; and, "cash fund" budgets for certain other funds only as cash is received. Key features of the budget include:</p> <p><b>Legal Deadlines:</b></p> <ol style="list-style-type: none"> <li>1. Prepare financial statement for close of prior year (1st Monday in August)</li> <li>2. Prepare estimate of needs forms (by September 1)</li> <li>3. Submit financials and needs estimate to county excise board             <ol style="list-style-type: none"> <li>A. Incorporated towns by August 22</li> <li>B. Cities by August 27</li> </ol> </li> <li>4. Publication affidavit filed at least 5 days after budget filing</li> </ol> <p><b>Required Budget Content:</b></p> <ol style="list-style-type: none"> <li>1. Financial Statements /Estimate of Needs is a required form (automated format on disk available) available from the State Auditor's Office (short form for towns under 1000 population)</li> <li>2. Sinking Fund Budget included on the form</li> <li>3. Cash Fund Appropriation forms from the State Auditor</li> <li>4. Budget Amendment forms also from the State Auditor</li> </ol> <p><b>Other Provisions:</b></p> <ul style="list-style-type: none"> <li>• Estimated revenue of General Fund is limited to 90% of prior year recurring revenue plus unencumbered and unreserved fund balance carry-over.</li> <li>• Long form requires budget to be departmentalized with the following objects:</li> </ul>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<ul style="list-style-type: none"> <li>A. Personal services</li> <li>B. Maintenance and operations</li> <li>C. Capital outlay</li> <li>• Public utilities may be operated in a separate fund without appropriation</li> <li>• Budget amendments:                             <ul style="list-style-type: none"> <li>A. Transfers within same fund - department head and/or governing body approval required and excise board written notification</li> <li>B. Supplemental or Fund Decreases - decreased department head and/or governing body approval and approval by the county excise board</li> </ul> </li> </ul>
<b>Public Trusts (Authorities) Budgets</b>	60 O.S. § 176g	<p>Public trusts created pursuant to Title 60, Section 176 shall file annually with their respective beneficiaries a copy of certain financial documents, including a budget. Amendments to the adopted budget shall be approved by the trustees and recorded in the minutes.</p> <p>(This appears to establish only a requirement to prepare and file an annual budget and approve budget amendments. It does not state the form of the budget nor set a legal spending limit. The primary purpose is to serve as a financial plan.)</p>

**SUBJECT: DEPOSITS AND INVESTMENTS**

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Deposits of Public Funds</b>	62 O.S. § 511-516	<p>All funds coming into the treasurer’s possession shall be deposited daily (not later than the immediately next business day) in banks, trust companies, credit unions or savings and loan associations as designated by the State.</p> <p>Deposits cannot exceed the federal insurance limit unless secured by acceptable collateral.</p> <p>Demand accounts must be established in banks, etc. within the State of Oklahoma.</p> <p>Unless otherwise provided by law, interest earnings shall be prorated by fund source.</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Utility Deposits</b>	11 O.S. § 35-107 & 11 O.S. § 17-101	<p>Deposits for utility service shall be refunded or credited to the customer upon termination of service or at an earlier date as allowed by the municipality. Refund checks to be issued within 30 days following termination of service. No interest is required to be paid to customer.</p> <p>One year after termination, if deposit refund check for \$5 or less remains un-cashed, municipality may cancel the check and deposit the monies in either the utility fund or General Fund, and customer has no further claim to refund.</p> <p>One year after termination, if deposit refund check for over \$5 remains un-cashed, municipality shall send a written notice to customer at last known address and inform them that the deposit will be paid over to the municipality if not claimed within 90 days of the date of the notice. If not claimed after 90 day period, municipality may pay deposit amount to the utility fund or General Fund, and customer has no further claim to refund.</p>
<b>Collateral Requirements</b>	62 O.S. § 517 & 348.1	<p>Collateral, valued at market value, is required to secure uninsured deposits.</p> <p>Includes a requirement that the treasurer shall review and determine the market value of the pledged collateral not less than quarterly.</p> <p>The securities and investments that may be accepted are as follows:</p> <ul style="list-style-type: none"> <li>➤ Obligations, including letters of credit, of the U.S. Government, its agencies and instrumentalities;</li> <li>➤ Obligations of the state or of a county, municipality, or school district of this state or of an instrumentality thereof;</li> <li>➤ General obligation bonds of any other state of the U.S.; and</li> <li>➤ Surety bonds and letter of credit, under certain specified conditions.</li> </ul> <p>Establishes treasurer’s duties in the event of a default or insolvency of a public depository.</p> <p>Provides for treasurers complying with the Act to not be held liable for any loss arising from the default or insolvency of a public depository in the absence of negligence or malfeasance on the part of the treasurer.</p> <p>Banks cannot be approved as custodian for its own securities used as collateral for public deposits in such bank.</p>



TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Investment of Funds</b>	62 O.S. § 348 6 O.S. § 2042 11 O.S. § 17-101	<p>Written investment policy, ordinance or resolution required for investment.</p> <p>Municipalities, in accordance with policy, may invest in</p> <ol style="list-style-type: none"> <li>1. Direct obligations of the U.S. government, it agencies or instrumentalities where full faith and credit is pledged, or investment grade obligations of the State of Oklahoma and its agencies rated A+ or A1 or better, or an equivalent grade</li> <li>2. Insured or collateralized CDs within the State, only fully insured CDs out of State</li> <li>3. Savings account or certificates of savings and loan associations, banks and credit unions provided they are FDIC insured</li> <li>4. Prime banker's acceptances with limitations</li> <li>5. Prime commercial paper with limitations</li> <li>6. Repurchase agreements with collateral</li> <li>7. SEC regulated money market funds and which investments are restricted to the items 1-6 above</li> <li>8. Obligations to the payment of which the full faith and credit of this state is pledged</li> <li>9. County, municipal or school district ad valorem tax funded debt</li> <li>10. Bonds, notes or money judgments of a county, municipality or school district</li> <li>11. Revenue anticipation notes of a public trust of which the municipality is beneficiary</li> <li>12. Securities lending programs with limitations</li> <li>13. Any bond, note or other debt of any public trusts of which the municipality is sole beneficiary or other entities whose governing boards were appointed by the municipality ( excludes industrial development bonds)</li> <li>14. Notes or bonds secured by mortgage or trust deed insured by the FHA, debt issued by the Federal Housing Administrator, and obligations of national mortgage associations are allowable investments under Title 6.</li> </ol>
<b>Sinking Fund Investments</b>	62 O.S. § 541-545 & 562	<p>Investments limited to:</p> <ol style="list-style-type: none"> <li>1. U.S. Treasury bills, notes and bonds and Postal Savings certificates</li> <li>2. State of Oklahoma bonds and notes</li> <li>3. Interest bearing deposit account</li> </ol>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>4. Bonds or judgments of a court of record of the same municipality</p> <p>5. Current warrants of own municipality</p> <p>Limitations are placed on when and under what circumstances investments can be sold from the sinking fund.</p> <p>Interest on sinking fund investments must be placed first in the sinking fund; but, may then be credited or transferred to the general fund.</p>
<b>Public Trust (Authorities) Investments</b>	62 O.S. § 72.4a & 60 O.S. § 175.24g	<p>Public trust moneys in financial institutions must be in fully insured or collateralized CDs or other evidences of deposit. Not applicable to revenue bond issue accounts covered by indenture.</p> <p>Trust agreement authorizing investments in U.S. government issued or guaranteed obligations may also be invested by the trustee in any open or closed end investment trust or mutual fund made up solely of such government securities and repurchase agreements fully collateralized with such government securities.</p> <p>The Title 60 public trusts are not limited by the same investment limitations of their municipal beneficiary.</p>

**SUBJECT: REVENUE RESTRICTIONS**

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Ad Valorem (Property) Tax</b>	Art. 10, § 9, 10, & 35, OK Constitution & 62 O.S. § 361-5	<p>Assessed value shall not exceed 35% of estimated fair value. Levies must be approved by the voters, except for (1) a general 15 mill levy in each county which includes 5 mills for schools and the remaining 10 may be apportioned by the County Excise Board to the county, cities/towns and the school districts in the county, and (2) money judgments from court cases.</p> <p>Municipalities are limited in their ability to levy ad valorem (property) taxes (subject to voter approval in most cases) to the following:</p> <ol style="list-style-type: none"> <li>1. Principal and interest on general obligation bonds</li> </ol>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<ol style="list-style-type: none"> <li>2. Principal and interest on court judgments over \$200 (voter approval not required to levy)</li> <li>3. 5 mills for municipal hospitals</li> <li>4. 5 mills for repaying bonds issued for securing or developing industry</li> <li>5. 5 mills for a public safety protection district</li> </ol>
<p><b>Sales Tax</b></p>	<p>68 O.S. § 2701-06</p>	<p>Municipalities may levy sales taxes (subject to voter approval) for both general and specific purposes. No statutory limit is set on the tax rate.</p> <p>Revenues from a general sales tax are to be deposited and recorded initially in the general fund. Expenditures are not limited as to purpose other than for the good of the public.</p> <p>Revenues from a limited purpose sales tax must be accounted for in a separate limited purpose sales tax fund. Interest from investment of this fund must be retained in the fund. Expenditures are limited to the purposes set forth in the taxing ordinance.</p> <p>Dedicated sales taxes levied for the purposes of funding public safety or any other specific governmental purpose shall not be directed to another purpose without a vote of the people.</p> <p>Municipalities may not propose taxing ordinances more often than 3 times in any calendar year or twice in any six month period.</p> <p>Municipalities may provide an ordinance for the enforcement and collection of sales taxes, including penal and civil actions, to enforce payment. State may keep up to 0.5 % of collections for administering the collection and remittance process.</p> <p>68 O.S. sec 227 provides that a taxpayer may claim a refund from the OTC for erroneously paid sales and use tax “within two (2) years from the date of payment.</p>
<p><b>Municipal Taxing Authority</b></p>	<p>68 O.S. §. 2601-05, 2701</p>	<p>Municipalities may assess, by ordinance, an annual tax not exceeding 2% on the gross receipts from residential and commercial sales of power, light, heat, gas, electricity or water. This tax shall be in lieu of any other franchise, license, occupation, or excise tax levied by the municipality.</p> <p>This tax shall not apply to any person, firm, association or corporation operating under a valid franchise from the municipality.</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>The tax levied under this provision shall be levied for a term of not-to-exceed one year, and shall be payable monthly.</p> <p>Incorporated municipalities are authorized to tax as provided by the state legislature for the following:</p> <ul style="list-style-type: none"> <li>• Uniform income tax on residents</li> <li>• Uniform sales tax</li> <li>• Limited motor vehicle tax</li> </ul>
<b>Cemetery Revenues</b>	11 O.S. § 26-109	At least 12.5 % of revenue from sales of cemetery lots and from interments shall be limited for purchasing cemetery land and for cemetery capital improvements. Interest from the investment of the 12.5 % principal is limited to the same purpose above plus costs of cemetery upkeep and maintenance.
<b>State Shared Street &amp; Alley Tax Revenue</b>	11 O.S. § 36-114	State shared revenue from the State motor fuel tax and the motor vehicle license and registration tax may be expended only for construction, maintenance, repair, improvement, or lighting of streets and alleys. Revenues may be deposited in and paid from either a street and alley fund of a street and alley account of the general fund.
<b>Municipal Court Fines &amp; Costs</b>	11 O.S. § 14-109 -111  20 O.S. § 1313.4	<p>Penal ordinances must be complied and published in permanent form not less than once every 10 years. Biennial supplements must be published every 2 years, and filed with the county law library.</p> <p><b>Maximum fines limits:</b></p> <ul style="list-style-type: none"> <li>• <u>Courts of Record - maximum fines:</u> <ul style="list-style-type: none"> <li>○ \$1,000 for wastewater/stormwater regulation violations</li> <li>○ \$1,250 for alcohol or drug related traffic offenses (\$50 of each alcohol-related fine shall be used to defray costs alcohol related enforcement)</li> <li>○ prostitution related offenses which may not exceed:                             <ul style="list-style-type: none"> <li>▪ \$2,500 upon first conviction</li> <li>▪ \$5,000 upon second conviction</li> <li>▪ \$7,500 upon third and all subsequent convictions</li> </ul> </li> <li>○ all other offenses - may not exceed \$1,200</li> <li>○ \$15 shall be assessed for DUI violations to be remitted to Oklahoma Impaired Driver Database Revolving Fund</li> </ul> </li> </ul>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<ul style="list-style-type: none"> <li>• <u>Courts not of Record - maximum fines:</u> <ul style="list-style-type: none"> <li>○ \$200 for traffic-related speeding and parking citations</li> <li>○ \$800 for alcohol-related or drug-related offenses(\$50 of each alcohol-related fine shall be used to defray costs alcohol related enforcement)</li> <li>○ \$1,000 for wastewater/stormwater regulation violations</li> <li>○ \$750 for all other offenses</li> </ul> </li> <li>• No fines of more than \$50 allowed if penal ordinances have not been compiled and published as required</li> <li>• Maximum fine of \$10 plus \$15 court costs for any speeding citation for speeding of no more than 10 mph on a national or state highway on the outskirts of town</li> <li>• Labor to work off fines must be calculated at a rate of not less than \$50 per day</li> </ul> <p><b>Administrative fees:</b></p> <ul style="list-style-type: none"> <li>• A municipal court which collects a penalty assessment or other state fee from a defendant pursuant to state law may retain eight cents (\$0.08) of such monies and may also retain all interest accrued thereon prior to the due date for deposits as provided in state law. The fee shall be deposited as determined by the municipal governing body.</li> <li>• A municipal court in a municipality having a basic law enforcement academy approved by the Council on Law Enforcement Education and Training pursuant to the criteria developed by the Council for training law enforcement officers may retain as an administrative fee two percent (2%) of any penalty assessment or other state fee imposed by state statute. The two percent (2%) administrative fee shall be deducted from the portion of the penalty assessment or other state fee retained by such municipality.</li> <li>• For certain offenses, municipal clerks will collect a Forensic Improvement Assessment fee in the amount of \$10 per applicable offense and remit such fee to the State.</li> </ul> <p style="text-align: center;"><b>Collection by Tax Commission</b></p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<ul style="list-style-type: none"> <li>A municipal court seeking to collect a debt, unpaid fines and cost or final judgment of at least Fifty Dollars (\$50.00) from an individual who has filed a state income tax return may file a claim with the Oklahoma Tax Commission requesting that the amount owed to the agency, a municipal court or a district court be deducted from any state income tax refund due to that individual. The claim shall be filed electronically in a form prescribed by the Tax Commission and shall contain information necessary to identify the person owing the debt, including the full name and Social Security number of the debtor.</li> </ul>
<b>Allocated Drug Seizures Fines from State</b>	63 O.S. § 2-416	25% of fines collected by the State from enforcement of Uniform Controlled Dangerous Substances Act shall be distributed to municipality, county, or state agencies which conducted the investigation. The amount received by a municipality or county shall be placed in a revolving fund to be used for law enforcement purposes.
<b>E-911 Fees</b>	62 O.S. § 28.11-.21	Municipalities may impose, by ordinance, a fee not to exceed 15% of the tariff rate for emergency telephone service. Revenue is restricted to fund the costs associated with the operation of the emergency telephone service.
<b>E-911 Wireless Fees</b>	63 O.S. § 2843.2	Prepaid wireless 911 fees assessed by and allocated to municipalities and collected by the OTC shall be remitted to the governing body and deposited in a special wireless 911 account to be used only for services related to 911 emergency wireless services, including automatic number identification and location services.
<b>Meter Deposit Investment Income</b>	11 O.S. § 35-102.1	The proceeds from any investment of meter deposit funds and any related earnings shall be placed in the fund from which the operation and maintenance expenses of the utility, for which they collected, are paid.
<b>Water Sales Outside Corporate Limits</b>	11 O.S. § 37-119 & 119a	<p>All water sold to persons or entities outside the corporate limits shall be sold under written contract which provides for annual review of costs and rates to permit rate changes. Rates are limited to the costs attributable to maintaining the ability to provide water to the purchaser.</p> <p>Municipalities selling water outside corporate limits must implement an enterprise accounting system or may have to pay for such an accounting to the purchaser.</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Development Impact Fees</b>	SB 708	Development fees must be based on actual system improvement costs or certain reliable estimates, and must be calculated to fund only the costs of improvements related to specifically-listed public infrastructure systems. Fees must be used only for costs of new capital improvements and must not be used on repairs or maintenance to existing public infrastructure systems.

**SUBJECT: DEBT RESTRICTIONS AND LIMITATIONS**

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Constitutional Debt Limitations</b>	Art. 10, § 26 – 28, OK Constitution	<p>No municipality shall be allowed to become indebted, in any manner, or for any purpose, to an amount exceeding, in any year, the income and revenue provided for the year without assent of three-fifths of the voters.</p> <p>Total indebtedness not to exceed 10% of total assessed valuation. Applies primarily to general obligation bonds.</p> <p>Municipality shall provide for an annual tax sufficient to pay principal and interest on the bonds from the sinking fund for a term of not more than 25 years.</p> <p>Municipalities may become indebted in a larger amount than 10% of assessed value for the purpose of purchasing, constructing, or repairing public utilities or streets.</p> <p>Individual or joint water project indebtedness, approved by the voters and secured by water revenue, may be issued for a period of not more than 30 years and are not included in the 10% limit.</p> <p>Revenue bonds may be issued by a municipality, with certain limitations and voter approval required under certain circumstances. (See Art. 10, S. 27B)</p>
<b>General Obligation Bonds</b>	62 O.S. § 351-354, 399-403, 411-412, 423-426 11 O.S. § 22-128, 37-107 62 O.S. § 498.1	<p>G.O. bonds must be sold at least at 99% of par plus accrued interest.</p> <p>Principal may not start maturing for two years after issuance date.</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>Requires uniform maturities of principal or level debt service payments annually.</p> <p>Interest on general obligations bonds are limited to 10% except for general obligation special assessment bonds which are limited to 6%. Interest may not be payable more often than semiannually.</p> <p>At least 30 days prior to bond vote, a description of projects or assets to be acquired, improved or repaired (and a description of any unfinished bond projects) shall be made available on the municipality's website or otherwise on the internet.</p>
<p><b>Public Trusts (Authorities) Indebtedness</b></p>	<p>60 O.S. § 176</p>	<p>No municipal trust may become indebted unless approved by 3/4 vote of the governing body of the beneficiary (or 3/5 vote when governing body consists of fewer than 7 members).</p> <p>No bonds may be sold for less than par unless approved by 3/4 vote of trustees and governing body members of beneficiary (or 3/5 vote when governing body consists of fewer than 7 members). Under no circumstances will bonds be sold at less than 65% of par.</p> <p>Original purchaser discount (fees) shall not exceed 4% and interest rate shall not exceed 14%.</p>
<p><b>Rental or Lease Obligations</b></p>	<p>62 O.S. § 430.1</p>	<p>Any rental contract extending beyond June 30 of the fiscal year shall contain provisions for mutual ratification of renewal. Lease contract is in effect only valid through availability of current year revenue per the Constitution.</p> <p>Lease agreements where title is to be acquired by the municipality shall state the purchase price and be limited to 10% simple interest.</p>
<p><b>Special Assessment Bonds</b></p>	<p>11 O.S. § 32-105 -114, 36-216 - 406, 37-222 - 231, 39-115 -116, &amp; 40-106 -110</p>	<p>Special assessment bonds are limited to unpaid assessments remaining after 30 days of ordinance and are limited to 12% interest until maturity and 15% after maturity. Certain types of assessment bonds have different rate limitations.</p> <p>Obligation shall in no way become a liability of the municipality; and, is solely payable from assessments. Bonds are mandatory callable when sufficient funds are available from assessments.</p> <p>Central business redevelopment districts may issue bonds funded by tax increment financing. These bonds are not general obligations of the government and are solely payable from the incremental property taxes generated by the district projects.</p>



TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Municipal Utility Revenue Bonds</b>	11 O.S. § 22-150 -158	<p>Implementing legislation pursuant to Article 27B of the State Constitution.</p> <p>Requires 3/4 approval of the governing body and under certain circumstances requires voter approval.</p> <p>Interest rate limited to 14% and other similar public trust debt limitations.</p>
<b>Judgments</b>	Art. 10, § 28, OK Constitution; 62 O.S. § 431-435 & 361-365	<p>Judgment defined as a final determination by any court of competent jurisdiction in any action or proceeding to determine the rights of parties.</p> <p>Includes all judgments meeting the definition over \$200.</p> <p>Judgments are repaid through the sinking fund in three equal installments plus interest.</p> <p>Interest rate on judgments shall be equal to the annual average U.S. Treasury Bill rate of the preceding year as certified by the State Treasurer plus 4%, not to exceed a total rate of 10%. (See 12 O.S. § 727)</p>

**SUBJECT: PAYROLL, PURCHASING AND SPENDING**

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Use of Public Funds</b>	Art. 10, §14, 15 & 17 OK Constitution	<p>Municipalities may not become a stockholder in any company, association, or corporation; nor may it obtain or appropriate money for, or levy any tax for, or loan its credit to any corporation, association or individual.</p> <p>Taxes shall be levied and collected by general laws and used for <u>public purposes</u> only.</p> <p>Municipalities may not make a donation by gift in any way to any company, association, or corporation. (Exception is made in 11 O.S. Section 22-125 for gifts of money for buildings or construction or real property to college or school within the municipality.)</p>
<b>Transfers to and from Public Trusts</b>	60 O.S. § 176a 60 O.S. § 176.1.D	No funds of the trust beneficiary derived from sources other than the trust property, or the operation thereof, shall be

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>charged with or expended for the execution of the trust, <u>except by express action of the legislative authority of the beneficiary prior to the charging or expending of the funds.</u></p> <p>The affairs of the public trust shall be separate and independent from the affairs of the beneficiary including its budget, expenditures, revenues, and general operations and management; <u>provided that either the public trust or the beneficiary may make payment of money to the other unless prohibited by the written instrument creating the trust (trust indenture) or by existing state law.</u></p>
<p><b>Competitive Bidding Act</b></p>	<p>61 O.S. § 101-136</p>	<p>Applicable to both municipalities and their public trusts.</p> <p>Public construction contracts exceeding \$100,000 (except for construction management trade contracts or subcontracts which threshold is \$50,000) shall be let and awarded to lowest responsible bidder through open competitive bidding that meets the requirements of the Act. Public construction contracts less than \$100,000 shall be let and awarded to the lowest responsible bidder on the basis of competitive quotes. Public construction contracts for less than \$10,000 may be negotiated with a qualified contractor without bidding. Public construction contracts include any public improvements and construction or repair or maintenance to buildings. Provisions related to notice and bids may be waived by 2/3 vote of all members of governing body if emergency exists.</p> <p>Such contracts shall be awarded to the lowest bidder after solicitation of sealed bids and a written contract will be executed. If awarded to someone other than the lowest bidder, a publicized statement setting forth the reasons is required and must be kept in official records open to the public.</p> <p>Prohibits a public agency from awarding a public construction contract exceeding \$100,000 or a construction management trade contract or subcontract exceeding \$50,000 to any contractor affiliated with a purchasing cooperative unless there is compliance with the Act.</p> <p>Public construction purchases for emergency purposes may be made without competitive bids in amounts not exceeding \$150,000.</p>
<p><b>Competitive Bidding – Public Trusts</b></p>	<p>60 O.S. § 176i</p>	<p>Public construction contracts as defined by the Public Competitive Bidding Act of 1974 shall be subject to the Public Competitive Bidding Act of 1974 and the Fair Pay for Construction, Act, where applicable. This subsection shall not apply to contracts of industrial and cultural trusts</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Payroll Purchase Orders</b>	62 O.S. § 304.1	<p>Appears to provide for but not require the certification of payroll payments by the governing body through a payroll purchase order.</p> <p>If this statute is followed, an itemized payroll statement from each department certified with an affidavit by both the department head and the city clerk. Only the totals by appropriation account and fund need to be included in the purchase order which may be encumbered the date approved by the governing body or the date payments are made.</p> <p>Payroll taxes, retirement and other contractual benefit payments to outside entities may be paid without a purchase order or further approval of the governing body,</p>
<b>Purchase Orders and Encumbrances</b>	62 O.S. § 310.1- 310.9	<p><u>Unless otherwise provided by ordinance</u>, municipalities are required to follow the provisions of this Act when making acquiring goods and services.</p> <p>Purchase orders shall have written approval of a purchasing officer and an encumbering clerk prior to release.</p> <p>Invoices are required, after satisfactory delivery, and shall be itemized.</p> <p>The individual receiving satisfactory delivery of merchandise shall acknowledge that fact by <u>signing</u> the invoice or delivery ticket; and, no purchase order shall be approved for payment by the governing body unless the required signed invoices or delivery tickets are attached.</p> <p>The invoices, along with attached supporting documentation, shall be submitted to and examined by the <u>governing body</u> for review of legality. The governing body shall approve the invoices for payment in the amount determined just and correct. <u>As an alternative</u>, a municipality may, <u>by ordinance</u>, authorize the CEO or their designee to approve the invoices for payment as long as adequate internal controls are present in the ordinance.</p> <p>Every contract with an architect, contractor, engineer or supplier of materials for \$25,000 or more shall be accompanied by a sworn statement per 62 O.S. § 310.9.</p> <p>Blanket purchase orders for recurring purchases, approved by the governing body, may be used. No limit on blanket P.O. amount for municipalities. Before transacting the purchase</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>pursuant to a blanket purchase order, the order shall be submitted to the governing body for approval.</p> <p>Unencumbered balances at the close of the fiscal year may remain open as a credit until September 30, next. Municipality shall, anytime in July, publish a notice for two consecutive times in a daily paper or once in a weekly paper to inform vendors " that all invoices and documentation pertaining to a purchase order or contract for goods or services provided prior to July 1 for that fiscal year must be provided to the municipality by September 30 or it will be void and barred from payment".</p>
<p><b>Payment of Invoices</b></p>	<p>11 O.S. § 17-102-04; 17-114; 22-134 62 O.S. § 505; 471-485; 488; 551-555; 601-605</p>	<p>Invoices must be in writing and examined per the Purchase Order Act or municipal ordinance.</p> <p>Employee claims for payment or reimbursement must be in the form of a written statement and include all receipts supporting the amount expended and/or claimed.</p> <p>Invoices may be paid by warrant, check, wire transfer, direct payroll deposit, or other disbursement method of the Federal Reserve.</p> <p>Warrant or check shall be signed by the officers designated in the ordinance, or in absence of such officer, by the municipal treasurer.</p> <p>Facsimile signatures may be used in lieu of manual signatures provided the authorized signing officer has filed and certified their signature with the Secretary of State.</p> <p>Municipalities may use "uniform jacket" to include multiple invoices or contract estimates and supporting documentation related to a contract. The jacket will contain the necessary approvals on its face.</p> <p>Any municipal document, other than warrants, checks or drafts, relating to purchasing or accounts payable may be approved by the municipality by an electronic process in lieu of a manual written approval.</p> <p>Petty cash funds may be used in amounts established <u>the governing body</u>. The petty cash fund shall be reimbursed by using itemized vouchers or voucher slips and processed in the same manner of other payments for goods or services.</p>
<p><b>Uncashed Checks and Unclaimed Intangible Property</b></p>	<p>11 O.S. § 22-136</p>	<p>After checks and other intangible property held by a municipality or public trust have gone uncashed, unclaimed or abandoned after 1 year from when payable, it may be disposed of as follows:</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<ul style="list-style-type: none"> <li>• Written notice shall be mailed last known address of owner stating it will be paid over to the municipality or public trust unless cashed or claimed within 2 years of the notice;</li> <li>• If address is unknown or notice returned undeliverable, notice shall be published 2 times in a local newspaper;</li> <li>• If not cashed or claimed within 2 years of the last notice, then the claim is extinguished and the money or intangible property shall be disposed of as directed by the governing body.</li> </ul> <p>(Intangible property covered by this section includes money, warrants, checks, drafts, deposits, interest, dividends, income, credit balances, overpayments, security deposits, refunds, credit memos, unpaid wages, unused airline tickets, and unidentified remittances.)</p>
<p><b>Payments of Billings from Public Utilities</b></p>	<p>62 O.S. § 305.1</p>	<p>If authorized by the governing body, municipalities may pay regular periodic billings of any municipal utility or of any public utility whose rates are controlled by the Corporation Commission or any other public regulatory body of any utility coop for utility services without the need for a purchase order or invoice.</p> <p>No late charge shall be attached or discount denied the municipality on any such bill until a 30-day period has lapsed from the receipt of the bill.</p>
<p><b>Misappropriation of Funds</b></p>	<p>62 O.S. § 371-374</p>	<p>Any officer who orders or directs payment to a claim or transfers public property they know to be fraudulent, void or unauthorized, and every person who having notice of the facts is a participant in the illegal transaction shall be held jointly and severally liable to the municipality affected for <u>triple the amount of money or property involved</u> to be recovered by the municipality or any resident taxpayer. No action shall create liability against any officer for transactions approved in good faith reliance on advice of legal counsel of the municipality or court determination.</p> <p>100 resident taxpayers or 2 ½ % of registered voters, whichever is less, may file a written petition demanding proper proceedings at law or in equity be initiated by the governing body to recover such sums as may have been paid or property transferred illegally. Upon refusal, failure, or neglect by the municipality's public officers to act on the written demand within six months of receipt, an affected resident may initiate, with the State as plaintiff, a lawsuit to recover funds or property. If court determines the claims to be meritorious, contract is deemed void and the money or property shall be returned to the municipality and municipality shall be liable for attorney fees and court costs of the resident taxpayers. If court</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>determines claims are frivolous, the resident taxpayers that signed the demand petition and were parties to the lawsuit shall be jointly and severally liable for attorney fees and court costs of the municipality and public officers.</p> <p>Civil actions brought by taxpayers for such recovery of real or personal property can only be brought if written demand is made to municipality by the required number of resident taxpayers within 2 years of the transfer of the property and the suit is filed within 6 months of the refusal, failure, or neglect of the public officers to act upon the written demand.</p>
<p><b>Conflicts of Interest</b></p>	<p>11 O.S. § 8-113; 60 O.S. §178.8; 62 O.S. § 371 61 O.S. § 114</p>	<p><b>Municipalities</b> No municipal officer, employee who can enter involved with purchase decisions, or spouse thereof that has more than a 25% ownership or a controlling interest in a business shall engage in any business transactions with the municipality. This includes acquiring any surplus property of the municipality or any of its public trusts unless offered for sale to the public.</p> <p>Municipalities may not contract, directly or indirectly, with a member of the governing body. Exceptions include: contracts with utilities governed by the Corporation Commission; contracts or deposits with financial institutions; and, for cities/towns under 5,000 population, contracts with only businesses of its type within 5 miles of city/town limits, limited to \$5,000 per transaction and \$15,000 annually. The related party business transactions \$15,000 annual limit will not apply if the municipality purchases items from the business that are also sold to the regular public in the normal course of business and the price charged to the municipality does not exceed the price charged to the general public. Provisions shall also not apply where two or more competitive bids were obtained, regardless of population restrictions.</p> <p><b>Public Trusts</b> A conflict of interest will exist in a contractual relationship between the trust and a trustee or any for profit corporation of which the trustee or any member of their immediate family is an officer, partner or owner for goods and services or other contracts. If done through competitive bidding and relationship is not publicly disclosed, the trustee is subject to removal. A compilation of all such related party transactions must be maintained. Certain exemptions apply, including: loaning money to the trust, buying trust obligations, legal advertising, banking services, and the sale of public utilities to the trust.</p> <p><b>Public Construction Contracts</b> The chief administrative officer and members of the governing body awarding a public construction contract and their relatives</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>within the third degree of consanguinity or affinity, are forbidden from directly or indirectly being interested in the contract.</p>
<p><b>Governmental Tort Claims</b></p>	<p>51 O.S. § 151-167</p>	<p>Liability Limits for Tort Claims:</p> <ul style="list-style-type: none"> <li>• \$25,000 for any claim or claimant for property loss per occurrence</li> <li>• \$125,000 - \$200,000 total for any claimant for any other loss per occurrence</li> <li>• \$1,000,000 for all claims arising out of a single occurrence</li> <li>• No punitive or exemplary damages may be awarded</li> </ul> <p>Claims must be presented within 1 year of the date the loss occurs or it is barred.</p> <p>Claim must be filed in writing with the clerk of the governing body.</p> <p>Settlements in excess of \$10,000 not covered by insurance shall be approved by the district court and be entered as a judgment. For judgments under this provision, the manner of payment must follow the 3-year sinking fund tax levy process unless the court approves alternative funding periods of between 1 and 10 years.</p>
<p><b>Reverse Auction Bidding</b></p>	<p>11 O.S. §17-115</p>	<p>A municipality or any public trust of which the municipality is beneficiary is authorized to use a reverse auction bidding procedure to obtain bids for the purchase of goods or services of any type of kind. The reverse auction shall be a real-time bidding process taking place at a previously scheduled time and Internet location and for a previously established duration, in which multiple suppliers, anonymous to each other, submit bids to provide the goods or services. The reverse auction procedure may be used as an alternative to any state law applicable to the purchase of the goods or services.</p> <p>All bids submitted electronically through the reverse auction bidding process pursuant to this section are subject to the same public disclosure laws that govern bids received pursuant to any other law of this state governing procurement procedures for a municipality or public trust.</p>
<p><b>Payroll and Fair Labor Standards Act</b></p>	<p>61 O.S. § 3</p>	<p>Fair Labor Standards Act (29 U.S.C., Sections 201-209) are to be followed by public employers and sets a normal work day as 8 hours and normal work week of 40 hours. Exceptions for longer work periods for public safety and certain other employee groups.</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		Act addresses: Minimum wage, overtime compensation, child labor, pay equality and recordkeeping.
<b>Dual Office Holding, Nepotism, and Bonds</b>	11 O.S. § 8-105-06	<p>A member of the governing body shall not receive compensation for service in any municipal office or position other than their elected office.</p> <p>No elected or appointed official shall appoint or elect any person related by affinity or blood within the third degree to any governing body member of themselves.</p> <p>The municipal treasurer and any officer or employee designated to sign warrants or checks and any others designated by ordinance shall give a performance bond within 10 days of appointment or election in an amount determined by the governing body. Municipality shall pay the premium.</p>
<b>Elected Officials Compensation</b>	11 O.S. § 9 -116	Compensation shall be fixed by ordinance for all elected officials.
<b>Retirement Contributions</b>	11 O.S. § 49-122 & 50-109	<p>Minimum combined contribution by the municipality and employee to the State Plans for paid firefighters is 23 % and for paid police officers is 21%.</p> <p>For paid firefighters, a maximum of 9% can be withheld from the employee and at least 14% employer contribution. For paid police officers, contribution requirements are 8% employee and 13% municipality. Such employee deductions are considered income tax deferred under IRC 414(h).</p> <p>For volunteer firefighters, municipality shall contribute \$60 per year per volunteer. Municipalities with under \$25,000 of annual general fund revenue are exempt.</p>
<b>Independent Contractors</b>	11 O.S. § 8-115	An attorney, engineer, or member of a profession who performs duties required or permitted by statute as an attorney, prosecutor, judge, engineer, or other professional for a state or local government pursuant to a retainer or service contract shall be presumed to be an independent contractor and not an employee for all purposes, including IRS income and employment tax treatment.
<b>Hospital and Medical Benefits for Employees and Retirees</b>	11. O.S. § 23-108	A municipality may provide hospital and medical benefits, accident, health, and life insurance, or any of the aforesaid, through any company authorized to do business in Oklahoma, for any or all of its officers or employees and their dependents, whether said officers or employees are engaged



TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>in a governmental or nongovernmental function of the municipality.</p> <p>The municipality may pay a portion or all of said premiums from any municipal general funds, and may deduct from the wages or salary of any such officer or employee, upon written authority signed by the officer or employee, amounts for the payment of all or any portion of the monthly premium for same.</p> <p>A municipality that offers a health insurance plan in accordance with this section to its officers or employees and dependents shall offer the same health insurance plan to those retired employees and their dependents who elect to continue in force or participate in said health insurance plan in accordance with this subsection unless the retired employee or dependent is over sixty-five (65) years of age and qualifies for Medicare. The municipality that provides a health insurance plan to retired employees shall also offer a Medicare supplement plan to those retired employees and their dependents who are over sixty-five (65) years of age.</p> <p>Retired employees that elect to participate if the employers' health insurance plan must make such election within thirty (30) days from the date of termination of employment with the municipality.</p> <p>The retired employee who participates in the health insurance plan shall pay up to the full cost of said health insurance plan at the rates and pursuant to the terms and conditions established by the municipality, provided the amount of the retired employee's premiums and dependent premiums for said health insurance plan paid by said retired employee who is under sixty-five (65) years of age shall be no greater than one hundred twenty-five percent (125%) of the amount of the officer or employee premiums and dependent premiums for the health insurance plan paid by or on behalf of an officer or employee who is currently employed by the municipality.</p> <p>A municipality which participates in the plan or plans offered by the State and Education Employees Group Insurance Board shall not be subject to the provisions of this subsection so long as said participation continues.</p>
<p><b>Compensation for Excess Unused Leave</b></p>	<p>11. O.S. § 22-137</p>	<p>If a municipal employee whose job duties include providing fire protection services or law enforcement services is unable to use excess leave in the time frame allowed by the municipality because the employee's request for leave is denied by the municipality and the denial of leave is due to extraordinary circumstances such that taking leave could pose</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		a threat to public safety, health or welfare, the employee shall receive compensation at the employee's regular rate of pay for the amount of excess leave the employee is unable to use. Such compensation shall be paid at the end of the time period during which the excess leave was required to have been used.

**SUBJECT: PUBLIC TRUSTS/AUTHORITIES**

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Trusts for Furtherance of Public Functions</b>	60 O.S. § 176-180	<p>Trusts may be created by express approval of 2/3rds of the membership of the governing body. These trusts are considered separate legal entities from their beneficiaries.</p> <p>Trusts are prohibited from engaging in any activities in which the beneficiary is prohibited.</p> <p>Beneficiary may lease its property to the trust after acceptance of beneficial interest.</p> <p>Beneficiary may convey title of airport property to industrial development authority for selling purposes in relation to industrial development.</p> <p>Trustees shall be appointed by the governing body of the beneficiary.</p> <p>Amendments to the trust require 2/3rds vote of trustees.</p> <p>Other trust limitations are discussed elsewhere throughout this document, including:</p> <ul style="list-style-type: none"> <li>• Debt restrictions</li> <li>• Competitive bidding</li> <li>• Budget requirements</li> <li>• Annual audit requirements</li> <li>• Conflict of interest</li> </ul>
<b>Industrial Development Trusts</b>	62 O.S. § 651-664	<p>Governed separate from Title 60 trusts, as discussed above.</p> <p>Trustees are appointed by the beneficiary's governing body.</p> <p>Revenue bonds require voter approval. Issued by trustee resolution. Interest limited to 10%. Revenue bonds shall not be</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>a general obligation of the municipality; and are payable solely from the trust's gross revenues.</p> <p>All contracts for \$2,000 or more for materials, supplies, equipment or construction shall be awarded through publicly advertised bids to the lowest and best bidder.</p>

**SUBJECT: MISCELLANEOUS PROVISIONS**

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Audit Requirements</b>	<p>11 O.S. §17-105 -113; 60 O.S. § 180.1-.3</p>	<p><b>Municipalities</b></p> <ul style="list-style-type: none"> <li>○ 2,500 or more population and \$50,000 or more of total revenue to all funds, including component units of which the municipality is a beneficiary, during the fiscal year, municipality must order a financial statement audit no later than 30 days after year end.</li> <li>○ Under 2,500 population, and more than \$50,000 total revenue to all funds, including component units of which the municipality is a beneficiary, and for whom an annual financial statement audit is not required by another law, regulation or contract, shall have prepared a biennial financial statement audit. The governing body may alternatively request a biennial agreed-upon-procedures engagement to be prescribed by the State Auditor and Inspector.</li> <li>○ In both instances above income shall exclude grant monies from federal, state or other governmental entity and shall exclude income from of any public trust created under Section 176 to 180.1 of Title 60 which the city is beneficiary, provided income from trusts established principally for the purpose of operating electric, water, wastewater, and sanitation utilities shall be included for the purpose of the municipal income requirement.</li> <li>○ Less than \$50,000 of total revenue to all funds, including component units of which the municipality is a beneficiary, and for whom an annual financial statement audit is not required by</li> </ul>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
		<p>another law, regulation or contract,)) no audit or attestation requirements exist.</p> <ul style="list-style-type: none"> <li>○ Within 30 days of receipt of audit or attestation report, municipality will publish a notice of availability of the report for public inspection. Failure to submit when required causes gas excise tax to be withheld. If not provided within 2 years of fiscal year close, gas tax is given to the Oklahoma Tax Commission Special Investigative Unit Auditing Revolving Fund for use by the State Auditor’s office to defray the costs of special municipal audits conducted by their office.</li> <li>○ Copies of the audit or attestation report to be supplied along with a prepared annual survey form and filing fee check to the State Auditor within nine months of year end.</li> <li>○ The bi-annual procedures developed will be utilized on a one year basis ending June 30, 2024. If the rules/procedures are not ratified by the Legislature on or before December 31, 2023 the changes shall sunset and be repealed.</li> </ul> <p><b>Public Trusts</b></p> <ul style="list-style-type: none"> <li>○ Trusts with more than \$50,000 of assets or annual revenue OR with any outstanding debt shall have an annual financial statement audit or an agreed-upon procedures engagement.</li> <li>○ Trusts with more than \$50,000 of assets or annual revenue, and for whom an annual financial statement audit is not required by another law, regulation or contract, may have either a financial statement audit or an agreed-upon procedures attestation engagement.</li> <li>○ Less than \$50,000 of annual revenue and less than \$50,000 in assets, and no outstanding debt, audit and attestation requirements may be waived upon approval of the State Auditor and Inspector.</li> <li>○ Audit and attestation reports must be ordered within 30 days of year end and be filed with the State Auditor and trust beneficiary no later than 6 months after the close of its fiscal year.</li> </ul>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<b>Local Development Act</b>	62 O.S. § 850-869	<p>Provides for municipal creation of a local development district or project that can be funded through various tax incentives or tax increment financing for a limited time.</p> <p>Provides for the issuance of tax apportionment bonds or notes subject to governing body approval.</p>
<b>Record Retention Requirements</b>	11 O.S. § 22-131-132	<p>A municipality may sell for salvage or otherwise destroy papers, documents and records after the following expiration dates:</p> <ul style="list-style-type: none"> <li>• One year - parking citations</li> <li>• Two years - Court warrants, audited utility receipts/ statements and other billing records</li> <li>• Five years - Payroll and purchasing records, court records, paid bond records, checks, etc.</li> <li>• Ten years -Inventories, appropriation ledgers, cash receipt book and register for all funds</li> <li>• Fifteen years - Sewer and water improvement district records</li> </ul> <p>None of the above records may be destroyed if they are subject to pending litigation.</p> <p>Records may be stored, as original, on photocopy, photograph, and microfilm or stored on optical disk.</p>
<b>Failure to Hold Elections</b>	11 O.S. § 16-103.1	<p>Failure to hold required municipal general and special elections for elective offices for a four year period shall result in the loss of state shared gas tax and vehicle registration fees.</p>
<b>State Legislation with Municipal Fiscal Impact</b>	11 O.S. § 17-301	<p>A fiscal impact statement shall be required for any bill or resolution which is determined by the chair of the state legislative committee to which the bill or resolution is assigned to have a potential direct adverse fiscal impact on municipalities. The impact statement shall identify the estimated amount of the fiscal impact and any source of federal, state or local revenue that will be used to fund the proposed mandate.</p> <p>No bill, resolution or amendment determined to have a direct adverse fiscal impact on municipalities in excess of \$100,000 statewide shall be reported out of the committee or acted upon, unless a fiscal impact statement of the bill is made.</p> <p>Any bill, resolution or amendment determined to have a direct adverse fiscal impact on municipalities in excess of \$100,000 statewide for which an emergency clause has not received required approval shall not go into effect until July 1 of the following calendar year</p>

TOPIC	STATUTORY REFERENCE	SUMMARY OF STATUTORY PROVISIONS
<p><b>Contracts with Collection Agencies</b></p>	<p>11 O.S. § 22-138</p>	<p>The governing body of a municipality may enter into a contract with a collection agency for the provision of collection services for one or more of the following items:</p> <ol style="list-style-type: none"> <li>1. Debts and accounts receivable including, but not limited to, unpaid fees, penalties, interest, and other sums due the municipality, as applicable; or</li> <li>2. Court penalties, costs, fines and fees in cases in municipal court in which the accused has failed to appear or otherwise failed to satisfy a monetary obligation ordered by the court.</li> </ol> <p>A governing body may authorize the addition of a collection fee in an amount not to exceed 35% on each item described above referred by the municipality to the collection agency for collection. If a municipality enters into such contract with a collection agency and authorizes the collection fee, the court shall order defendants to reimburse the fee arising pursuant to item 2 above and such court-ordered fee may be collected as provided by law for the collection of any other civil debt or criminal action.</p>
<p><b>Disposal of Abandoned Intangible Property</b></p>	<p>11 O.S. § 22-136</p>	<p>Provides for the process of disposing of intangible property held by a municipality or public trust that remains unclaimed by owner for 1 year or more.</p> <p>Intangible property includes such things as money, checks, deposits, refunds, credits, interest, dividends, overpayments, unpaid wages and similar property.</p> <p>Requires (1) written notice to owner or apparent owner, (2) newspaper notice 2 times, if unclaimed after written notice, and (3) if not claimed within 2 years after mailed notice and newspaper publication notices, then disposed of as to be determined by the municipal governing body or trust trustees..</p>