ENGROSSED HOUSE
BILL NO. 1618

By: Benge, Lamons and Duncan of the House

and

Riley of the Senate

An Act relating to state government; amending 74 O.S. 2001, Section 6201, which relates to Hissom Memorial Treatment Center; modifying lease agreement with Greater Sand Springs Trust Authority; requiring budgeting of certain funds for certain purposes; requiring disbursement of certain funds; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2001, Section 6201, is amended to read as follows:

Section 6201. A. The Department of Central Services shall enter into a lease agreement with the Greater Sand Springs Trust Authority for a term of ninety-nine (99) years with respect to the real property and improvements constituting the former Hissom Memorial Treatment Center, as more particularly described by subsection C of this section.

B. The lease agreement described in subsection A of this section:

1. Shall allow the Greater Sand Springs Trust Authority to enter into agreements regarding the property described in subsection C of this section with third parties without the express consent of the Department of Central Services, including the right of the Authority to sublease all or any part of the real property described in subsection C of this section;

2. Shall provide for the unrestricted access, use and development of the real property described in subsection C of this

section by the Greater Sand Springs Trust Authority in order for the Authority to fulfill its purposes according to the terms of its trust indenture, including, but not limited to, the right of the Authority to construct capital improvements on, above or under the property to fulfill the purposes stated in the indenture of the Authority. The lease shall provide that the Authority owns and maintains capital improvements constructed upon the real property with the funds of the Authority;

3. Shall provide for the conveyance by the Department of Central Services to the Greater Sand Springs Trust Authority, by quit claim deed or by such other instrument of conveyance as the Department of Central Services and the Authority may mutually agree, for not more than a payment by the Authority to the Department of a nominal consideration not to exceed Ten Dollars ($10.00), of any parcel of real property described by the Authority and certified, by a majority of the trustees of the Authority, to be necessary for a complete development of the property described in subsection C of this section and necessary for the Authority to fulfill any purpose specified in its trust indenture. A rebuttable presumption shall exist that any conveyance made pursuant to the provisions of this paragraph shall be considered to have been made for the general economic benefit of the residents of the beneficiary of the Greater Sand Springs Trust Authority and that the disposition of the parcel by the Authority is in furtherance of an essential governmental function by making a productive use of the parcel. After conveyance of a parcel of real property to the Authority pursuant to this paragraph, the Authority shall have the exclusive right to exercise all powers, rights and privileges with respect to the parcel as authorized by law to the owner of any real property, including, but not limited to, the right to sell the parcel as provided by paragraph 4 of this subsection;

4. Shall provide for the conveyance by the Authority to another legal entity, by quit claim deed or by such other instrument of conveyance as the Authority and the other legal entity may mutually agree, of any parcel of real property described by the Authority the proposed conveyance of which to be certified, by a majority of the trustees of the Authority, as necessary for a complete development of the property described in subsection C of this section and necessary for the Authority to fulfill any purpose specified in its trust indenture. A rebuttable presumption shall exist that any conveyance made pursuant to the provisions of this paragraph shall be considered to have been made for the general economic benefit of the residents of the beneficiary of the Greater Sand Springs Trust Authority and that the disposition of the parcel by the Authority is in furtherance of an essential governmental function by making a productive use of the parcel. If the Authority sells any part or all of the real property or improvements described in subsection C of this section subsequent to the conveyance to the Authority by the Department of Central Services, the Authority shall determine the value of the real property sold separate and apart from the value of the improvements, if any. The Authority shall determine its direct and indirect costs for acquisition, maintenance, improvement, marketing and sale of any parcel of real property conveyed to a legal entity pursuant to this paragraph. The Authority shall pay to the Department of Central Services the amount of consideration received by the Authority from the sale of the real property in excess of the direct and indirect costs incurred by the Authority. The Department of Central Services shall <u>budget all funds received from the sale of any parcel pursuant to this section. These funds shall be expended by the Department of Central Services for the sole purpose of additional maintenance or improvements for the remainder of the real property or for improvements at the property described in this section. Upon sale of the final parcel or real property and</u>

improvements pursuant to this section, the Department of Central Services shall remit the amount received and all remaining funds from previous sales for deposit to the credit of the Hissom Memorial Treatment Center Surplus Fund for appropriation pursuant to law;

5. Shall provide that the Department of Central Services shall maintain the real property and the improvements located on the real property described in subsection C of this section in a manner conducive to the preservation of existing economic value of the real property and improvements, subject to the ordinary depreciation of the improvements, until such time as the Authority acquires ownership of a parcel whereupon the Authority and the Department of Central Services, by mutual written agreement, shall amend the lease to provide for proportionately diminished maintenance expenses to be incurred by the Department of Central Services or some other legal entity;

6. Shall not require the payment of rent by the Greater Sand Springs Trust Authority in excess of One Dollar ($1.00) per year;

7. Shall not require a purchase price for any option granted to the Greater Sand Springs Trust Authority to acquire any parcel of the property described by subsection C of this section in excess of Ten Dollars ($10.00);

8. Shall not require the Department of Central Services to consent to a sublease of the property described by subsection C of this section by the Authority to any other legal entity; and

9. Shall not impose the expense of maintenance or repair of the real property or improvements located on the property described by subsection C of this section upon the Greater Sand Springs Trust Authority, except as otherwise provided by paragraph 5 of this subsection.

C. The real property and improvements which shall be leased by the Department of Central Services to the Greater Sand Springs Trust

Authority as required by subsection A of this section are described as follows:

1. "Tract 2" identified as:

a. a part of the North Half (N 1/2) of Section 16 and Part of the South Half (S 1/2) of Section 9, Township 19 North, Range 11 East of Indian Meridian, Tulsa County, Oklahoma, more particularly described as follows: beginning at a point that is 430.00 feet east and 330.00 feet south of the northwest corner of the northeast quarter (NE 1/4) of Section 16, said point is 20.00 feet east of the east edge of an existing road; thence south and 20.00 feet east of the east edge of an existing road and said line extended south to a point on the northerly right-of-way line of the Burlington North Railroad right-of-way (formerly the S.L. & S.F. Railroad right-of-way); thence northwesterly on the northerly right-of-way line of said railroad right-of-way to a point on the west line of the northeast quarter (NE 1/4), said point being approximately 880.00 feet north from the center of Section 16; thence north on the west line of the northeast quarter (NE 1/4) to a point that is approximately 935.00 feet north of the center of Section 16 and said point is also on the northerly right-of-way line of said railroad right-of-way; thence northwesterly on said northerly right-of-way line of a point that is south 71 degrees 00' 59" east and 376.44 feet from the westerly line of Section 16; thence north 01 degrees 13' 03" west for a distance of 691.51 feet; thence south 88 degrees 57' 23" west for a distance of 353.00 feet to a point on the west line of said Section 16; thence north a distance of 85.00

feet on the west line of Section 16 to the northwest corner of Section 16; thence east on the north line of said Section 16 to the northeast corner of the northwest quarter (NW 1/4) of the northwest quarter (NW 1/4) of Section 16, same being the southwest corner of the southeast quarter (SE 1/4) of the southwest quarter (SW 1/4) of Section 9, Township 19 North, Range 11 East of I.M.; thence north on the west line of government lots 7 and 5 to the south bank (Meander Line of Right Bank) of the Arkansas River; thence southeasterly on the south bank (Meander Line of Right Bank) of the Arkansas River through government lots 4, 7 & 8 in Section 9 to the south line of Section 9; thence continuing southeasterly south bank (Meander Line of Right Bank) of Arkansas River and along the northeasterly line of government lot 2 (Meander Line of Right Bank) of Arkansas River and into the northeast quarter (NE 1/4) of Section 16 to a point that is 330.00 feet south of the north line of Section 16; thence west and parallel to the north line of a point that is 430.00 feet east and 330.00 feet south of the northwest corner of Section 16 to the point or place of beginning, and

b. together with all the improvements thereon and the appurtenances thereto belonging to such property; and

2. "Tract A" identified as:

a. a part of the northeast quarter (NE 1/4) of Section 16, Township 19 North, Range 11 East of Indian Meridian, Tulsa County, Oklahoma, more particularly described as follows: beginning at a point 430.00 feet east and 330.00 feet south of the northwest corner of the northeast quarter (NE 1/4); thence east

and parallel to the north line of said northeast quarter (NE 1/4) to the south bank (Meander Line of Right Bank) of the Arkansas River; thence southeasterly on said south bank (Meander Line of Right Bank) of the Arkansas River to a point that is 20.00 feet northerly of an existing concrete channel; thence southwesterly parallel with and 20.00 feet northerly of said concrete channel for a distance of approximately 370.00 feet; thence west on a line that is 1100.00 feet south of the north line of said northeast quarter (NE 1/4) to a point that is 20.00 feet east of the east edge of an existing road, said point also being 430.00 feet east of the west line of said northeast quarter (NE 1/4); thence northerly and 20 feet east of the east edge of said road to the point or place of beginning, and

b. together with all the improvements thereon and the appurtenances thereto belonging to such property.

D. The Authority shall have the right to access, ingress, egress, use and enjoyment of the roads existing on the property described by subsection C of this section as of the effective date of this act.

E. With respect to the real property and improvements described in subsection C of this section and the lease agreement required by subsection A of this section, or any transfer of the property to the Authority, the Department of Central Services shall not be subject to the requirements of:

1. Section 387 of Title 60 of the Oklahoma Statutes;

2. Section 241 of Title 64 of the Oklahoma Statutes;

3. Section 126.2 of ~~Title 74 of the Oklahoma Statutes~~ this title;

4. Section 129.4 of ~~Title 74 of the Oklahoma Statutes~~ this title; or

5. Section 456.7 of ~~Title 74 of the Oklahoma Statutes~~ this title.

F. With respect to the lease or sale of any part or all of the real property or improvements described in subsection C of this section, the Greater Sand Springs Trust Authority shall not be subject to the requirements of:

1. Section 387 of Title 60 of the Oklahoma Statutes;

2. Section 241 of Title 64 of the Oklahoma Statutes;

3. Section 129.4 of ~~Title 74 of the Oklahoma Statutes~~ this title; or

4. Section 456.7 of ~~Title 74 of the Oklahoma Statutes~~ this title.

SECTION 2. This act shall become effective November 1, 2005.

Passed the House of Representatives the 15th day of March, 2005.

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Presiding Officer of the House of Representatives

Passed the Senate the ____ day of _____, 2005.

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Presiding Officer of the Senate