1	STATE OF OKLAHOMA
2	1st Session of the 56th Legislature (2017)
З	CONFERENCE COMMITTEE SUBSTITUTE FOR ENGROSSED
4	SENATE BILL 105 By: Thompson of the Senate
5	and
6	Osborn (Leslie) of the House
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10	CONFERENCE COMMITTEE SUBSTITUTE
11	An Act relating to state information technology; stating intent; amending 62 O.S. 2011, Section
12	34.11.1, as last amended by Section 6, Chapter 358, O.S.L. 2013 (62 O.S. Supp. 2016, Section 34.11.1),
13	which relates to the Chief Information Officer; modifying certain duties; amending 62 O.S. 2011,
14	Section 34.12, as last amended by Section 11, Chapter 358, O.S.L. 2013 (62 O.S. Supp. 2016, Section 34.12),
15	which relates to the Information Services Division of the Office of Management and Enterprise Services;
16	modifying certain purchasing procedures; amending 62 O.S. 2011, Section 35.4, as amended by Section 21,
17	Chapter 358, O.S.L. 2013 (62 O.S. Supp. 2016, Section 35.4), which relates to the purchasing of information
18	technology assets; modifying certain purchasing procedures; providing for noncodification; providing
19	an effective date; and declaring an emergency.
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22	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
23	SECTION 1. NEW LAW A new section of law not to be
24	codified in the Oklahoma Statutes reads as follows:

1 It is the intent of the Legislature to streamline the 2 acquisition of certain information technology and telecommunication 3 products by state agencies while maintaining adherence to state 4 architectural and data security standards and while ensuring 5 supportable information technology and telecommunication solutions 6 are acquired by state agencies.

7 SECTION 2. AMENDATORY 62 O.S. 2011, Section 34.11.1, as
8 last amended by Section 6, Chapter 358, O.S.L. 2013 (62 O.S. Supp.
9 2016, Section 34.11.1), is amended to read as follows:

10 Section 34.11.1. A. There is hereby created the position of 11 Chief Information Officer who shall be appointed by the Governor. The Chief Information Officer, in addition to having authority over 12 13 the Information Services Division of the Office of Management and 14 Enterprise Services, shall also serve as Secretary of Information 15 Technology and Telecommunications or successor cabinet position and 16 shall have jurisdictional areas of responsibility related to 17 information technology and telecommunications systems of all state 18 agencies as provided for in state law. The salary of the Chief 19 Information Officer shall not be less than One Hundred Thirty 20 Thousand Dollars (\$130,000.00) or more than One Hundred Sixty 21 Thousand Dollars (\$160,000.00).

B. Any person appointed to the position of Chief Information
Officer shall meet the following eligibility requirements:

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1 1. A baccalaureate degree in Computer Information Systems, 2 Information Systems or Technology Management, Business Administration, Finance, or other similar degree; 3 4 2. A minimum of ten (10) years of professional experience with 5 responsibilities for management and support of information systems and information technology, including seven (7) years of direct 6 7 management of a major information technology operation; Familiarity with local and wide-area network design, 8 3. 9 implementation, and operation; 10 4. Experience with data and voice convergence service 11 offerings; 12 5. Experience in developing technology budgets; 13 Experience in developing requests for proposal and 6. 14 administering the bid process; 15 7. Experience managing professional staff, teams, and 16 consultants; 17 8. Knowledge of telecommunications operations; 18 Ability to develop and set strategic direction for 9. 19 information technology and telecommunications and to manage daily 20 development and operations functions; 21 An effective communicator who is able to build consensus; 10. 22 11. Ability to analyze and resolve complex issues, both logical 23 and interpersonal; 24

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1 12. Effective verbal and written communications skills and 2 effective presentation skills, geared toward coordination and 3 education;

4 13. Ability to negotiate and defuse conflict; and
5 14. A self-motivator, independent, cooperative, flexible and
6 creative.

7 С. The salary and any other expenses for the Chief Information Officer shall be budgeted as a separate line item through the Office 8 9 of Management and Enterprise Services. The operating expenses of 10 the Information Services Division shall be set by the Chief 11 Information Officer and shall be budgeted as a separate line item 12 through the Office of Management and Enterprise Services. The 13 Office of Management and Enterprise Services shall provide adequate 14 office space, equipment and support necessary to enable the Chief 15 Information Officer to carry out the information technology and 16 telecommunications duties and responsibilities of the Chief 17 Information Officer and the Information Services Division.

18 Within twelve (12) months of appointment, the first D. 1. 19 Chief Information Officer shall complete an assessment, which shall 20 be modified annually pursuant to Section 35.5 of this title, of the 21 implementation of the transfer, coordination, and modernization of 22 all information technology and telecommunication systems of all 23 state agencies in the state as provided for in the Oklahoma 24 Information Services Act. The assessment shall include the

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information technology and telecommunications systems of all institutions within The Oklahoma State System of Higher Education, the Oklahoma State Regents for Higher Education and the telecommunications network known as OneNet as assembled and submitted by the Oklahoma Higher Education Chief Information Officer, as designated by the Oklahoma State Regents for Higher Education.

8 2. Within twelve (12) months of appointment, the first Chief
9 Information Officer shall issue a report setting out a plan of
10 action which will include the following:

- a. define the shared service model organization structure
 and the reporting relationship of the recommended
 organization,
- b. the implementation of an information technology and telecommunications shared services model that defines the statewide infrastructure environment needed by most state agencies that is not specific to individual agencies and the shared applications that are utilized across multiple agencies,
- c. define the services that shall be in the shared
 services model under the control of the Information
 Services Division of the Office of Management and
 Enterprise Services,
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- d. define the roadmap to implement the proposed shared
 services model. The roadmap shall include
 recommendations on the transfer, coordination, and
 modernization of all information technology and
 telecommunication systems of all the state agencies in
 the state,
 - e. recommendations on the reallocation of information technology and telecommunication resources and personnel,
- 10 f. a cost benefit analysis to support the recommendations 11 on the reallocation of information technology and 12 telecommunication resources and personnel,
- 13 a calculation of the net savings realized through the g. 14 reallocation and consolidation of information 15 technology and telecommunication resources and 16 personnel after compensating for the cost of 17 contracting with a private consultant as authorized in 18 paragraph 4 of this subsection, implementing the plan 19 of action, and ongoing costs of the Information 20 Services Division of the Office of Management and 21 Enterprise Services, and
 - h. the information required in subsection B of Section
 35.5 of this title.
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3. The plan of action report shall be presented to the
 Governor, Speaker of the House of Representatives, and the President
 Pro Tempore of the State Senate.

4 4. The Chief Information Officer may contract with a private
5 consultant or consultants to assist in the assessment and
6 development of the plan of action report as required in this
7 subsection.

8 E. The Chief Information Officer shall be authorized to employ 9 personnel, fix the duties and compensation of the personnel, not 10 otherwise prescribed by law, and otherwise direct the work of the 11 personnel in performing the function and accomplishing the purposes 12 of the Information Services Division of the Office of Management and 13 Enterprise Services.

14 F. The Information Services Division of the Office of 15 Management and Enterprise Services shall be responsible for the 16 following duties:

Formulate and implement the information technology strategy
 for all state agencies;

Define, design, and implement a shared services statewide
 infrastructure and application environment for information
 technology and telecommunications for all state agencies;

3. Direct the development and operation of a scalable telecommunications infrastructure that supports data and voice communications reliability, integrity, and security;

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4. Supervise the applications development process for those
 applications that are utilized across multiple agencies;

5. Provide direction for the professional development of
information technology staff of state agencies and oversee the
professional development of the staff of the Information Services
Division of the Office of Management and Enterprise Services;

7 6. Evaluate all technology and telecommunication investment
8 choices for all state agencies;

9 7. Create a plan to ensure alignment of current systems, tools,
10 and processes with the strategic information technology plan for all
11 state agencies;

8. Set direction and provide oversight for the support and continuous upgrading of the current information technology and telecommunication infrastructure in the state in support of enhanced reliability, user service levels, and security;

9. Direct the development, implementation, and management of
appropriate standards, policies and procedures to ensure the success
of state information technology and telecommunication initiatives;

19 10. Recruit, hire and transfer the required technical staff in
20 the Information Services Division of the Office of Management and
21 Enterprise Services to support the services provided by the Division
22 and the execution of the strategic information technology plan;
23 11. Establish, maintain, and enforce information technology and

24 telecommunication standards;

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1 12. Delegate, coordinate, and review all work to ensure quality
 2 and efficient operation of the Information Services Division of the
 3 Office of Management and Enterprise Services;

13. Create and implement a communication plan that disseminates
pertinent information to state agencies on standards, policies,
procedures, service levels, project status, and other important
information to customers of the Information Services Division of the
Office of Management and Enterprise Services and provide for agency
feedback and performance evaluation by customers of the Division;

10 14. Develop and implement training programs for state agencies 11 using the shared services of the Information Services Division of 12 the Office of Management and Enterprise Services and recommend 13 training programs to state agencies on information technology and 14 telecommunication systems, products and procedures;

15 15. Provide counseling, performance evaluation, training, 16 motivation, discipline, and assign duties for employees of the 17 Information Services Division of the Office of Management and 18 Enterprise Services;

19 16. Approve For all state agencies, approve the purchasing of
 20 all information technology and telecommunication services and
 21 approve the purchase of any information technology and
 22 telecommunication products and services for all state agencies
 23 product except the following:

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1	<u>a.</u>	a purchase less than or equal to Five Thousand Dollars
2		(\$5,000.00) if such product is purchased using a state
3		purchase card and the product is listed on either the
4		Approved Hardware or Approved Software list located on
5		the Office of Management and Enterprise Services
6		website, or
7	b.	a purchase over Five Thousand Dollars (\$5,000.00) and
8		less than or equal to Twenty-five Thousand Dollars
9		(\$25,000.00) if such product is purchased using a
10		state purchase card, the product is listed on an
11		information technology or telecommunications statewide
12		contract, and the product is listed on either the
13		Approved Hardware or Approved Software list located on
14		the Office of Management and Enterprise Services
15		website;
16	17. Dev	elop and enforce an overall infrastructure architecture
17	strategy and	associated roadmaps for desktop, network, server,
18	storage, and	statewide management systems for state agencies;
19	18. Eff	ectively manage the design, implementation and support
20	of complex,	highly available infrastructure to ensure optimal
21	performance,	on-time delivery of features, and new products, and
22	scalable gro	wth;
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19. Define and implement a governance model for requesting
 2 services and monitoring service level metrics for all shared
 3 services; and

20. Create the budget for the Information Services Division of
the Office of Management and Enterprise Services to be submitted to
the Legislature each year.

G. The State Governmental Technology Applications Review Board shall provide ongoing oversight of the implementation of the plan of action required in subsection D of this section. Any proposed amendments to the plan of action shall be approved by the Board prior to adoption.

12 The Chief Information Officer shall act as the Η. 1. 13 Information Technology and Telecommunications Purchasing Director 14 for all state agencies and shall be responsible for the procurement 15 of all information technology and telecommunication software, 16 hardware, equipment, peripheral devices, maintenance, consulting 17 services, high technology systems, and other related information 18 technology, data processing, telecommunication and related 19 peripherals and services for all state agencies. The Chief 20 Information Officer shall establish, implement, and enforce policies 21 and procedures for the procurement of information technology and 22 telecommunication software, hardware, equipment, peripheral devices, 23 maintenance, consulting services, high technology systems, and other 24 related information technology, data processing, telecommunication

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and related peripherals and services by purchase, lease-purchase,
 lease with option to purchase, lease and rental for all state
 agencies. The procurement policies and procedures established by
 the Chief Information Officer shall be consistent with The Oklahoma
 Central Purchasing Act.

6 2. The Chief Information Officer, or any employee or agent of the Chief Information Officer acting within the scope of delegated 7 authority, shall have the same power and authority regarding the 8 9 procurement of all information technology and telecommunication 10 products and services as outlined in paragraph 1 of this subsection 11 for all state agencies as the State Purchasing Director has for all 12 acquisitions used or consumed by state agencies as established in 13 The Oklahoma Central Purchasing Act. Such authority shall, 14 consistent with the authority granted to the State Purchasing 15 Director pursuant to Section 85.10 of Title 74 of the Oklahoma 16 Statutes, include the power to designate financial or proprietary 17 information submitted by a bidder confidential and reject all 18 requests to disclose the information so designated, if the Chief 19 Information Officer requires the bidder to submit the financial or 20 proprietary information with a bid, proposal, or quotation.

I. The Information Services Division of the Office of Management and Enterprise Services and the Chief Information Officer shall be subject to The Oklahoma Central Purchasing Act for the approval and purchase of equipment and products not related to

1 information and telecommunications technology, equipment, software, 2 products and related peripherals and services and shall also be subject to the requirements of the Public Competitive Bidding Act of 3 4 1974, the Oklahoma Lighting Energy Conservation Act and the Public 5 Building Construction and Planning Act when procuring data processing, information technology, telecommunication, and related 6 7 peripherals and services and when constructing information technology and telecommunication facilities, telecommunication 8 9 networks and supporting infrastructure. The Chief Information 10 Officer shall be authorized to delegate all or some of the 11 procurement of information technology and telecommunication products 12 and services and construction of facilities and telecommunication 13 networks to another state entity if the Chief Information Officer 14 determines it to be cost-effective and in the best interest of the 15 The Chief Information Officer shall have authority to state. 16 designate information technology and telecommunication contracts as 17 statewide contracts and mandatory statewide contracts pursuant to 18 Section 85.5 of Title 74 of the Oklahoma Statutes and to negotiate 19 consolidation contracts, enterprise agreements and high technology 20 systems contracts in accordance with the procedures outlined in 21 Section 85.9D of Title 74 of the Oklahoma Statutes. Any contract 22 entered into by a state agency for which the Chief Information 23 Officer has not acted as the Information Technology and 24 Telecommunications Purchasing Director as required in this

subsection or subsection H of this section, shall be deemed to be
 unenforceable and the Office of Management and Enterprise Services
 shall not process any claim associated with the provisions thereof.

J. The Chief Information Officer shall establish, implement, and enforce policies and procedure for the development and procurement of an interoperable radio communications system for state agencies. The Chief Information Officer shall work with local governmental entities in developing the interoperable radio communications system.

10 K. The Chief Information Officer shall develop and implement a 11 plan to utilize open source technology and products for the 12 information technology and telecommunication systems of all state 13 agencies.

L. All state agencies and authorities of this state and all officers and employees of those entities shall work and cooperate with and lend assistance to the Chief Information Officer and the Information Services Division of the Office of Management and Enterprise Services and provide any and all information requested by the Chief Information Officer.

20 M. The Chief Information Officer shall prepare an annual report 21 detailing the ongoing net saving attributable to the reallocation 22 and consolidation of information technology and telecommunication 23 resources and personnel and shall submit the report to the Governor,

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the Speaker of the House of Representatives, and the President Pro
 Tempore of the Senate.

3 For purposes of the Oklahoma Information Services Act, Ν. 4 unless otherwise provided for, "state agencies" shall include any 5 office, officer, bureau, board, commission, counsel, unit, division, body, authority or institution of the executive branch of state 6 7 government, whether elected or appointed; provided, except with respect to the provisions of subsection D of this section, the term 8 9 "state agencies" shall not include institutions within The Oklahoma 10 State System of Higher Education, the Oklahoma State Regents for 11 Higher Education and the telecommunications network known as OneNet.

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O. As used in this section:

13 1. "High technology system" means advanced technological
 14 equipment, software, communication lines, and services for the
 15 processing, storing, and retrieval of information by a state agency;

16 2. "Consolidation contract" means a contract for several state 17 or public agencies for the purpose of purchasing information 18 technology and telecommunication goods and services; and

19 3. "Enterprise agreement" means an agreement for information 20 technology or telecommunication goods and services with a supplier 21 who manufactures, develops and designs products and provides 22 services that are used by one or more state agencies.

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1 SECTION 3. AMENDATORY 62 O.S. 2011, Section 34.12, as 2 last amended by Section 11, Chapter 358, O.S.L. 2013 (62 O.S. Supp. 2016, Section 34.12), is amended to read as follows: 3 Section 34.12. A. The Information Services Division of the 4 5 Office of Management and Enterprise Services shall: 6 1. Coordinate information technology planning through analysis 7 of the long-term information technology plans for each agency; 2. Develop a statewide information technology plan with annual 8 9 modifications to include, but not be limited to, individual agency 10 plans and information systems plans for the statewide electronic 11 information technology function; 12 3. Establish and enforce minimum mandatory standards for: 13 information systems planning, a. 14 b. systems development methodology, 15 с. documentation, 16 hardware requirements and compatibility, d. 17 operating systems compatibility, e. 18 f. acquisition of software, hardware and technology-19 related services, 20 information security and internal controls, q. 21 h. data base compatibility, 22 i. contingency planning and disaster recovery, and 23 j. imaging systems, copiers, facsimile systems, printers, 24 scanning systems and any associated supplies.

1 The standards shall, upon adoption, be the minimum requirements 2 applicable to all agencies. These standards shall be compatible with the standards established for the Oklahoma Government 3 4 Telecommunications Network. Individual agency standards may be more 5 specific than statewide requirements but shall in no case be less than the minimum mandatory standards. Where standards required of 6 7 an individual agency of the state by agencies of the federal government are more strict than the state minimum standards, such 8 9 federal requirements shall be applicable;

Develop and maintain applications for agencies not having
 the capacity to do so;

5. Operate a data service center to provide operations and hardware support for agencies requiring such services and for statewide systems;

15 6. Maintain a directory of the following which have a value of 16 Five Hundred Dollars (\$500.00) or more: application systems, systems 17 software, hardware, internal and external information technology, 18 communication or telecommunication equipment owned, leased, or 19 rented for use in communication services for state government, 20 including communication services provided as part of any other total 21 system to be used by the state or any of its agencies, and studies 22 and training courses in use by all agencies of the state; and 23 facilitate the utilization of the resources by any agency having

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1 requirements which are found to be available within any agency of 2 the state;

7. Assist agencies in the acquisition and utilization of
information technology systems and hardware to effectuate the
maximum benefit for the provision of services and accomplishment of
the duties and responsibilities of agencies of the state;

7 8. Coordinate for the executive branch of state government agency information technology activities, encourage joint projects 8 9 and common systems, linking of agency systems through the review of 10 agency plans, review and approval of all statewide contracts for 11 software, hardware and information technology consulting services 12 and development of a statewide plan and its integration with the 13 budget process to ensure that developments or acquisitions are 14 consistent with statewide objectives and that proposed systems are 15 justified and cost effective;

9. Develop performance reporting guidelines for information
 technology facilities and conduct an annual review to compare agency
 plans and budgets with results and expenditures;

19 10. Establish operations review procedures for information 20 technology installations operated by agencies of the state for 21 independent assessment of productivity, efficiency, cost 22 effectiveness, and security;

23 11. Establish data center user charges for billing costs to 24 agencies based on the use of all resources;

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Provide system development and consultant support to state
 agencies on a contractual, cost reimbursement basis; and

13. In conjunction with the Oklahoma Office of Homeland 3 4 Security, enforce the minimum information security and internal 5 control standards established by the Information Services Division. An enforcement team consisting of the Chief Information Officer of 6 7 the Information Services Division or a designee, a representative of the Oklahoma Office of Homeland Security, and a representative of 8 9 the Oklahoma State Bureau of Investigation shall enforce the minimum 10 information security and internal control standards. If the 11 enforcement team determines that an agency is not in compliance with 12 the minimum information security and internal control standards, the 13 Chief Information Officer shall take immediate action to mitigate 14 the noncompliance, including the removal of the agency from the 15 infrastructure of the state until the agency becomes compliant, 16 taking control of the information technology function of the agency 17 until the agency is compliant, and transferring the administration 18 and management of the information technology function of the agency 19 to the Information Services Division or another state agency.

B. No agency of the executive branch of the state shall use state funds for or enter into any agreement for the acquisition of any category of computer hardware, software or any contract for information technology or telecommunication services and equipment, service costs, maintenance costs, or any other costs or fees

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associated with the acquisition of the services or equipment,
 without written authorization of the Chief Information Officer or a
 designee <u>except the following:</u>

A purchase less than or equal to Five Thousand Dollars
(\$5,000.00) if such product is purchased using a state purchase card
and the product is listed on either the Approved Hardware or
Approved Software list located on the Office of Management and
Enterprise Services website; or

9 <u>2. A purchase over Five Thousand Dollars (\$5,000.00) and less</u>
10 <u>than or equal to Twenty-five Thousand Dollars (\$25,000.00) if such</u>
11 <u>product is purchased using a state purchase card, the product is</u>
12 <u>listed on an information technology or telecommunications statewide</u>
13 <u>contract, and the product is listed on either the Approved Hardware</u>
14 <u>or Approved Software list located on the Office of Management and</u>
15 Enterprise Services website.

16 If written authorization is not obtained prior to incurring an 17 expenditure or entering into any agreement as required in this 18 subsection or as required in Section 35.4 of this title, the Office 19 of Management and Enterprise Services may not process any claim 20 associated with the expenditure and the provisions of any agreement 21 shall not be enforceable. The provisions of this subsection shall 22 not be applicable to any member of The Oklahoma State System of 23 Higher Education, any public elementary or secondary schools of the

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state, any technology center school district as defined in Section
 14-108 of Title 70 of the Oklahoma Statutes, or CompSource Oklahoma.

The Chief Information Officer and Information Services 3 С. 4 Division of the Office of Management and Enterprise Services and all 5 agencies of the executive branch of the state shall not be required to disclose, directly or indirectly, any information of a state 6 7 agency which is declared to be confidential or privileged by state 8 or federal statute or the disclosure of which is restricted by 9 agreement with the United States or one of its agencies, nor 10 disclose information technology system details that may permit the 11 access to confidential information or any information affecting 12 personal security, personal identity, or physical security of state 13 assets.

SECTION 4. AMENDATORY 62 O.S. 2011, Section 35.4, as amended by Section 21, Chapter 358, O.S.L. 2013 (62 O.S. Supp. 2016, Section 35.4), is amended to read as follows:

Section 35.4. No state agency shall expend or encumber any funds for the purchase, lease, lease-purchase, lease with option to purchase, rental or other procurement of any information technology assets without the prior written approval of the Chief Information Officer except the following:

22 <u>1. A purchase less than or equal to Five Thousand Dollars</u>
23 <u>(\$5,000.00) if such product is purchased using a state purchase card</u>
24 and the product is listed on either the Approved Hardware or

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1	Approved Software list located on the Office of Management and
2	Enterprise Services website; or
3	2. A purchase over Five Thousand Dollars (\$5,000.00) and less
4	than or equal to Twenty-five Thousand Dollars (\$25,000.00) if such
5	product is purchased using a state purchase card, the product is
6	listed on an information technology or telecommunications statewide
7	contract, and the product is listed on either the Approved Hardware
8	or Approved Software list located on the Office of Management and
9	Enterprise Services website.
10	SECTION 5. This act shall become effective July 1, 2017.
11	SECTION 6. It being immediately necessary for the preservation
12	of the public peace, health or safety, an emergency is hereby
13	declared to exist, by reason whereof this act shall take effect and
14	be in full force from and after its passage and approval.
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