

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 53rd Legislature (2012)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2392

By: Liebmann

7  
8 COMMITTEE SUBSTITUTE

9 An Act relating to public finance; amending 62 O.S.  
10 2011, Section 901, which relates to the Long-Range  
11 Capital Planning Commission; modifying gender  
12 references; modifying provisions related to  
13 membership; modifying provisions related to staffing;  
14 modifying duties and responsibilities; removing  
15 duties of Oklahoma Department of Commerce; modifying  
16 provisions related to the Policy Advisory Committee;  
17 and providing an effective date.

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

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

21 Section 901. A. 1. There is hereby created a Long-Range  
22 Capital Planning Commission to advise and assist the Legislature in  
23 providing for capital facilities in this state. The Commission  
24 shall consist of ~~twelve (12)~~ nine (9) members as follows:

- 1 a. ~~four~~ three members appointed by the President Pro  
2 Tempore of the Senate to serve at ~~his~~ the pleasure of  
3 the appointing authority. Of these appointees two  
4 shall be members of the Senate and ~~two~~ one shall be  
5 from the public at large,
- 6 b. ~~four~~ three members appointed by the Speaker of the  
7 House of Representatives to serve at ~~his~~ the pleasure  
8 of the appointing authority. Of these appointees two  
9 shall be members of the House of Representatives and  
10 ~~two~~ one shall be from the public at large, and
- 11 c. ~~four~~ three members shall be appointed by the Governor  
12 to serve at ~~his~~ the pleasure of the appointing  
13 authority. These appointees shall be from the public  
14 at large.

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

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

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

3 C. The Office of State Finance, with the advice and assistance  
4 of the Oklahoma State Bond Advisor, shall provide staffing for the  
5 Commission and other such assistance as the Commission may require.

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

18 2. a. The capital plan should supplement and integrate, not  
19 replace, existing capital planning processes ~~at the~~  
20 ~~state, regional or local level.~~ The plan shall  
21 consider and incorporate, as appropriate, the local  
22 and regional plans that may be developed ~~pursuant to~~  
23 ~~the provisions of Sections 3 through 6 of this act.~~

1           b.    The plan shall assess long-term needs for capital  
2                    facilities provided by both state and local  
3                    governments as determined by the Commission.  The plan  
4                    shall include:

5                    (1)  an inventory of capital facilities held by the  
6                            state, and when available, by units of local  
7                            government or special districts.  The inventory  
8                            shall include such information as is reasonably  
9                            available on the physical and economic condition  
10                           of these assets,

11                   (2)  a projection of economic and demographic trends  
12                           likely to influence the needs for new or expanded  
13                           capital facilities,

14                   (3)  an estimate of mandatory, essential, desirable  
15                           and deferrable repair, replacement and  
16                           expansions,

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

21                   (5)  an analysis of recent trends and projections of  
22                           revenues available from general obligation and  
23                           revenue bonds, general and dedicated taxes used

24

1 for capital facilities finance, user fees, the  
2 federal government and other sources,

3 (6) an analysis of the capacity of the state and  
4 local governments to incur debt or finance public  
5 capital facilities,

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

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

24

1 (9) a schedule for the next fiscal year of  
2 recommended projects,

3 ~~(10) a review of capital projects which have recently~~  
4 ~~been implemented or completed or are in process~~  
5 ~~of implementation or completion,~~

6 ~~(11)~~ recommendations as to the maintenance of physical  
7 properties and equipment of state agencies, and

8 ~~(12)~~ (11) such other information as the Commission deems  
9 relevant to the foregoing matters.

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

18 a. for each expenditure and class of expenditures, the  
19 costs to be incurred during the next ensuing fiscal  
20 year, plus where appropriate, the annual operating and  
21 maintenance costs of such facilities and a schedule of  
22 depreciation calculated in accordance with the

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, the Office of State Finance, and the  
22 Oklahoma State Bond Advisor may call to their assistance such  
23 personnel or any state agency in order to perform their duties

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

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

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

22 2. ~~The purposes and responsibilities of the Policy Advisory~~  
23 ~~Committee shall be:~~

24

- 1 a. ~~to counsel and otherwise assist the Commission in the~~  
2 ~~development of the capital plan, and~~
- 3 b. ~~to review and comment on the capital plan and make~~  
4 ~~recommendations to the Commission concerning capital~~  
5 ~~planning and debt management issues as deemed~~  
6 ~~appropriate by the Committee.~~

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

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

- ~~l. Oklahoma State Regents for Higher Education,~~
- ~~m. State Department of Health,~~
- ~~n. State Department of Agriculture,~~
- ~~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. This act shall become effective November 1, 2012.

COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM AND  
FINANCIAL SERVICES, dated 02/09/2012 - DO PASS, As Amended.