

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 SENATE BILL 770

By: Laster

4
5
6 AS INTRODUCED

7 An Act relating to schools; providing definitions;
8 authorizing creation of secondary school building
9 authorities; stating function of certain authorities;
10 stating purpose; providing procedure for creating
11 certain authority; providing for election of
12 trustees; prescribing election procedures; providing
13 for election of officers; providing for selection of
14 chief executive officer and treasurer of trust;
15 naming beneficiaries; making certain laws applicable
16 to certain authority; authorizing authority to
17 propose question on indebtedness to certain school
18 district electors; requiring certain information to
19 be contained in proposal; requiring certain election
20 to be held at certain time; providing for special
21 election upon certain resolutions; requiring
22 districts to issue bonds to meet certain obligations;
23 requiring certain proceeds to be paid to certain
24 authority; requiring certain authority to construct
certain facilities; requiring certain lease of
facilities to certain independent district; requiring
shares of sale or lease of certain facilities to be
apportioned among certain school districts; stating
limit of indebtedness for certain projects; providing
formula to establish and limit number of levies
authorized on certain property; clarifying that
certain act shall not be construed as annexing or
consolidating any district; providing for
codification; providing an effective date; and
declaring an emergency.

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

2 SECTION 1. NEW LAW A new section of law to be codified
3 in the Oklahoma Statutes as Section 5-191 of Title 70, unless there
4 is created a duplication in numbering, reads as follows:

5 As used in this act:

6 1. "Transportation district" means the area for which a
7 district provides transportation pursuant to Section 9-105 of Title
8 70 of the Oklahoma Statutes;

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

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

15 4. "Secondary school facilities" means facilities, buildings,
16 and equipment, excluding transportation equipment, for which a
17 district may incur indebtedness pursuant to Section 26 of Article X
18 of the Oklahoma Constitution and which will be used in the provision
19 of secondary grades; and

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

22 SECTION 2. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 5-192 of Title 70, unless there
24 is created a duplication in numbering, reads as follows:

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

12 1. If the independent district board of education believes the
13 district needs additional or upgraded facilities for secondary
14 grades, the board may by resolution authorize creation of a
15 secondary school building authority upon election of trustees of the
16 authority from the independent district and each elementary district
17 that shares an overlap area with the independent district;

18 2. Following the resolution authorizing the authority, the
19 independent district and each elementary district that shares an
20 overlapping area with the independent district shall each elect a
21 representative from the district at the next general school election
22 to serve on the authority board of directors. If fewer than three
23 districts will be beneficiaries of the authority, each district
24 shall elect two representatives. The election shall be conducted in

1 the manner prescribed for board of education elections in Section
2 13A-101 et seq. of Title 26 of the Oklahoma Statutes;

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

7 4. The authority shall select a superintendent from one of the
8 districts that is served by the authority to serve as the chief
9 executive officer of the authority. The treasurer for the school
10 district where the superintendent serves shall serve as treasurer
11 for the authority; and

12 5. The authority shall be a public trust with each
13 participating school district being a beneficiary. All laws
14 governing public trust functions and duties, except laws
15 inconsistent with the express provisions of this act, shall apply to
16 a secondary school building authority. The creation of the trust
17 shall require no approval beyond the procedures set forth in this
18 act. The authority shall be subject to the Oklahoma Open Records
19 Act and Oklahoma Open Meeting Act.

20 SECTION 3. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 5.193 of Title 70, unless there
22 is created a duplication in numbering, reads as follows:

23 A. The trustees of a secondary school building authority shall,
24 following public hearings and input, determine the secondary school

1 building needs sufficient to serve the students attending secondary
2 grades in the independent district. If the trustees determine
3 additional or upgraded facilities are needed, the authority, by
4 majority vote of the trustees, may propose to the voters in the
5 independent and elementary districts that the districts incur
6 indebtedness pursuant to Section 26 of Article X of the Oklahoma
7 Constitution to provide secondary school facilities through the
8 authority. Specifically, the authority's proposal to the districts
9 shall:

10 1. Describe generally the facilities or buildings and equipment
11 that will be provided;

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

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

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

21 B. The election on the proposal shall be held in the manner
22 prescribed for school district indebtedness proposals pursuant to
23 Section 15-101 et seq. of Title 70 of the Oklahoma Statutes, except
24 that the authority shall call the election. The election shall be

1 held when general school elections are held pursuant to Section 13A-
2 101 et seq. of Title 26 of the Oklahoma Statutes. Each district
3 shall pay for the election costs incurred in the district and shall
4 share in the general costs of ballot printing and similar expenses.
5 Upon resolutions of all the affected district boards of education
6 requesting that a special election be called for the proposal, the
7 authority may call a special election. Approval of the proposal
8 requires the assent to the debt of three-fifths (3/5) of the
9 qualified electors of each district voting in the election as
10 prescribed in Section 26 of Article X of the Oklahoma Constitution.

11 C. Upon approval of indebtedness to fund the proposal by the
12 required number of voters in each district, each district shall
13 issue bonds to meet its obligations for the proposal as authorized
14 and required by law. The proceeds from the bonds shall be paid to
15 the authority for its use in constructing the facilities and buying
16 equipment as authorized. Upon completion of the project, the
17 authority shall lease the facilities and equipment to the
18 independent district for an nominal sum, with the lease to be renewed
19 annually at the option of the district. If the facilities become
20 obsolete or are not needed by the independent district, the
21 authority may lease or sell the facilities, provided the proceeds
22 shall be paid to each district in shares proportionate to the
23 district's contribution to the facilities.

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1 SECTION 4. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 5-194 of Title 70, unless there
3 is created a duplication in numbering, reads as follows:

4 A. The limit of indebtedness an elementary district may
5 authorize for a proposal by the secondary school authority shall
6 never be more than four-thirteenths ($4/13$) of ten percent (10%) of
7 the assessed valuation of the property in its overlap area. If the
8 elementary district has unretired indebtedness or authority for
9 indebtedness that would be outstanding when the indebtedness for the
10 secondary building authority's proposal would be incurred, the
11 elementary district's limit for purposes of the proposal must be
12 adjusted downward as follows:

13 1. Subtract from one the ratio of all unretired or authorized
14 indebtedness of the elementary district to ten percent (10%) of the
15 assessed valuation of all taxable property in the elementary
16 district; and

17 2. Compute the debt limitation of the elementary district by
18 multiplying the assessed valuation of the overlap area by the lesser
19 of either four-thirteenths ($4/13$) or the remainder determined in
20 paragraph 1 of this subsection.

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

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

5 SECTION 5. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 5-195 of Title 70, unless there
7 is created a duplication in numbering, reads as follows:

8 A. For purposes of computing tax levies pursuant to Section 431
9 of Title 62 of the Oklahoma Statutes to satisfy indebtedness that an
10 independent or elementary district authorizes for its share of the
11 secondary building authority's proposal, the following provisions
12 shall apply:

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

16 2. In each elementary district, only the taxable property
17 included in the district's assessed valuation that lies in the
18 overlap area shall be subject to levies to satisfy the debt. The
19 levies that may be assessed on the property in the overlap area
20 shall be computed and limited as follows:

21 a. determine the number of mills that would be assessed
22 against property in the overlap area if the district
23 were indebted at the constitutional limit for the
24 district, and

1 b. then multiply the number of mills determined in
2 subparagraph a of this paragraph by either four-
3 thirteenths (4/13) or the remainder computed in
4 paragraph 1 of subsection A of Section 4 of this act,
5 whichecker is less.

6 B. Nothing in this act shall be construed as consolidating or
7 annexing any elementary district to any independent district. Any
8 proceedings that may be initiated to annex or consolidate any
9 elementary district, including an elementary district that shares an
10 overlap area with an independent district, shall be governed by the
11 laws related to annexation and consolidation, Section 7-101 et seq.
12 of Title 70 of the Oklahoma Statutes. If an elementary district
13 that shares an overlap area with an independent district is annexed
14 or consolidated after debt is incurred or authorized for a secondary
15 building authority proposal, property in the overlap area shall
16 continue to be levied as provided in this act until retirement of
17 the debt incurred or authorized for the secondary building authority
18 proposal.

19 SECTION 6. This act shall become effective July 1, 2009.

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

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