An Act

ENROLLED HOUSE
BILL NO. 1924

By: DeWitt, Johnson and Pittman of the House

and

Griffin and Johnson (Constance) of the Senate

An Act relating to counties and county officers; amending 19 O.S. 2011, Section 421.1, which relates to the procedures for sale of certain property; authorizing board of county commissioners to hold certain auctions; authorizing board of county commissioners to solicit certain bids; and providing an effective date.

SUBJECT: Procedures for sale of county property

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

SECTION 1. AMENDATORY 19 O.S. 2011, Section 421.1, is amended to read as follows:

Section 421.1 A. The board of county commissioners is hereby authorized to use any tools, apparatus, machinery or equipment belonging to the county, the original cost of which exceeded Five Hundred Dollars ($500.00), as a trade-in on a cash purchase or lease purchase of any other tools, apparatus, machinery or equipment.

B. To establish an appraised value for an item to be sold at public auction, the purchasing agent may refer to an industry-recognized appraisal manual for used construction equipment to estimate the value of the item being sold, or obtain appraisal quotes from at least two vendors in the business of selling items like the one being sold.

C. Except when such items are disposed of pursuant to subsection F of this section, the following procedures shall be used for the sale, by the board of county commissioners, of any tools, apparatus, machinery or equipment, the original cost of which exceeded Five Hundred Dollars ($500.00), belonging to the county:

1. The board of county commissioners shall give notice of such sale by publication in a newspaper of general paid circulation in the county for two (2) successive weekly issues;

2. Bids for such tools, apparatus, machinery or equipment on sale shall be in writing, sealed and delivered to the county clerk of such county;

3. At the next regular meeting of the board of county commissioners after the expiration of fifteen (15) days from the date of first publication of notice of the sale, the board of county commissioners shall open such bids and award such tools, apparatus, machinery or equipment to the highest and best bidder with the option of rejecting all bids; and

4. The board of county commissioners may hold a public auction <u>or use an Internet auction, which may include online bidding,</u> in lieu of advertising for sealed bids as provided above. Such auction shall be advertised as provided herein.

D. A board of county commissioners may sell any materials, tools, apparatus, machinery or equipment to a state agency, if the agency is subject to The Oklahoma Central Purchasing Act, or to a political subdivision of the state if the political subdivision is subject to such act or a similar competitive bidding procedure. The board of county commissioners may purchase materials, tools, apparatus, machinery or equipment from a state agency, if the agency is subject to The Oklahoma Central Purchasing Act, or from a political subdivision of the state if the political subdivision is subject to such act or a similar competitive bidding procedure.

E. The board of county commissioners may, by resolution, enter into an agreement with any other county or political subdivision for the purpose of selling, transferring, trading or otherwise disposing of equipment or materials.

F. Advertisement of surplus property consigned to sell at a Circuit Engineering District auction shall be provided by the auction company under contract to conduct the sale. Advertising

shall be provided to attract the most potential buyers. Advertising media may include, but not be limited to, sale flyers, newspapers, radio, television, and Internet postings.

G. Pursuant to the authority of Section 1 of this title, boards of county commissioners shall have authority, under such statute and in consideration of the procedures in this section to sell real property belonging to the county without declaring such property surplus under the following conditions:

1. A certified appraisal of the county property shall be performed to determine the market value of the property and accepted by the board of county commissioners;

2. After acceptance of the certified appraisal, the board of county commissioners shall, pursuant to the requirements of this section, give notice of such sale by publication in a newspaper of general paid circulation in the county for two successive weekly issues;

3. Bids for the real property shall be in writing, sealed and delivered to the county clerk of such county;

4. At the next regular meeting of the board of county commissioners after the expiration of fifteen (15) days from the date of first publication of notice of sale, the board of county commissioners shall open such bids;

5. A successful bid must be no less than the market value of the real property to be considered by the board of county commissioners for acceptance. The board of county commissioners reserves the right to reject any and all bids;

6. If more than one bid is above the market value of the real property, the board of county commissioners shall have the right to compel the potential buyers of the real property who have bid above the market amount to enter into public auction conducted by the chairman of the board of county commissioners after the opening of such bids, to establish the highest bid for the property in order to assure that the county is receiving adequate consideration for the property;

7. A majority vote of the board of county commissioners shall be required to determine the successful bidder of the real property. Upon awarding the bid, either through sealed bid or by conducting a

public auction of those bidders who bid more than the market value of the real property, the board of county commissioners shall have the right to pledge the occupied property, using an irrevocable bond or letter of credit, as provided for in paragraph 10 of this subsection, as collateral in order to finance bonds to purchase other real property or build a replacement building, or both;

8. If the sale price is less than the estimated cost of new land purchase or construction, then said sales contract shall be contingent upon the public approval of bond funding or other authorized funding to allow the complete payment of the contemplated project;

9. The board of county commissioners shall have authority pursuant to paragraphs 5 and 6 of Section 1 of this title to make any order concerning the sale of such property contingent upon a closing date in the future in order to continue to use said real property until a replacement building is completed. Upon completion of the replacement building, the board of county commissioners shall execute all documents and title transfers pertaining to said real property to the successful bidder; and

10. The successful bidder shall execute an irrevocable bond or letter of credit with a surety company or bank licensed to do business in the State of Oklahoma and organized under the corporate laws of the State of Oklahoma and registered with the Secretary of State of Oklahoma equal to the amount of the purchase price of the real property within fifteen (15) days of awarding of the bid. Failure to provide either an irrevocable bond or letter of credit in favor of the board of county commissioners within said time limitation shall act as a rejection and cancellation by the board of the award of bid and said board may, at that point, enter into a contract with any secondary or subsequent bidder that meets the aforementioned qualifications without further notice.

H. The board of county commissioners may solicit telephone bids for the removal of recyclable materials.

SECTION 2. This act shall become effective November 1, 2013.

Passed the House of Representatives the 16th day of May, 2013.

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Presiding Officer of the House
of Representatives

Passed the Senate the 23rd day of May, 2013.

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Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

_____
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20 _____, at _____ o'clock _____ M.

By: _____