STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 113

BY: TAYLOR and HANEY of the SENATE

and

HAMILTON (James) and STEIDLEY of the HOUSE

COMMITTEE SUBSTITUTEAN ACT RELATING TO THE COMMISSIONERS OF THE LAND OFFICE; MAKING AN APPROPRIATION THERETO; STATING THE PURPOSE; PROVIDING FOR DUTIES AND COMPENSATION OF EMPLOYEES; LIMITING THE SALARIES OF THE SECRETARY AND ASSISTANT SECRETARY; PROVIDING BUDGETARY LIMITATIONS; REQUIRING THE BUDGET WORK PROGRAM TO INCLUDE CERTAIN ENTITIES AND ACTIVITIES; AMENDING 64 O.S. 1981, SECTION 87a, AS LAST AMENDED BY SECTION 114, CHAPTER 263, O.S.L. 1990 (64 O.S. SUPP. 1990, SECTION 87a), WHICH RELATES TO SALES, LEASES AND DEFICIENT JUDGMENT; MODIFYING CERTAIN ALLOCATION OF FUNDS; ELIMINATING DESIGNATION OF CERTAIN FUNDS AND PURPOSES RELATED THERETO; MAKING APPROPRIATION FISCAL; PROVIDING AN OPERATIVE DATE; AND DECLARING AN EMERGENCY.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. There is hereby appropriated to the Commissioners of the Land Office from any monies not otherwise appropriated from the Depletion, Management and Sale Fund of the State Treasury for the

fiscal year ending June 30, 1992, the following sum or so much thereof as may be necessary to perform the duties imposed upon the Commissioners of the Land Office by law:

Personal Services	$3,937,375.00
Other Operating Expenses	279,595.00
TOTAL	$4,216,970.00

SECTION 2. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Commissioners of the Land Office by law shall be set by the Secretary of the Commission. The salary of the Secretary shall not exceed Fifty-six Thousand Three Hundred Ninety-seven Dollars ($56,397.00) per annum, payable monthly for the fiscal year ending June 30, 1992. The salary of the Assistant Secretary shall not exceed ninety percent (90%) of the Secretary's salary per annum, payable monthly for the fiscal year ending June 30, 1992. The Commissioners of the Land Office for the fiscal year ending June 30, 1992, shall be subject to the following budgetary limitations on full-time-equivalent employees and expenditures excluding expenditures for capital and special projects, except as may be authorized pursuant to the provisions of Section 3603 of Title 74 of the Oklahoma Statutes:

Budgetary Limitation	Amount
Full-time-equivalent Employees	94.0
Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and Longevity Payments Authorized by State Statutes	$2,818,060.00
Professional and Personal Services Contracts	$394,363.00
Lease-Purchase Agreements	$9,000.00
Purchase of Equipment	$71,300.00
Expenditure of Revolving Funds	$200,000.00
Expenditure of Federal Funds	$0.00
Total Expenditures for Operations	$5,299,470.00

SECTION 3. Pursuant to the provisions of Section 41.7 of Title 62 of the Oklahoma Statutes, the Commissioners of the Land Office shall file its budget work program with the Director of State Finance and the Legislative Service Bureau for the fiscal year ending June 30, 1992, to include the following budget entities and activities:

General Administration

Soil Conservation

Commercial Leasing

Revenue Compliance

Data Processing

SECTION 4. AMENDATORY 64 O.S. 1981, Section 87a, as last amended by Section 114, Chapter 263, O.S.L. 1990 (64 O.S. Supp. 1990, Section 87a), is amended to read as follows:

Section 87a. All monies received from surface leases on any and all lands under the jurisdiction, management, and control of the Commissioners of the Land Office, either for agricultural, grazing or other purposes, from and after the effective date of this act, shall be classified and disposed of in the following manner:

(a) ~~Until December 31, 1990, fifty-five~~ Fifty-five percent (55%) of all such money is hereby classified and denominated as "rental", and when collected shall be credited to the account of earnings to the fund to which the lands belong, and shall be distributed to the various schools and to the Public Building Fund as provided by law. ~~Effective January 1, 1991, such funds shall be classified and denominated as provided for in paragraph (c) of this section.~~

(b) Repealed.

(c) ~~Until December 31, 1990, forty-five~~ Forty-five percent (45%) of all such money as may be collected off lands belonging to the Public Building Fund, the Permanent School Fund, and to the State Educational Institutional Fund, is hereby classified and denominated as "Depletion, Management and Sale" and when collected, shall be

credited to a revolving fund, herein designated as the "Depletion, Management and Sale" Fund, to be used for the purpose of conserving, improving and protecting the lands so leased, and the improvements thereon; and for the purpose of paying the expenses of selling and disposing of such lands, and for the further purpose of defraying the necessary expenses of administering, managing, and renting the lands belonging to the Permanent Common School Fund and the Public Building Fund, including the expenses of collecting the rents therefrom, under the conditions and limitations hereinafter set forth.

~~Effective January 1, 1991, fifty-five percent (55%) of such income from lands belonging to the Public Building Fund shall be allocated to the Public Building Fund; the remaining forty-five percent (45%) of such income from lands belonging to the Public Building Fund shall be allocated to the Depletion, Management and Sales Fund. One Hundred percent (100%) of all such money as may be collected off lands belonging to the Permanent School Fund and to the State Educational Institutional Fund, is hereby classified and denominated as "Depletion, Management and Sale" and when collected, shall be credited to a revolving fund, herein designated as the "Depletion, Management and Sale" Fund, to be used for the purpose of conserving, improving and protecting the lands so leased, and the improvements thereon; and for the purpose of paying the expenses of selling and disposing of such lands, and for the further purpose of defraying the necessary expenses of administering, managing, and renting the lands belonging to the Permanent Common School Fund and the Public Building Fund, including the expenses of collecting the rents therefrom, under the conditions and limitations hereinafter set forth.~~

(d) There is hereby created in the State Depository, to be kept by said State Depository, a revolving fund, into which all collections made and credited under paragraph (c) above, shall be

deposited by the Commissioners of the Land Office, and from which said fund payments shall be made for services rendered, or materials furnished, in the conserving, improving and protecting of school lands and public building lands and the improvements thereon; and from that portion of such fund as may arise from the collection of rentals off permanent common school lands and public building lands, payments shall be made for the necessary expenses of administering, managing and renting the lands belonging to the Permanent Common School Fund and the Public Building Fund and the expenses of collecting the rents accruing to the state thereon, as hereinafter provided; and also out of said fund there shall be paid the necessary expenses and costs involved in selling any lands under the management and control of the Commissioners of the Land Office; provided, however, that no repairs shall be made or no new improvements constructed nor any old improvements be replaced, unless such action be authorized by a resolution adopted by a majority vote of the Commissioners of the Land Office. A permanent record shall be kept by the accounting division; and by the soil conservation division as created herein, of all expenses made for the repairs and improvements to each tract of land and when such tract is held by a preference right lessee, on the date of the sale thereof, such expenses, less a reasonable depreciation, shall be deducted from the total appraised value of the improvements on said tract, in order that the correct value of the improvements to which the preference right lessee is entitled may be ascertained. In arriving at the value of the improvements to which any such preference right lessee is entitled under the provisions of the present law governing the sale of preference right lease lands, it is hereby expressly provided that the expenses paid for the construction of terraces, construction of ponds, and the construction of any other similar improvements that actually become a part of the land and cannot be removed therefrom, shall not be

considered in the appraisal of the improvements, and shall not be deducted from the value of the improvements to which a preference right lessee is entitled, and any improvements, such as the construction of terraces, construction of ponds, and improvements of a similar nature, shall be considered as an integral part of the land itself to which the preference right lessee shall be, in no wise, entitled.

(e) For the purpose of carrying out the provisions of this act, relating to the conservation of school and public building lands and the construction and repair of improvements thereon, there is hereby created and established within the Department of the Commissioners of the Land Office a Soil Conservation Division which, under the direction of the Secretary, shall have supervision of all of such work as may be done and monies expended, under the provisions of this act, upon lands under the management and control of the Commissioners of the Land Office. The Commissioners of the Land Office are authorized to set up and establish such Soil Conservation Division and to employ therein the following office and field personnel, and to pay out of the "Depletion, Management and Sale" Fund set up in paragraph (c) herein, the following annual salaries, payable monthly, to wit:

Soil Conservation Division

Director of Soil Conservation	$ 3,000.00
Assistant Director of Soil Conservation	1,800.00
Superintendent of Repair and Construction	1,800.00
Engineer	1,800.00
Bookkeeper	1,800.00
Draftsman	1,500.00
Filing Clerk	1,320.00
Stenographers-3 at $1,320.00	3,960.00

And in addition may expend annually

the following amounts:

Traveling and Transportation of Workers	$ 17,500.00
Communication	1,000.00
Printing and Office Supplies	500.00
Bond Premium	150.00
Maintenance and Operation of Trucks, Machinery and Equipment	7,500.00
Other Expenses	65,000.00

In addition to the above positions hereby created in the Soil Conservation Division, the Commissioners of the Land Office are hereby authorized to employ, at salaries or wages to be fixed by them, to be paid out of said "Depletion, Management and Sale" Fund, such additional technical, skilled and other employees as may be necessary to properly carry out the purposes of this act for the conservation of lands under their management and control and for the repairing and constructing of any improvements thereon, provided that the Commissioners of the Land Office shall expend for such additional labor and employment not more than the sum of Thirty-seven Thousand Five Hundred Dollars ($37,500.00) in any fiscal year. The Commissioners of the Land Office, for the purpose of carrying out the terms and provisions of this act, and acts amendatory hereto, shall expend, in any fiscal year, for all conservation, repair and improvement purposes, including the salaries and expenses of the employees of the Soil Conservation Division, not more than the sum of One Hundred Forty-six Thousand One Hundred Thirty Dollars ($146,130.00). Provided further, that upon any lands under the management and control of the Commissioners of the Land Office and which have heretofore or may hereafter be platted for townsite purposes, the Commissioners of the Land Office are authorized and empowered, at their discretion, to expend out of said "Depletion, Management and Sale" Fund, not to exceed the sum of One Thousand Dollars ($1,000.00) in any fiscal year, for the purpose

of paying the state's proportionate part of the expenses of paving, sewer construction and extension of water and electric lines in order that the property under their control and so platted as townsites may be rendered more salable for such purpose.

In expending the fund, as established in this act, for the preservation and improvement of school and public building lands, the Commissioners of the Land Office are hereby authorized to contract with any private individual, copartnership or corporation, or with any board or department of state government or with any federal agency for such labor or material and for such tools, machinery and equipment as may be found necessary and to be required for the purpose of conserving and improving the lands under their management and control, together with the present improvement thereon, any such contract to be let to the low and best bidder, after proper notice. In expending the funds as provided by this act, the Commissioners of the Land Office shall be required to use prison labor on soil conservation projects, undertaken by it, to supplement the contract work and the additional labor provided for herein.

(f) Out of such portion of the "Depletion, Management and Sale" Fund, as established in paragraph (c) herein, as may arise from the collection of rents off common school lands and public building lands, and for the purpose of defraying the necessary office and field expenses of administering, managing and renting such lands, and collecting the rents therefrom, and for the purpose of defraying the expense of selling any lands under their control and management, the Commissioners of the Land Office are hereby authorized and empowered to set up and establish a Lease and Sales Division and to employ therein the following office and field personnel and to pay out of such "Depletion, Management and Sale" Fund the following annual salaries and necessary incidental expenses, to wit:

Lease and Sales Division:

Director of Sales	$ 3000.00

Chief Clerk, Lease and Transfers	2400.00
Title Attorney for Lease and Sales	3300.00
Four Bookkeepers ... each	1500.00
Transfer Clerk	1380.00
Fourteen Stenographers ... each	1320.00
Three Filing Clerks ... each	1320.00
Fourteen Adjusters ... each	2000.00
Five Assistant Adjusters ... each	1800.00
Four Machine Operators ... each	1500.00

(g) In order to better enable the Commissioners of the Land Office to determine the correct rental value of original grant lands now held under preference right leases, and in order to determine what soil conservation work may be necessary and required on such lands, the Commissioners of the Land Office are hereby authorized to expend the sum of Five Thousand Dollars ($5,000.00) out of the "Depletion, Management and Sale" Fund established in this act, for the purpose of paying the traveling and other incidental expense involved in securing a late and up-to-date appraisal of all lands now covered by preference right leases. Such appraisal shall be made by at least two appraisers, duly designated and appointed for the purpose by the Commissioners of the Land Office, and such appraisement shall show separately the fair cash value of the lands so appraised and the improvements located thereon. Such appraisers shall also include within their return and appraisement a report and recommendation as to any work that may be necessary or required for terracing or conserving such land. Such appraisement shall be used and followed by the Commissioners of the Land Office in fixing the annual rental value of all such preference right lease lands and all such lands may be leased by the Commissioners of the Land Office for a term of five (5) years, at an annual rental of not less than three percent (3%) of the appraised value of such lands, exclusive of improvements.

(h) All monies now in the "Depletion and Management" Fund, as established by Article 4, Chapter 28, Session Laws of Oklahoma, 1939, are hereby converted into the "Depletion, Management and Sale" Fund, set up and created by this act.

(i) In order that this act may be immediately effective, the Commissioners of the Land Office are hereby authorized and empowered, immediately upon the passage of this act, to fill the positions created in paragraphs (e) and (f) herein, and to pay the salaries as fixed in said paragraphs, from such "Depletion, Management and Sale" Fund for the balance of the fiscal year ending June 30, 1941, without any further appropriation by the Legislature. For the necessary and incidental expenses of operating the Lease and Sales Division as created in paragraph (f) herein for the balance of the fiscal year ending June 30, 1941, there is hereby appropriated, out of the "Depletion, Management and Sale" Fund, for said period, the following amounts, to wit:

Publication, Abstracts, Advertising And Incidentals to Sale of Land	$2,500.00
Traveling Expense	$6,500.00
Communication	$2,500.00
Printing and Office Supplies	$1,000.00
Repairs and Office Equipment	$300.00

Said Commissioners of the Land Office are further authorized to proceed at once with the reappraisal of lands covered by preference right leases, as provided for in paragraph (g) herein and to expend the monies provided for that purpose, without further appropriation by the Legislature.

SECTION 5. The appropriation made by this act shall not be subject to fiscal year limitations and shall be available for encumbrance and expenditure purposes for a period of thirty (30) months from the operative date of this act.

SECTION 6. This act shall become operative July 1, 1991.

SECTION 7. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

43-1-9303 JG