

SHORT TITLE: Revenue and taxation and schools; authorizing certain school districts to make capital expenditures from general fund; emergency.

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

SENATE BILL NO. 1062

By: Hendrick

AS INTRODUCED

An Act relating to revenue and taxation and schools; amending 68 O.S. 1991, Section 3032, and 70 O.S. 1991, Section 1-117, as amended by Section 6, Chapter 324, O.S.L. 1992 (70 O.S. Supp. 1993, Section 1-117), which relate to exceptions for warrants and debts during protest period and general funds of school districts; authorizing certain school districts to make capital expenditures from general fund; stating requirements; setting limits on permissible capital expenditures from general fund; adding certain gender reference; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 1991, Section 3032, is amended to read as follows:

Section 3032. (1) Pending the expiration of the time within which protests may be filed with the State Auditor and Inspector, no warrant shall be issued or debt contracted by any municipality for any purpose except as provided hereinafter:

(a) Counties: For salaries and compensation of each officer and all regular deputies and employees thereunder, including home demonstration agents and farm demonstration agents employed by the board of county commissioners under contract with the Extension

Division of the Oklahoma State University of Agriculture and Applied Science or United States Department of Agriculture or any other state or federal department under cooperative agreement with the board of county commissioners as now or that may hereafter be provided by law, salaries of the county superintendent of health and regular employees of any county health unit, for regular salaries and maintenance and operation costs of a county hospital and other quasi-municipal boards now or hereafter created by law; for insurance on county property and risks including premiums on bonds of public officials; for office supplies, blank books, stationery, printing, postage, telephone, telegraph, lights, fuel and water; for rent; for support, maintenance, surgical and medical attention and necessary medicine and hospitalization, and transportation, of the poor or insane, prisoners, and widows; for neglected children, crippled children; for support, maintenance, surgical and medical attention and necessary medicines and hospitalization and transportation of crippled, homeless, abandoned, dependent and neglected children, and children in danger of becoming delinquent, whether or not such debts are contracted in conjunction with a cooperating state department or agency; for jury commissioners, jurors, bailiffs, and witnesses for courts of record, for transcripts and each item of court expense as may be necessary and authorized by law; for fees of peace officers, and for such fees and costs in criminal and coroner actions for which the county is liable; for election expenses, including salaries, per diem, and such other expenses as allowed by law; for annual audits and examination of fiscal affairs of the county; for fuels, oils, and maintenance and repair of county highway equipment and regular salaries and wages of the county engineer, his or her assistants, and regularly employed maintenance workers, in event of emergency entered of record in the minutes of the board by full and unanimous adoption, the necessary wages of emergency help, supplies, and

materials for county highway repair, or any other necessity of the county as required by an emergency entered of record in the board minutes; and capital outlay items purchased from temporary appropriations approved by the board of county commissioners and the County Excise Board or County Budget Boards whichever is appropriate.

(b) Cities and towns: For salaries and temporary compensation for each officer and all regular deputies and employees thereunder, for insurance on city or town property or risks including bonds required of any officials or employees, for office supplies, blank books, stationery, printing, postage, telephone, telegraph, express, freight, drayage, light, current, water, fuels and oils, maintenance materials and supplies, and rents, whether for the city or town proper or for any utility enterprise or for any quasi-municipal or semi-independent board or commission therein authorized and functioning under authority of city charters or the laws of this state, or any department thereof such as street, police, radio, fire, water, light, library, hospital, court, detention home; for board, maintenance and medical care of prisoners; for charities and aid to the poor; for clinics and health service including cooperative agreements with the State Department of Health with or without coordination with the board of county commissioners of the county or schools of the city or town or in cooperation with any other state or federal agency as now or as may hereafter be authorized by law; for jurors and witnesses in the municipal criminal court or police court; for election expenses, including salaries, per diem, and such other expenses as allowed by law; for annual or special audits and examination of fiscal affairs of cities and towns; for maintenance of public libraries, parks, streets or any other continuously functioning governmental, quasi-governmental, or utility enterprise, and the continuing normal expense of operation thereof whether of salaries, wages, materials, or

supplies, and whether herein enumerated or not; for capital improvements or capital outlays; and, in event of emergency entered of record by order of the governing board describing it, the necessary wages of emergency help, supplies, materials, and other necessities as the emergency demands. Provided, however, that this section shall not apply to any city or town if the revenue from the ad valorem tax to the municipal general fund amounted to less than five percent (5%) of the total revenues accruing to the municipal general fund during the prior fiscal year.

(c) School districts: For salaries and compensation of officers; for salaries and compensation of teachers and other employees; for office supplies, blank books, stationery and printing; for light, fuel and water; for school supplies, equipment and apparatus; for freight, express and other transportation charges; for repair and maintenance of buildings, grounds and equipment; for administrative expense; for transportation of children to and from school; and for payment of insurance. ~~Capital~~ Except as otherwise provided by Section 1-117 of Title 70 of the Oklahoma Statutes, capital expenditures, as defined by ~~Section 1-117 of Title 70 of the Oklahoma Statutes~~ said section, shall not be authorized by this section from the general fund of a school district but may be authorized from the building fund of a school district.

(d) Fairs: For premiums on livestock; poultry, agricultural and horticultural products; dairy products, boys' and girls' club work, products of domestic science and domestic arts, school exhibits, hand paintings, decorating and drawing, manufactured articles, cultivated plants and flowers.

For necessary expenses of management of all fairs authorized by law including office expenses, postage, telegraph and telephone, salary and traveling expenses of the secretary, printing and

necessary office supplies, premium ribbons and badges, clerical help, guards, superintendents and judges.

For advertising the fairs and for decorating and cleaning the grounds and buildings.

For transportation and arrangement of fair exhibits at the county fair and county fair exhibits at the Oklahoma State Fair and other state fairs.

(2) Pending the final determination of any protested levy, no warrant shall be issued or debt contracted against any contested portion of any fund, except for the purposes hereinbefore provided.

SECTION 2. AMENDATORY 70 O.S. 1991, Section 1-117, as amended by Section 6, Chapter 324, O.S.L. 1992 (70 O.S. Supp. 1993, 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 of the Oklahoma Constitution shall be placed in the general fund provided by this section. Expenditures from the general fund shall be noncapital in nature. Except as provided for in ~~subsection~~ subsections J and K of this section, a district shall not be authorized to make capital expenditures as defined by this section from the general fund.

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, but shall not be limited to, purchases of land or existing buildings, purchases of real property, improvements of grounds and sites for construction purposes, all expenditures for construction of buildings unless authorized by the State Board of Education or the State Board of Vocational and Technical Education upon application to the appropriate state board pursuant to subsection E of this section, additions to buildings, remodeling of buildings if such remodeling involves changes to roof structures or load-bearing walls, professional services, salaries and expenses of architects and engineers hired or assigned to capital projects except for such services, salaries and expenses as are applicable in preparation for a bond issue, expenditures for the initial installation and extension of service systems and built-in heat or air equipment to existing buildings, 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 authority is received within the same fiscal year that the expenditure was made.

C. Noncapital expenditures shall include, but shall not be limited to expenditures for 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 repair and replacement of building structures which do not add to existing facilities and which do not involve changes in roof structures or load-bearing walls and which are not classified as a capital expenditure by this section.

D. The State Board of Education shall adopt and amend regulations regarding the classification, definition and financial

administration of funds, accounts and expenditures in accordance with the requirements of this section.

E. A school district shall be authorized to make capital expenditures from the general fund to defray the cost of rebuilding a school building only if a school building or facility has been destroyed by a fire or natural disaster, such as flood, tornado or other act of God, or by an act of a public enemy of the United States or this state and monies received by the district through insurance coverage, federal reimbursement, contributions and allocation from the State Board of Education from the State Public Common School Building Equalization Fund are insufficient to rebuild the facility. Capital expenditures from the general fund pursuant to this subsection shall be limited to an amount necessary to defray the cost of rebuilding the facility which exceeds monies received by the school district through insurance, federal reimbursement, contributions and state allocations.

F. Schools which receive gifts or donations or state-appropriated monies for the purpose of capital expenditures or projects shall place such monies in the building fund, as provided by Section 1-118 of this title, and not in the general fund.

G. 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.

H. Any construction of a building included as a capital expenditure from the general fund of a school district which is authorized and has had a contractual agreement concerning such construction executed prior to July 1, 1991, may be proceeded with and completed as authorized prior to July 1, 1991, as a capital expenditure from such general fund.

I. School districts receiving revenues authorized by Section 9B of Article X of the Oklahoma Constitution shall be authorized to make capital expenditures from the general revenue fund no greater than the amount levied by the incentive millage.

J. Upon the approval of the State Board of Education, a school district shall be authorized to make capital expenditures as defined in this section from its general fund if:

1. A bond issue has been rejected at an election by the school district electors voting on that question within the current school year, as certified by the secretary of the county election board; or

2. The school district has voted indebtedness at any time within the preceding three (3) school years through the issuance of bonds or through approval by voters of issuance of new bonds for more than eighty-five percent (85%) of the maximum allowable pursuant to the provisions of Section 26 of Article X of the Oklahoma Constitution as shown on the school district budget filed with the State Board of Equalization for the current school year and certifications by the Attorney General prior to April 1 of the current school year.

~~By November 1, 1992, the~~ The State Board of Education shall establish the rules and regulations to administer the provisions of this subsection which shall include, but not be limited to, specification of a maximum amount of general fund monies to be used for capital expenditures, the purposes for which such funds may be expended and the period of time in which such funds shall be encumbered.

K. Other provisions of this section notwithstanding, a school district shall be authorized to make capital expenditures from the general fund if the total assessed property valuation per average daily membership is less than one-half (1/2) of the state average total assessed property valuation per average daily membership and if, for each year in which general fund revenue is used for capital

expenditures, the district has voted the five-mill building fund levy authorized in Section 10 of Article X of the Oklahoma Constitution and has voted indebtedness through the issuance of new bonds for at least eighty-five percent (85%) of the maximum allowable pursuant to the provisions of Section 26 of Article X of the Oklahoma Constitution as shown on the school district budget filed with the State Board of Equalization for the current school year and certifications by the Attorney General prior to April 1 of the school year. Provided the maximum amount of general fund revenue used for capital expenditures pursuant to this subsection shall not exceed ten percent (10%) of the total yearly revenue to the general fund. Said fund may not be used for capital expenditures for more than three consecutive years.

SECTION 3. 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.

44-2-1883

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