

SB 1570

THE STATE SENATE
Tuesday, February 24, 2004

Senate Bill No. 1570

As Amended

SENATE BILL NO. 1570 - By: JOHNSON of the Senate and WINCHESTER of the House.

[schools - secondary school building authorities - creation - beneficiaries - codification - effective date - 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 5-181 of Title 70, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Transportation district" means the area for which a district provides transportation pursuant to Section 9-105 of Title 70 of the Oklahoma Statutes;

2. "Overlap area" means the area of an elementary school district that is within the transportation district of an independent district;

3. "Secondary grades" means grades higher than the highest grade offered by the elementary district that shares the overlap area with an independent district;

4. "Secondary school facilities" means facilities, buildings, and equipment, excluding transportation equipment, for which a

1 district may incur indebtedness pursuant to Section 26 of Article X
2 of the Oklahoma Constitution and which will be used in the provision
3 of secondary grades; and

4 5. "Debt or indebtedness" means debt authorized pursuant to
5 Section 26 of Article X of the Oklahoma Constitution.

6 SECTION 2. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 5-182 of Title 70, unless there
8 is created a duplication in numbering, reads as follows:

9 In order to allow communities of independent and elementary
10 school districts to cooperate to provide adequate school facilities
11 for children who reside in elementary districts and attend secondary
12 grades in an independent district, the Legislature hereby authorizes
13 the creation of secondary school building authorities for the
14 purposes set forth in this act. A secondary school building
15 authority shall have the sole function of providing secondary school
16 facilities upon authorization by an independent district and the
17 elementary districts that share an overlap area or areas with the
18 independent district. The procedure for creating a secondary school
19 building authority shall be as follows:

20 1. If the independent district board of education believes the
21 district needs additional or upgraded facilities for secondary
22 grades, the board may by resolution authorize creation of a
23 secondary school building authority upon election of trustees of the

1 authority from the independent district and each elementary district
2 that shares an overlap area with the independent district;

3 2. Following the resolution authorizing the authority, the
4 independent district and each elementary district that shares an
5 overlapping area with the independent district shall each elect a
6 representative from the district at the next general school election
7 to serve on the authority board of directors. If fewer than three
8 districts will be beneficiaries of the authority, each district
9 shall elect two representatives. The election shall be conducted in
10 the manner prescribed for board of education elections in Section
11 13A-101 of Title 26 of the Oklahoma Statutes;

12 3. The authority shall be formed on May 1 following
13 certification of the election results by which the requisite member
14 or members from each district is declared elected. The members
15 shall elect a chair, vice-chair and secretary;

16 4. The authority shall select a superintendent from one of the
17 districts that is served by the authority to serve as the chief
18 executive officer of the authority. The treasurer for the school
19 district where the superintendent serves shall serve as treasurer
20 for the authority; and

21 5. The authority shall be a public trust with each
22 participating school district being a beneficiary. All laws
23 governing public trust functions and duties, except laws

1 inconsistent with the express provisions of this act, shall apply to
2 a secondary school building authority. The creation of the trust
3 shall require no approval beyond the procedures set forth in this
4 act. The authority shall be subject to the Oklahoma Open Records
5 Act and Oklahoma Open Meeting Act.

6 SECTION 3. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 5-183 of Title 70, unless there
8 is created a duplication in numbering, reads as follows:

9 A. The trustees of a secondary school building authority shall,
10 following public hearings and input, determine the secondary school
11 building needs sufficient to serve the students attending secondary
12 grades in the independent district. If the trustees determine
13 additional or upgraded facilities are needed, the authority, by
14 majority vote of the trustees, may propose to the voters in the
15 independent and elementary districts that the districts incur
16 indebtedness pursuant to Section 26 of Article X of the Oklahoma
17 Constitution to provide secondary school facilities through the
18 authority. Specifically, the authority's proposal to the districts
19 shall:

20 1. Describe generally the facilities or buildings and equipment
21 that will be provided;

1 2. State that the facilities or buildings and equipment will be
2 owned by the authority and leased for a nominal amount to the
3 independent district;

4 3. State the total amount of indebtedness that must be
5 authorized for the project to be funded; and

6 4. State the amount of indebtedness each district must
7 authorize in order for the project to be funded; an elementary
8 district cannot authorize debt that exceeds the applicable limits
9 set forth in Section 4 of this act.

10 B. The election on the proposal shall be held in the manner
11 prescribed for school district indebtedness proposals pursuant to
12 Section 15-101 et seq. of Title 70 of the Oklahoma Statutes, except
13 that the authority shall call the election. The election shall be
14 held when general school elections are held pursuant to Section 13A-
15 101 et seq. of Title 26 of the Oklahoma Statutes. Each district
16 shall pay for the election costs incurred in the district and shall
17 share in the general costs of ballot printing and similar expenses.
18 Upon resolutions of all the affected district boards of education
19 requesting that a special election be called for the proposal, the
20 authority may call a special election. Approval of the proposal
21 requires the assent to the debt of three-fifths (3/5) of the
22 qualified electors of each district voting in the election as
23 prescribed in Section 26 of Article X of the Oklahoma Constitution.

1 C. Upon approval of indebtedness to fund the proposal by the
2 required number of voters in each district, each district shall
3 issue bonds to meet its obligations for the proposal as authorized
4 and required by law. The proceeds from the bonds shall be paid to
5 the authority for its use in constructing the facilities and buying
6 equipment as authorized. Upon completion of the project, the
7 authority shall lease the facilities and equipment to the
8 independent district for a nominal sum, with the lease to be renewed
9 annually at the option of the district. If the facilities become
10 obsolete or are not needed by the independent district, the
11 authority may lease or sell the facilities, provided the proceeds
12 shall be paid to each district in shares proportionate to the
13 district's contribution to the facilities.

14 SECTION 4. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 5-184 of Title 70, unless there
16 is created a duplication in numbering, reads as follows:

17 A. The limit of indebtedness an elementary district may
18 authorize for a proposal by the secondary school authority shall
19 never be more than four-thirteenths ($4/13$) of ten percent (10%) of
20 the assessed valuation of the property in its overlap area. If the
21 elementary district has unretired indebtedness or authority for
22 indebtedness that would be outstanding when the indebtedness for the
23 secondary building authority's proposal would be incurred, the

1 elementary district's limit for purposes of the proposal must be
2 adjusted downward as follows:

3 1. Subtract from one the ratio of all unretired or authorized
4 indebtedness of the elementary district to ten percent (10%) of the
5 assessed valuation of all taxable property in the elementary
6 district; and

7 2. Compute the debt limitation of the elementary district by
8 multiplying the assessed valuation of the overlap area by the lesser
9 of either four-thirteenths (4/13) or the remainder determined in
10 paragraph 1 of this subsection.

11 B. An elementary district may vote to fund its share of the
12 authority's proposal by approving indebtedness previously authorized
13 but not incurred to be used for such purpose. The portion of prior
14 authorized indebtedness that may be approved for the proposal cannot
15 exceed the applicable limit as provided in this subsection.

16 C. The boundaries of the overlap area shall not be changed
17 after approval of the authority's proposal by all districts.

18 SECTION 5. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 5-185 of Title 70, unless there
20 is created a duplication in numbering, reads as follows:

21 A. For purposes of computing tax levies pursuant to Section 431
22 of Title 62 of the Oklahoma Statutes to satisfy indebtedness that an
23 independent or elementary district authorizes for its share of the

1 secondary building authority's proposal, the following provisions
2 shall apply:

3 1. In the independent district all taxable property included in
4 the district's assessed valuation shall be subject to levies to
5 satisfy the debt; and

6 2. In each elementary district, only the taxable property
7 included in the district's assessed valuation that lies in the
8 overlap area shall be subject to levies to satisfy the debt. The
9 levies that may be assessed on the property in the overlap area
10 shall be computed and limited as follows:

11 a. determine the number of mills that would be assessed
12 against property in the overlap area if the district
13 were indebted at the constitutional limit for the
14 district, and

15 b. then multiply the number of mills determined in
16 subparagraph a of this paragraph by either four-
17 thirteenths (4/13) or the remainder computed in
18 paragraph 1 of subsection A of Section 4 of this act,
19 whichever is less.

20 B. Nothing in this act shall be construed as consolidating or
21 annexing any elementary district to any independent district. Any
22 proceedings that may be initiated to annex or consolidate any
23 elementary district, including an elementary district that shares an

1 overlap area with an independent district, shall be governed by the
2 laws related to annexation and consolidation, Section 7-101 et seq.
3 of Title 70 of the Oklahoma Statutes. If an elementary district
4 that shares an overlap area with an independent district is annexed
5 or consolidated after debt is incurred or authorized for a secondary
6 building authority proposal, property in the overlap area shall
7 continue to be levied as provided in this act until retirement of
8 the debt incurred or authorized for the secondary building authority
9 proposal.

10 SECTION 6. This act shall become effective July 1, 2004.

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

15 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-18-04 - DO
16 PASS, As Amended and Coauthored.