STATE OF OKLAHOMA

2nd Session of the 45th Legislature (1996)

HOUSE BILL NO. 2745 By: Adair

AS INTRODUCED

An Act relating to roads, bridges and ferries; amending 69 O.S. 1991, Section 302.1, as amended by Section 4, Chapter 75, O.S.L. 1993 (69 O.S. Supp. 1995, Section 302.1), which relates to the County Advisory Board; modifying criteria for certain revolving fund; amending 69 O.S. 1991, Section 636.3, as last amended by Section 1, Chapter 75, O.S.L. 1993 (69 O.S. Supp. 1995, Section 636.3), which relates to counties contracting to lease or lease-purchase machinery and equipment; deleting requirement that certain counties receive certain priority rating; amending 69 O.S. 1991, Section 636.4, which relates to authorization to lease or lease-purchase road equipment and machinery; permitting Oklahoma Department of Transportation to charge interest on certain agreements; requiring interest rate to be determined by County Advisory Board; and providing an effective date.

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

SECTION 1. AMENDATORY 69 O.S. 1991, Section 302.1, as amended by Section 4, Chapter 75, O.S.L. 1993 (69 O.S. Supp. 1995, Section 302.1), is amended to read as follows:

Section 302.1 A. There is hereby created the Department of Transportation County Advisory Board. The Board shall be made up of nine (9) county commissioners selected by the Association of County Commissioners of Oklahoma. One member shall be elected from each of the eight districts of the Association of County Commissioners of Oklahoma and one member shall be selected at large by the other eight members. Each member shall hold office for a two-year term or until the successor of the member takes office. Their term of office shall begin on July 1 of the succeeding fiscal year. It shall be the duty of the Board to act in an advisory capacity to the Director of the Department of Transportation. The Board shall review the County Road and Bridge Programs of the Department. The Board shall meet no less than on a quarterly basis with the Director of the Department of Transportation and the staff of the Director to discuss areas of mutual concern.

B. The Board is authorized to develop the following criteria for the County Road Machinery and Equipment Revolving Fund:

1. Establish estimated purchase prices for equipment and road machinery;

2. Establish amortization schedules for all equipment and road machinery;

3. Establish a list of independent appraisers to be used for equipment and road machinery inspections;

4. Establish the County Funding Classification Designation priority list;

5. Establish the method, manner and expense of marking or identifying all equipment and road machinery; ~~and~~

6. Establish a list of items which are to be purchased from the state purchase list;

7. Establish a maximum purchase allocation for participating counties; and

8. Establish and approve an interest rate which may be charged on all leases or lease-purchase agreements.

C. The Board will have the authority to determine the financial obligation of a county when road machinery or equipment is destroyed by an act of God or other unforeseen occurrence.

SECTION 2. AMENDATORY 69 O.S. 1991, Section 636.3, as last amended by Section 1, Chapter 75, O.S.L. 1993 (69 O.S. Supp. 1995, Section 636.3), is amended to read as follows:

Section 636.3 A. Counties shall enter into lease or lease-purchase contracts for road machinery and equipment pursuant to the provisions of Sections 636.1 through 636.7 of this title or pursuant to the provisions of Sections 1500 through 1505 of Title 19 of the Oklahoma Statutes and may not otherwise lease road machinery or equipment except in the case of an emergency, when specialized road machinery or equipment for projects of short durations is required for periods not to exceed thirty (30) days.

B. A county shall be eligible to enter into a lease or lease-purchase contract with the Department of Transportation for road machinery and equipment on a priority basis determined by the county funding classification designation during any fiscal year for the purchase of road machinery and equipment. The county funding classification designation shall be developed by the Department of Transportation and the Association of County Commissioners of Oklahoma and approved by the Oklahoma Department of Transportation County Advisory Board. Upon approval by the Department of Transportation County Advisory Board, the funding classification designation shall be submitted to the Transportation Commission for final approval. ~~The counties receiving the least appropriations per mile of road shall receive the highest priority rating.~~ A county may also enter into a full warranty lease contract for road

machinery and equipment pursuant to the provisions of subsection F of this section. Nothing in Sections 636.1 through 636.7 of this title shall prohibit a county from purchasing road machinery and equipment if it has adequate funds appropriated during any fiscal year for such purpose.

C. Whenever a county desires to lease or lease-purchase road machinery and equipment with funds from the County Road Machinery and Equipment Revolving Fund, it shall notify the Department of Transportation of its requirements and specifications and shall provide a list of vendors from which bids will be requested for the lease or lease-purchase agreements.

D. Upon receiving such notification from a county, the Department shall be authorized to purchase requested road machinery or equipment for lease or lease-purchase to that county or may lease or lease-purchase surplus or used road machinery and equipment to a county provided such road machinery or equipment meets the requirements and specifications of the requesting county.

E. If there are no funds available in the County Road Machinery and Equipment Revolving Fund, the Department of Transportation, upon notification that a county desires to lease or lease-purchase road machinery or equipment, shall certify to the county that there are no funds available in the County Road Machinery and Equipment Revolving Fund for such purposes. The county may then request the Purchasing Director of the Department of Central Services to solicit bids or request bids pursuant to the provisions of Section 1500 et seq. of Title 19 of the Oklahoma Statutes to lease or lease-purchase the requested road machinery or equipment.

F. When funds are available in the County Road Machinery and Equipment Revolving Fund the Department of Transportation shall, after receiving notification from a county desiring to lease or lease-purchase equipment, authorize the county to request bids pursuant to the provisions of this act and allocate funds equal to

the estimated cost of the equipment or machinery requested. However, if the lowest and best bid received by the county exceeds the estimated purchase price of the equipment or machinery, the county shall pay any difference above the estimated purchase price if accepted. The county shall use the bid procedure provided for in Section 1500 et seq. of Title 19 of the Oklahoma Statutes. The county shall forward the lowest and best bid received to the Department of Transportation which shall authorize the lease or lease-purchase of the equipment or machinery.

G. A county may enter into a full warranty lease contract for road machinery and equipment if the county has adequate funds appropriated during any fiscal year for such purpose. Whenever a county desires to enter into a full warranty lease contract for road machinery or equipment, the county must notify the State Auditor and Inspector of its intent and must provide the State Auditor and Inspector with its requirements and specifications along with the proper documentation to be advertised for bids. Upon receiving the notification and documentation from a county, the State Auditor and Inspector shall review the documentation and, upon approval, shall forward the documentation and specifications to the State Purchasing Division of the ~~Office of Public Affairs~~ Department of Central Services. The Purchasing Director of the ~~Office of Public Affairs~~ Department of Central Services shall solicit bids to lease the requested road machinery or equipment according to the documentation and specifications of the county as approved by the State Auditor and Inspector. The term of any full warranty lease contract authorized pursuant to this subsection may be for any period up to one (1) year, provided the term shall not extend beyond the end of any fiscal year, with an option to renew such lease subject to the requirement that adequate funds are appropriated during the fiscal year by the county for such purpose. The State Auditor and

Inspector shall prescribe the lease forms and other documentation necessary for implementing the provisions of this subsection.

H. Except as provided in subsection G of this section, the Department of Transportation shall promulgate such rules and regulations and is authorized to require from the counties such information, forms and reports as are necessary for properly and efficiently administering Sections 636.1 through 636.7 of this title.

SECTION 3. AMENDATORY 69 O.S. 1991, Section 636.4, is amended to read as follows:

Section 636.4 A. The Department of Transportation may enter into a written lease or lease-purchase agreement providing new, surplus or used road machinery and equipment for the use by a county during the then current fiscal year. Any county leasing road machinery or equipment from the Department shall be eligible to enter into a like contract for the ensuing fiscal year, and shall also be eligible to purchase the same such units, as provided for herein.

B. The Department of Transportation may sell any particular unit of road machinery or equipment to a county at any time after such unit has been leased for one (1) fiscal year for an amount not less than the original total cost of purchase, less rentals actually paid for the use of the unit, or any expenses incurred in reconditioning the unit; provided however, in so selling such unit, preference shall be given to the county leasing the unit during the then preceding fiscal year.

C. Whenever the Department of Transportation has agreed to sell a unit of road machinery or equipment to a county, the title to said machinery or equipment shall be transferred to the county upon receipt of the final payment by the Department.

D. Road machinery and equipment leased or lease-purchased by a county shall be leased or lease-purchased at the annual rental rate,

which shall be fixed at an amount not less than that required to amortize the original purchase cost of the unit by ten (10) years' rental thereof.

E. The Department of Transportation ~~shall not~~ may charge a county interest on any lease or lease-purchase agreement for road machinery or equipment provided the Oklahoma Department of Transportation County Advisory Board determines and approves the rate to be charged.

F. All proceeds derived from the lease or lease-purchase of road machinery and equipment by the Department of Transportation shall be deposited with the State Treasurer to be credited to the County Road Machinery and Equipment Revolving Fund.

SECTION 4. This act shall become effective November 1, 1996.

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