

ENGROSSED HOUSE
BILL NO. 2375

BY: HUDSON, McCORKEILL,
LARASON, THOMPSON,
VAUGHN (George), LEIST
and BEGLEY of the HOUSE

and

WILLIAMS (Don), CAPPES,
KERR and HANEY of the
SENATE

(PUBLIC FINANCE - STATE CAPITAL IMPROVEMENT
PLANNING ACT - AMENDING 74 O.S. 1991, SECTION
5003.7 - CODIFICATION -
EMERGENCY)

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 900 of Title 62, unless there is
created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "State Capital
Improvement Planning Act".

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 901 of Title 62, unless there is
created a duplication in numbering, reads as follows:

A. 1. There is hereby created a Long-Range Capital Planning
Commission to advise and assist the Legislature in providing for
capital facilities in this state. The Commission shall consist of
sixteen (16) members as follows:

- a. the members of the Legislative Bond Oversight
Commission,

- b. the members of the Executive Bond Oversight Commission,
- c. one member appointed by the President Pro Tempore of the Senate to serve at his pleasure,
- d. one member appointed by the Speaker of the House of Representatives to serve at his pleasure,
- e. the Director of State Finance,
- f. the Director of the Office of Public Affairs, and
- g. the State Bond Advisor.

2. A chairman of the Commission shall be elected from its membership. Eight members of the Commission shall constitute a quorum. Members of the Commission shall serve without compensation, but all public members shall be entitled to reimbursement, pursuant to the State Travel Reimbursement Act, for expenses incurred in the performance of their duties.

3. Initial appointments to the Commission shall be made within ninety (90) days of the effective date of this act.

B. The Commission shall have the authority to promulgate rules and regulations necessary to implement the provisions of this act.

C. 1. The Commission shall prepare each year a state capital plan for addressing state, regional and local public capital facility needs for the next ensuing five (5) years. The Oklahoma State Regents for Higher Education and each state governmental entity as defined in Section 695.3 of Title 62 of the Oklahoma Statutes shall cooperate with the Commission in the preparation of the state plan. By October 1, 1992, each state governmental entity shall submit a copy of its complete inventory and prioritization list of all real property held by it along with a list of all fixtures thereon. The list shall reflect whether the property is held in fee simple, by lease or otherwise. The length of the lease and lessor shall be listed. Furthermore, a list of all infrastructure maintained, built or developed by such entity shall

be submitted, together with a list of all items planned. Beginning December 1, 1993, the plan shall be submitted to the Governor, Speaker of the House of Representatives and President Pro Tempore of the Senate no later than December 1 of each year.

2. a. The capital plan should supplement and integrate, not replace, existing capital planning processes at the state, regional or local level. The plan shall consider and incorporate, as appropriate, the local and regional plans developed pursuant to the provisions of the Local and Regional Capital Improvement Process Act. In addition, the Commission shall consider the issues and potential of private sector involvement in traditionally public sector infrastructure services as privatization and public/private partnerships can provide viable alternatives to existing methods of infrastructure development.

b. The plan shall assess long-term needs for capital facilities provided by both state and local governments as determined by the Commission. The plan shall include:

(1) an inventory of capital facilities held by the state, when available, by a unit of local government, or by a special district. The inventory shall include such information as is reasonably available on the physical and economic condition of these assets,

(2) a projection of economic and demographic trends likely to influence the needs for new or expanded capital facilities,

- (3) an estimate of mandatory, essential, desirable and deferrable repair, replacement and expansions,
- (4) estimates of life cycle costs for new and substantially expanded or renovated facilities. Life cycle costs shall include the cost of construction, financing, repair and maintenance,
- (5) an analysis of recent trends and projections of revenues available from general obligation and revenue bonds, general and dedicated taxes used for capital facilities finance, user fees, the federal government and other sources,
- (6) an analysis of the capacity of the state and local governments to incur debt or finance public capital facilities,
- (7) a detailed list of all capital projects of the state which the Commission recommends be undertaken or continued for any state agency in the next two (2) fiscal years, together with information as to the effect of such capital projects on future operating expenses of the state, and with recommendations as to the priority of such capital projects and the means of funding them,
- (8) the forecasts of the Commission as to the requirements for capital projects of state agencies for the three (3) fiscal years next following such two (2) fiscal years and for such additional periods, if any, as may be necessary or desirable for adequate presentation of particular capital projects, and a schedule for

- the planning and implementation or construction of such capital projects,
- (9) a schedule for the next fiscal year of recommended projects,
 - (10) a review of capital projects which have recently been implemented or completed or are in process of implementation or completion,
 - (11) recommendations as to the maintenance of physical properties and equipment of state agencies, and
 - (12) such other information as the Commission deems relevant to the foregoing matters.

3. The Governor shall prepare at the same time as the state budget document is prepared, a capital budget. The capital budget shall be prepared and submitted by the Governor or Governor-elect in accordance with the procedures for preparing the state budget document. The capital budget shall embrace all expenditures of the state government for facilities and equipment and all revenues to be raised for purpose of meeting expenditure commitments during the next ensuing fiscal year and shall include the following:

- a. for each expenditure and class of expenditures, the costs to be incurred during the next ensuing fiscal year, plus where appropriate, the annual operating and maintenance costs of such facilities and a schedule of depreciation calculated in accordance with the principles and standards of capital budgeting authorized by paragraph 4 of this subsection,
- b. the revenues and sources required to meet projected expenditures. Revenue sources to be indicated include, but are not limited to: the General Revenue Fund, the Transportation Fund, any special funds, proceeds of bond sales, federal funds, local government revenue or other sources. Where additional

revenues in the form of additional taxes, user fees or new bond issues are proposed to meet expenditure requests, these shall be indicated, and

- c. a statement regarding the relationship between the proposals contained in the capital budget and the capital plan. The capital budget shall be based upon the capital plan prepared by the Commission.

4. The Commission, with the assistance of the Office of State Finance, shall prepare and publish rules and regulations that set forth principles and standards for capital planning and budgeting to be used by state agencies. The rules and regulations shall set forth definitions of relevant terms to be used in the capital planning and budgeting processes, establish accounting standards and standards for costs and benefits of public facility investments.

D. The Oklahoma Department of Commerce shall assist the Long-Range Capital Planning Commission in its mission to develop any portion of the state capital plan addressing regional and local public capital facility needs. The Department shall assist in providing the expertise and information required to assess long-term needs for capital facilities at the regional and local level. The Department shall have the authority to contract with other entities to provide the type of information needed to prepare:

1. An inventory of capital facilities held by local government, and special purpose and quasi-government districts, including such information as is reasonably available on the physical and economic condition of these assets;

2. A projection of economic and demographic trends likely to influence the needs for new or expanded local capital facilities;

3. An estimate of mandatory, essential, desirable and deferrable repair, replacement and expansions; and

4. Estimates of life cycle costs for new and substantially expanded or renovated facilities. Life cycle costs shall include the cost of construction, financing, repair and maintenance.

E. 1. The Commission and the Oklahoma State Bond Advisor may call to their assistance such personnel or any state agency in order to perform their duties pursuant to the State Capital Improvement Planning Act and such agencies shall respond and provide any such assistance as may be required. The Office of State Finance and other state agencies also shall assist the Commission in the performance of its functions. The Commission may use existing studies, surveys, plans, data and other materials in the possession of any state agency or any municipality or political subdivision of this state. Each such agency, municipality or subdivision may make the same available to the Commission so that the Commission may have available to it current information with respect to the capital plans and programs of each such agency, municipality or subdivision.

2. The officers and personnel of any state agency, municipality or political subdivision, and any other person may serve at the request of the Commission upon such advisory committees as the Commission may create and such officers and personnel may serve upon such committees without forfeiture of office or employment and with no loss or diminution of the compensation, status, rights and privileges which they otherwise enjoy.

F. 1. There is hereby created the Policy Advisory Committee to the Commission to meet no less than once a year or at the call of the chairman of the Commission.

2. The purposes and responsibilities of the Policy Advisory Committee shall be:

- a. to counsel and otherwise assist the Commission in the development of the capital plan, and
- b. to review and comment on the capital plan and make recommendations to the Commission concerning capital

planning and debt management issues as deemed appropriate by the Committee.

3. The Policy Advisory Committee shall be composed of the members of the Bond Oversight Commissions and the chief executive officer or fixed designate from each of the following entities; provided, designated members shall be appointed by each chief executive officer for a term certain which shall not be less than one (1) year:

- a. Association of County Commissioners of Oklahoma,
- b. Oklahoma Municipal League,
- c. State Department of Transportation,
- d. Oklahoma Turnpike Authority,
- e. Office of Public Affairs,
- f. Oklahoma Water Resources Board,
- g. Department of Human Services,
- h. Department of Corrections,
- i. Department of Mental Health,
- j. Oklahoma Tourism and Recreation Department,
- k. Department of Education,
- l. Oklahoma State Regents for Higher Education,
- m. State Department of Health,
- n. State Department of Agriculture,
- o. Department of Vocational and Technical Education,
- p. Oklahoma Association of Regional Councils, and
- q. Such other members as determined by the Commission.

SECTION 3. AMENDATORY 74 O.S. 1991, Section 5003.7, is amended to read as follows:

Section 5003.7 A. The Oklahoma Department of Commerce shall prepare, with the cooperation of the Oklahoma business community, agricultural community, financial community, universities, labor and the state executive and legislative branches, a five-year economic development plan and annual updates for the State of Oklahoma. The

recurring five-year economic development plan and annual updates shall be subject to the approval of Oklahoma Futures.

1. The purpose of the plan shall be to identify significant economic, social, and demographic trends which may have both short-term and long-term impacts on the state and local economy and to present strategies and recommendations that the state and local political subdivisions might adopt to improve or stabilize the economy.

2. The goals of the plan shall include the development of a diversified state economy, increasing employment, the maximum use of federal, state and local funds to achieve the goals or recommendations included in the plan, the maximum investment of capital in the economy of the state, and the improvement of the quality of life in the state.

3. The plan wherever possible shall make recommendations to encourage intergovernmental cooperation and public and private cooperation.

4. Copies of the plan and the annual updates shall be submitted to the Oklahoma Advisory Committee on Intergovernmental Relations, the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate and the chairmen of the standing committees on economic development of the Senate and of the House of Representatives in the annual report of Oklahoma Futures.

5. The Department shall develop and manage a complete economic information system which will support the five-year planning process, and which will make available complete and timely information on the state economy. The economic information system shall be operated by public or private Oklahoma universities or an Oklahoma enterprise capable of providing such services in a cost-effective manner.

~~B. The Oklahoma Department of Commerce shall have the power and duty to develop public works physical and financial planning~~

~~capabilities to establish a statewide public works planning process that is accessible by local planners, that is objective, and that is managed by people highly skilled in all aspects of infrastructure planning.~~

~~C.~~ The Department, in conjunction with the Oklahoma Development Finance Authority, is authorized to develop an infrastructure program which will enable political subdivisions of this state to finance public works projects in order to modify or improve existing public facilities for purposes of bringing said facilities, and the operation thereof, into compliance with and maintaining compliance with federal, state and local laws and regulations pertaining to the protection of the public health and the environment.

~~D.~~ C. The Director shall develop an annual business plan for the Department. The business plan shall be submitted to Oklahoma Futures for its review and comment and shall be included in the annual report of Oklahoma Futures. The business plan shall include the need and mission of each division of the Department created by law or the Director and an analysis of past costs and benefits and future projected costs and benefits to the state of the programs of each division of the Department. The business plan shall be consistent with the goals of the recurring five-year plan specified in this section. Oklahoma Futures shall review and comment upon such plan before it is implemented. The Director shall distribute copies of the business plan by such means that will make it widely available to communities, firms and local economic development managers throughout this state.

SECTION 4. 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.

Passed the House of Representatives the 10th day of March, 1992.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1992.

President of the Senate