

EHB 1665

1 THE STATE SENATE
2 Wednesday, April 13, 2005

3 ENGROSSED
4 House Bill No. 1665
5 As Amended

6 ENGROSSED HOUSE BILL NO. 1665 - By: ASKINS of the House and BASS of
7 the Senate.

8 [public finance - State Capital Improvement Planning Act
9 and Long-Range Capital Planning Commission - modifying
10 procedures - effective date]

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

12 SECTION 1. AMENDATORY 62 O.S. 2001, Section 901, is
13 amended to read as follows:

14 Section 901. A. 1. There is hereby created a Long-Range
15 Capital Planning Commission to advise and assist the Legislature in
16 providing for capital facilities in this state. The Commission
17 shall consist of twelve (12) members as follows:

18 a. four members appointed by the President Pro Tempore of
19 the Senate to serve at his pleasure. Of these
20 appointees two shall be members of the Senate and two
21 shall be from the public at large,

22 b. four members appointed by the Speaker of the House of
23 Representatives to serve at his pleasure. Of these
24 appointees two shall be members of the House of

1 Representatives and two shall be from the public at
2 large,

3 c. four members shall be appointed by the Governor to
4 serve at his pleasure. These appointees shall be from
5 the public at large.

6 2. A chairman of the Commission shall be elected from its
7 membership. Seven members of the Commission shall constitute a
8 quorum. Members of the Commission shall serve without compensation,
9 but all public members shall be entitled to reimbursement, pursuant
10 to the State Travel Reimbursement Act, for expenses incurred in the
11 performance of their duties.

12 3. Initial appointments to the Commission shall be made within
13 thirty (30) days of the effective date of this act.

14 B. The Commission shall have the authority to promulgate rules
15 and regulations necessary to implement the provisions of this act.

16 C. The Oklahoma State Bond Advisor shall provide staffing for
17 the Commission and other such assistance as the Commission may
18 require.

19 D. 1. The Commission shall prepare each year a state capital
20 plan for addressing state, regional and local public capital
21 facility needs for the next ensuing five (5) years. The Oklahoma
22 State Regents for Higher Education and each state governmental
23 entity as defined in Section 695.3 of Title 62 of the Oklahoma

1 Statutes shall cooperate with the Commission in the preparation of
2 the state plan. ~~By October 1, 1992, each state governmental entity~~
3 ~~shall submit a copy of its complete inventory and a need list.~~
4 ~~Beginning December 1, 1993, the~~ The plan shall be submitted to the
5 Governor, Speaker of the House of Representatives and President Pro
6 Tempore of the Senate no later than December 1 of each year.

- 7 2. a. The capital plan should supplement and integrate, not
8 replace, existing capital planning processes at the
9 state, regional or local level. The plan shall
10 consider and incorporate, as appropriate, the local
11 and regional plans that may be developed pursuant to
12 the provisions of Sections 3 through 6 of this act.
- 13 b. The plan shall assess long-term needs for capital
14 facilities provided by ~~both state and local~~
15 governments as determined by the Commission. The plan
16 shall include:
- 17 (1) ~~an inventory of capital facilities held by the~~
18 ~~state, and when available, by units of local~~
19 ~~government or special districts. The inventory~~
20 ~~shall include such information as is reasonably~~
21 ~~available on the physical and economic condition~~
22 ~~of these assets,~~

- 1 ~~(2)~~ a projection of economic and demographic trends
2 likely to influence the needs for new or expanded
3 capital facilities,
- 4 ~~(3)~~ an estimate of mandatory, essential, desirable
5 and deferrable repair, replacement and
6 expansions,
- 7 ~~(4)~~ (2) estimates of life cycle costs for new and
8 substantially expanded or renovated facilities.
9 Life cycle costs shall include the cost of
10 construction, financing, repair and maintenance,
- 11 ~~(5)~~ (3) an analysis of recent trends and projections of
12 revenues available from general obligation and
13 revenue bonds, general and dedicated taxes used
14 for capital facilities finance, user fees, the
15 federal government and other sources,
- 16 ~~(6)~~ (4) an analysis of the capacity of ~~the state and~~
17 ~~local~~ governments to incur debt or finance public
18 capital facilities,
- 19 ~~(7)~~ (5) a detailed list of all capital projects of the
20 state which the Commission recommends be
21 undertaken or continued for any state agency in
22 the next two (2) fiscal years, together with
23 information as to the effect of such capital

1 projects on future operating expenses of the
2 state, and with recommendations as to the
3 priority of such capital projects and the means
4 of funding them,

5 ~~(8)~~ (6) the forecasts of the Commission as to the
6 requirements for capital projects of state
7 agencies for the three (3) fiscal years next
8 following such two (2) fiscal years and for such
9 additional periods, if any, as may be necessary
10 or desirable for adequate presentation of
11 particular capital projects, and a schedule for
12 the planning and implementation or construction
13 of such capital projects,

14 ~~(9)~~ (7) a schedule for the next fiscal year of
15 recommended projects,

16 ~~(10)~~ ~~a review of capital projects which have recently~~
17 ~~been implemented or completed or are in process~~
18 ~~of implementation or completion,~~

19 ~~(11)~~ (8) recommendations as to the maintenance of physical
20 properties and equipment of state agencies, and

21 ~~(12)~~ (9) such other information as the Commission deems
22 relevant to the foregoing matters.

1 3. The Governor shall prepare at the same time as the state
2 budget document is prepared, a capital budget. The capital budget
3 shall be prepared and submitted by the Governor or Governor-elect in
4 accordance with the procedures for preparing the state budget
5 document. The capital budget shall embrace all expenditures of the
6 state government for facilities and equipment and all revenues to be
7 raised for purpose of meeting expenditure commitments during the
8 next ensuing fiscal year and shall include the following:

9 a. for each expenditure and class of expenditures, the
10 costs to be incurred during the next ensuing fiscal
11 year, plus where appropriate, the annual operating and
12 maintenance costs of such facilities and a schedule of
13 depreciation calculated in accordance with the
14 principles and standards of capital budgeting
15 authorized by paragraph 4 of this subsection,

16 b. the revenues and sources required to meet projected
17 expenditures. Revenue sources to be indicated
18 include, but are not limited to: the General Revenue
19 Fund, the Transportation Fund, any special funds,
20 proceeds of bond sales, federal funds, local
21 government revenue or other sources. Where additional
22 revenues in the form of additional taxes, user fees or
23 new bond issues are proposed to meet expenditure

1 requests, any funds created for such purposes shall be
2 included in this act, and

3 c. a statement regarding the relationship between the
4 proposals contained in the capital budget and the
5 capital plan. The capital budget shall be based upon
6 the capital plan prepared by the Commission.

7 4. The Commission, with the assistance of the Office of State
8 Finance, shall prepare and publish rules and regulations that set
9 forth principles and standards for capital planning and budgeting to
10 be used by state agencies. The rules and regulations shall set
11 forth definitions of relevant terms to be used in the capital
12 planning and budgeting processes, establish accounting standards and
13 standards for costs and benefits of public facility investments.

14 E. The Oklahoma Department of Commerce shall assist the Long-
15 Range Capital Planning Commission in developing any portion of the
16 state capital plan addressing regional and local public capital
17 facility needs. The Department shall assist in providing the
18 expertise and information required to assess long-term needs for
19 capital facilities at the regional and local level. The Department
20 shall have the authority to contract with other entities to provide
21 the type of information needed to prepare:

22 1. An inventory of capital facilities held by units of local
23 government, and special districts, including such information as is

1 reasonably available on the physical and economic condition of these
2 assets. Inventories shall be conducted according to the
3 geographical boundaries of the regional councils;

4 2. A projection of economic and demographic trends likely to
5 influence the needs for new or expanded local capital facilities;

6 3. An estimate of mandatory, essential, desirable and
7 deferrable repair, replacement and expansions; and

8 4. Estimates of life cycle costs for new and substantially
9 expanded or renovated facilities. Life cycle costs shall include
10 the cost of construction, financing, repair and maintenance.

11 F. 1. The Commission and the Oklahoma State Bond Advisor may
12 call to their assistance such personnel or any state agency in order
13 to perform their duties pursuant to the State Capital Improvement
14 Planning Act and such agencies shall respond and provide any such
15 assistance as may be required. The Office of State Finance and
16 other state agencies also shall assist the Commission in the
17 performance of its functions. The Commission may use existing
18 studies, surveys, plans, data and other materials in the possession
19 of any state agency or any municipality or political subdivision of
20 this state. Each such agency, municipality or subdivision may make
21 the same available to the Commission so that the Commission may have
22 available to it current information with respect to the capital
23 plans and programs of each such agency, municipality or subdivision.

1 2. The officers and personnel of any state agency, municipality
2 or political subdivision, and any other person may serve at the
3 request of the Commission upon such advisory committees as the
4 Commission may create and such officers and personnel may serve upon
5 such committees without forfeiture of office or employment and with
6 no loss or diminution of the compensation, status, rights and
7 privileges which they otherwise enjoy.

8 G. 1. There is hereby created the Policy Advisory Committee to
9 the Commission to meet no less than once a year or at the call of
10 the chairman of the Commission.

11 2. The purposes and responsibilities of the Policy Advisory
12 Committee shall be:

- 13 a. to counsel and otherwise assist the Commission in the
14 development of the capital plan, and
- 15 b. to review and comment on the capital plan and make
16 recommendations to the Commission concerning capital
17 planning and debt management issues as deemed
18 appropriate by the Committee.

19 3. The Policy Advisory Committee shall be composed of ~~the~~ two
20 members of the Council of Bond Oversight Commissions and the ~~chief~~
21 ~~executive officer or fixed designate from each of the following~~
22 ~~entities; provided, designated members shall be appointed by each~~

1 ~~chief executive officer for a term certain which shall not be less~~
2 ~~than one (1) year:~~

- 3 a. ~~Association of County Commissioners of Oklahoma,~~
- 4 b. ~~Oklahoma Municipal League,~~
- 5 c. ~~State Department of Transportation,~~
- 6 d. ~~Oklahoma Turnpike Authority,~~
- 7 e. ~~Office of Public Affairs,~~
- 8 f. ~~Oklahoma Water Resources Board,~~
- 9 g. ~~Department of Human Services,~~
- 10 h. ~~Department of Corrections,~~
- 11 i. ~~Department of Mental Health,~~
- 12 j. ~~Oklahoma Tourism and Recreation Department,~~
- 13 k. ~~Department of Education,~~
- 14 l. ~~Oklahoma State Regents for Higher Education,~~
- 15 m. ~~State Department of Health,~~
- 16 n. ~~State Department of Agriculture,~~
- 17 o. ~~Oklahoma Department of Career and Technology~~
- 18 ~~Education,~~
- 19 p. ~~Oklahoma Association of Regional Councils, and~~
- 20 q. ~~Such other members as determined by the Commission~~
- 21 State Budget Director.

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

23 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 4-5-05 - DO PASS,
24 As Amended.