

ENGROSSED SENATE  
BILL NO. 192

BY: ROBERTS and FORD of the  
SENATE

and

ADAIR of the HOUSE

[ SCHOOLS - AMENDING 70 O.S., SECTIONS 1-117 AND 1-118 -  
SCHOOL DISTRICT GENERAL FUND - BUILDING FUND DEFINITIONS

-

EMERGENCY ]

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

SECTION 1. AMENDATORY 70 O.S. 1981, Section 1-117, as amended by Section 114, Chapter 2, O.S.L. Supp. 1989 (70 O.S. Supp. 1990, Section 1-117), is amended to read as follows:

Section 1-117. A. The general fund of any school district is hereby defined as a current expense fund and shall consist of all revenue or monies that can legally be expended within a certain specified fiscal year, but shall not be considered as including any money derived from a special building fund levy made in accordance with the provisions of Article X, Section 10, of the Oklahoma Constitution, nor shall it include any monies derived from the sale of bonds issued under the provisions of Article X, Section 26, of the Oklahoma Constitution. All monies derived from the proceeds of the school levies made pursuant to the provisions of Article X,

Section 9 or 9B of the Oklahoma Constitution shall be placed in the general fund provided by this section. ~~Expenditures~~ Except as otherwise provided in this section, expenditures from the general fund ~~may~~ shall be ~~capital or~~ noncapital in nature.

B. For the purposes of this section, a capital expenditure shall be an expenditure which results in the acquisition of fixed assets or additions to fixed assets. Capital expenditures shall include: purchases of land or existing buildings; improvements to grounds and sites for construction; all expenditures for construction of buildings, additions to buildings, and remodeling of buildings if such remodeling involves changes to roof structures or load bearing walls; professional services and salaries and expenses of architects and engineers, except for such services and salaries as are applicable to preparation for a bond issue; expenditures for the initial installation and extension of service systems and other built-in equipment in new buildings, existing buildings, and additions; expenditures for the replacement of a building which has been destroyed; installments and lease payments on property, excluding interest, that have a terminal date and result in the acquisition of property; and expenditures for preliminary studies made prior to the time that authority to proceed with a construction project is given if such expenditures are made within the same fiscal year that the authority is given.

C. Noncapital expenditures shall include expenditures for: replacement of school buses; maintenance, repair and replacement of property and equipment; initial or additional purchases of furniture and equipment; direct expenses for maintenance of plant, including grounds; salaries for maintenance of plant, including salaries for the upkeep of grounds; and expenditures for renovations which do not involve changes to roof structures or load bearing walls.

D. The State Board of Education shall conform rules regarding the classification, definition and financial administration of

funds, accounts, and expenditures to the requirements of this section.

E. A school district shall be authorized to make capital expenditures from the general fund to:

1. Defray the cost of rebuilding a school building or facility if said school building or facility has been destroyed by a fire or natural disaster or by an act of a public enemy of the United States or this state and monies received by the district from insurance coverage, federal reimbursement, contributions, and allocations of state funds designated for defraying such costs are insufficient to rebuild the building or facility, said expenditures to be limited to the amount of said insufficiency;

2. Make capital improvements for which funding has been proposed within the preceding three (3) years pursuant to Section 26 of Article X of the Oklahoma Constitution and has been rejected by the people;

3. If sufficient funds are not available in the district's building fund, make capital improvements which do not exceed Fifty Thousand Dollars (\$50,000.00) or one percent (1%) of the school district's general fund budget, whichever is greater; or

4. Make, within one (1) year of the effective date of state or federal mandates recognized by the State Board of Education, capital improvements to meet the requirements of the mandates.

F. School districts may make capital expenditures from the general fund for any reason if said fund contains revenues from levies authorized by Section 9B of Article X of the Oklahoma Constitution.

G. School districts may make capital expenditures from the general fund for any reason if, at any time during the year such

expenditures are made, the indebtedness of the district for bonds issued pursuant to Section 26 of Article X of the Oklahoma Constitution exceeds eighty-five percent (85%) of the maximum indebtedness allowable pursuant to said section as shown by the school district budget filed with the State Equalization Board.

H. School districts which receive monies from rental, sale, or lease of buildings, impact aid monies, or grants, gifts or donations for capital purposes, whether from state, federal, or other sources, may place such monies in the building fund authorized by Section 1-118 of this title or the general fund authorized by this section.

SECTION 2. AMENDATORY 70 O.S. 1981, Section 1-118, as amended by Section 115, Chapter 2, O.S.L. Supp. 1989 (70 O.S. Supp. 1990, Section 1-118), is amended to read as follows:

Section 1-118. The building fund of any school district shall consist of all monies derived from the proceeds of a building fund levy of not to exceed five (5) mills in any year, voted by the people of a school district pursuant to the provisions of Article X, Section 10, of the Oklahoma Constitution, monies appropriated by the state for the purpose of capital expenditures or projects, monies allocated to a school district by the State Board of Education from the State Public School Building Equalization Fund, and monies placed in the fund pursuant to Section 1-117 of this title and may be used for erecting, remodeling or repairing school buildings, and for purchasing furniture or for one or more, or all, of such purposes. Proceeds of such levies shall not be required to be used during the year for which a levy is made but may accumulate from year to year until adequate for the purposes intended. The building fund hereinabove defined is hereby declared to be a current expense fund, but shall not be considered a part of the general operating fund. No monies derived from the proceeds of the school levies made pursuant to the provisions of Article X, Section 9 of the Oklahoma

Constitution may be placed in the building fund provided by this section.

SECTION 3. This act shall become effective July 1, 1991.

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 Senate the 13th day of March, 1991.

President of the Senate

Passed the House of Representatives the \_\_\_\_ day of

\_\_\_\_\_, 1991.

Speaker of the House of Representatives