

1 ENGROSSED HOUSE  
2 BILL NO. 2262

By: Shannon of the House

3 and

4 Jolley of the Senate

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6  
7 An Act relating to state government assets; amending  
8 62 O.S. 2011, Section 901, which relates to the Long  
9 Range Capital Planning Commission; modifying  
10 requirements related to certain report; providing for  
11 findings related to Oklahoma State Government Asset  
12 Reduction and Cost Savings Program; amending 74 O.S.  
13 2011, Section 61.7, which relates to the Oklahoma  
14 State Government Asset Reduction and Cost Savings  
15 Program; creating the Maintenance of State Buildings  
16 Revolving Fund; providing for deposit of certain sale  
17 proceeds; prescribing requirements for expenditures;  
18 providing an effective date; and declaring an  
19 emergency.

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

21 SECTION 1. AMENDATORY 62 O.S. 2011, Section 901, is  
22 amended to read as follows:

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

- 27 a. four members appointed by the President Pro Tempore of  
28 the Senate to serve at his pleasure. Of these

1 appointees two shall be members of the Senate and two  
2 shall be from the public at large,

3 b. four members appointed by the Speaker of the House of  
4 Representatives to serve at his pleasure. Of these  
5 appointees two shall be members of the House of  
6 Representatives and two shall be from the public at  
7 large,

8 c. four members shall be appointed by the Governor to  
9 serve at his pleasure. These appointees shall be from  
10 the public at large.

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

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

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

21 C. The Oklahoma State Bond Advisor shall provide staffing for  
22 the Commission and other such assistance as the Commission may  
23 require.

1 D. 1. The Commission shall prepare each year a state capital  
2 plan for addressing state, regional and local public capital  
3 facility needs for the next ensuing five (5) years. The Oklahoma  
4 State Regents for Higher Education and each state governmental  
5 entity as defined in Section 695.3 of Title 62 of the Oklahoma  
6 Statutes shall cooperate with the Commission in the preparation of  
7 the state plan. By October 1, 1992, each state governmental entity  
8 shall submit a copy of its complete inventory and a need list.  
9 Beginning December 1, 1993, the plan shall be submitted to the  
10 Governor, Speaker of the House of Representatives and President Pro  
11 Tempore of the Senate no later than December 1 of each year.

12 2. a. The capital plan should supplement and integrate, not  
13 replace, existing capital planning processes at the  
14 state, regional or local level. The plan shall  
15 consider and incorporate, as appropriate, the local  
16 and regional plans that may be developed pursuant to  
17 the provisions of Sections ~~3~~ 910 through ~~6~~ 912 of  
18 ~~this act~~ Title 62 and Section 5003.7 of Title 74 of  
19 the Oklahoma Statutes.

20 b. The plan shall assess long-term needs for capital  
21 facilities provided by both state and local  
22 governments as determined by the Commission. The plan  
23 shall include:  
24

- 1 (1) an inventory of capital facilities held by the  
2 state, and when available, by units of local  
3 government or special districts. The inventory  
4 shall include such information as is reasonably  
5 available on the physical and economic condition  
6 of these assets,
- 7 (2) a projection of economic and demographic trends  
8 likely to influence the needs for new or expanded  
9 capital facilities,
- 10 (3) an estimate of mandatory, essential, desirable  
11 and deferrable repair, replacement and  
12 expansions,
- 13 (4) estimates of life cycle costs for new and  
14 substantially expanded or renovated facilities.  
15 Life cycle costs shall include the cost of  
16 construction, financing, repair and maintenance,
- 17 (5) an analysis of recent trends and projections of  
18 revenues available from general obligation and  
19 revenue bonds, general and dedicated taxes used  
20 for capital facilities finance, user fees, the  
21 federal government and other sources,
- 22 (6) an analysis of the capacity of the state and  
23 local governments to incur debt or finance public  
24 capital facilities,

1 (7) a detailed list of all capital projects of the  
2 state which the Commission recommends be  
3 undertaken or continued for any state agency in  
4 the next two (2) fiscal years, together with  
5 information as to the effect of such capital  
6 projects on future operating expenses of the  
7 state, and with recommendations as to the  
8 priority of such capital projects and the means  
9 of funding them,

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

19 (9) a schedule for the next fiscal year of  
20 recommended projects,

21 (10) a review of capital projects which have recently  
22 been implemented or completed or are in process  
23 of implementation or completion,  
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- 1 (11) recommendations as to the maintenance of physical  
2 properties and equipment of state agencies, ~~and~~  
3 (12) such other information as the Commission deems  
4 relevant to the foregoing matters, and  
5 (13) the inclusion of the findings of the Oklahoma  
6 State Government Asset Reduction and Cost Savings  
7 Program and the indexing of the most necessary  
8 capital improvements to the expenditure of funds  
9 from the Maintenance of State Buildings Revolving  
10 Fund.

11 3. The Governor shall prepare at the same time as the state  
12 budget document is prepared, a capital budget. The capital budget  
13 shall be prepared and submitted by the Governor or Governor-elect in  
14 accordance with the procedures for preparing the state budget  
15 document. The capital budget shall embrace all expenditures of the  
16 state government for facilities and equipment and all revenues to be  
17 raised for purpose of meeting expenditure commitments during the  
18 next ensuing fiscal year and shall include the following:

- 19 a. for each expenditure and class of expenditures, the  
20 costs to be incurred during the next ensuing fiscal  
21 year, plus where appropriate, the annual operating and  
22 maintenance costs of such facilities and a schedule of  
23 depreciation calculated in accordance with the  
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1 principles and standards of capital budgeting  
2 authorized by paragraph 4 of this subsection,

3 b. the revenues and sources required to meet projected  
4 expenditures. Revenue sources to be indicated  
5 include, but are not limited to: the General Revenue  
6 Fund, the Transportation Fund, any special funds,  
7 proceeds of bond sales, federal funds, local  
8 government revenue or other sources. Where additional  
9 revenues in the form of additional taxes, user fees or  
10 new bond issues are proposed to meet expenditure  
11 requests, any funds created for such purposes shall be  
12 included in this act, and

13 c. a statement regarding the relationship between the  
14 proposals contained in the capital budget and the  
15 capital plan. The capital budget shall be based upon  
16 the capital plan prepared by the Commission.

17 4. The Commission, with the assistance of the Office of State  
18 Finance, shall prepare and publish rules and regulations that set  
19 forth principles and standards for capital planning and budgeting to  
20 be used by state agencies. The rules and regulations shall set  
21 forth definitions of relevant terms to be used in the capital  
22 planning and budgeting processes, establish accounting standards and  
23 standards for costs and benefits of public facility investments.

1 E. The Oklahoma Department of Commerce shall assist the Long-  
2 Range Capital Planning Commission in developing any portion of the  
3 state capital plan addressing regional and local public capital  
4 facility needs. The Department shall assist in providing the  
5 expertise and information required to assess long-term needs for  
6 capital facilities at the regional and local level. The Department  
7 shall have the authority to contract with other entities to provide  
8 the type of information needed to prepare:

9 1. An inventory of capital facilities held by units of local  
10 government, and special districts, including such information as is  
11 reasonably available on the physical and economic condition of these  
12 assets. Inventories shall be conducted according to the  
13 geographical boundaries of the regional councils;

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

16 3. An estimate of mandatory, essential, desirable and  
17 deferrable repair, replacement and expansions; and

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

21 F. 1. The Commission and the Oklahoma State Bond Advisor may  
22 call to their assistance such personnel or any state agency in order  
23 to perform their duties pursuant to the State Capital Improvement  
24 Planning Act and such agencies shall respond and provide any such

1 assistance as may be required. The Office of State Finance and  
2 other state agencies also shall assist the Commission in the  
3 performance of its functions. The Commission may use existing  
4 studies, surveys, plans, data and other materials in the possession  
5 of any state agency or any municipality or political subdivision of  
6 this state. Each such agency, municipality or subdivision may make  
7 the same available to the Commission so that the Commission may have  
8 available to it current information with respect to the capital  
9 plans and programs of each such agency, municipality or subdivision.

10 2. The officers and personnel of any state agency, municipality  
11 or political subdivision, and any other person may serve at the  
12 request of the Commission upon such advisory committees as the  
13 Commission may create and such officers and personnel may serve upon  
14 such committees without forfeiture of office or employment and with  
15 no loss or diminution of the compensation, status, rights and  
16 privileges which they otherwise enjoy.

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

20 2. The purposes and responsibilities of the Policy Advisory  
21 Committee shall be:

22 a. to counsel and otherwise assist the Commission in the  
23 development of the capital plan, and  
24

1           b.    to review and comment on the capital plan and make  
2                    recommendations to the Commission concerning capital  
3                    planning and debt management issues as deemed  
4                    appropriate by the Committee.

5           3.    The Policy Advisory Committee shall be composed of the  
6 members of the Bond Oversight Commissions and the chief executive  
7 officer or fixed designate from each of the following entities;  
8 provided, designated members shall be appointed by each chief  
9 executive officer for a term certain which shall not be less than  
10 one (1) year:

- 11           a.    Association of County Commissioners of Oklahoma,
- 12           b.    Oklahoma Municipal League,
- 13           c.    ~~State~~ Department of Transportation,
- 14           d.    Oklahoma Turnpike Authority,
- 15           e.    ~~Office~~ Department of ~~Public Affairs~~ Central Services,
- 16           f.    Oklahoma Water Resources Board,
- 17           g.    Department of Human Services,
- 18           h.    Department of Corrections,
- 19           i.    Department of Mental Health and Substance Abuse  
20                Services,
- 21           j.    Oklahoma Tourism and Recreation Department,
- 22           k.    State Department of Education,
- 23           l.    Oklahoma State Regents for Higher Education,
- 24           m.    State Department of Health,

- n. ~~State~~ Oklahoma Department of Agriculture, Food, and Forestry,
- o. Oklahoma Department of Career and Technology Education,
- p. Oklahoma Association of Regional Councils, and
- q. Such other members as determined by the Commission.

SECTION 2. AMENDATORY 74 O.S. 2011, Section 61.7, is amended to read as follows:

Section 61.7 A. There is hereby established the Oklahoma State Government Asset Reduction and Cost Savings Program.

B. No later than December 31 each year the Director of Central Services shall publish a comprehensive report detailing state-owned properties.

C. The report mandated in accordance with the provisions of this section shall list the five percent (5%) most underutilized state-owned properties. The report shall describe the value of properties falling within the description in this subsection, assess the potential for purchase should the properties be offered for sale and describe the impact on local-level tax rolls in the event the properties are purchased by a nongovernmental entity.

D. The Director of Central Services shall promulgate rules establishing procedures by which each state agency, board, commission and public trust having the State of Oklahoma as a

1 beneficiary shall submit the necessary data to the Department of  
2 Central Services for the development of this report.

3 E. State agencies, boards, commissions and public trusts having  
4 the State of Oklahoma as a beneficiary shall comply with procedures  
5 promulgated pursuant to the terms of this section.

6 F. The report and data collected pursuant to this section shall  
7 be published as a data feed on the "data.ok.gov" website.

8 G. There is hereby created the Maintenance of State Buildings  
9 Revolving Fund. The fund shall not be subject to fiscal year  
10 limitations and the fund shall serve as the depository for proceeds  
11 from the sale of state-owned properties pursuant to the Oklahoma  
12 State Government Asset Reduction and Cost Savings Program.  
13 Expenditures from the fund shall be limited exclusively to  
14 maintaining and repairing state-owned properties and buildings.

15 SECTION 3. This act shall become effective July 1, 2012.

16 SECTION 4. It being immediately necessary for the preservation  
17 of the public peace, health and safety, an emergency is hereby  
18 declared to exist, by reason whereof this act shall take effect and  
19 be in full force from and after its passage and approval.

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1 Passed the House of Representatives the 1st day of March, 2012.

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4 Presiding Officer of the House of  
Representatives

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6 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2012.

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9 Presiding Officer of the Senate