

1 **SENATE FLOOR VERSION**

2 February 20, 2013

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 7

By: Allen of the Senate

and

Murphey of the House

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9 [state-owned properties - modifying requirements for
10 certain report - dispose of certain properties -
effective date]

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

14 SECTION 1. AMENDATORY 74 O.S. 2011, Section 61.7, as
15 last amended by Section 705, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
16 2012, Section 61.7), is amended to read as follows:

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

19 B. No later than December 31 of each year, the Director of the
20 Office of Management and Enterprise Services shall publish a
21 comprehensive report detailing state-owned properties.

22 C. The report ~~mandated in accordance with the provisions of~~
23 ~~this section shall list the five percent (5%) most underutilized~~

1 shall include an inventory of unused and underused state-owned
2 properties. ~~The report shall describe~~ and shall:

3 1. Describe the value of such properties ~~falling within the~~
4 ~~description in this subsection,~~ assess such as approximate monetary
5 ~~value, future use, whether the property is detrimental to the state,~~
6 ~~and if there is any mineral royalty income;~~

7 2. Assess the potential for purchase should the properties be
8 offered for sale ~~and describe;~~

9 3. Assess the potential for transfer of such properties to
10 ~~another state agency or for the use of such properties by another~~
11 ~~state agency;~~

12 4. Describe the impact of sales of such properties on local-
13 level tax rolls in the event the properties are purchased by a
14 nongovernmental entity; ~~and~~

15 5. Include a recommendation for sale or transfer of unused or
16 ~~underused properties if the Director determines that such action~~
17 ~~would be in the best interests of the state.~~

18 D. The Director of the Office of Management and Enterprise
19 Services shall promulgate rules establishing procedures by which
20 each state agency, board, commission and public trust having the
21 State of Oklahoma as a beneficiary shall submit the necessary data
22 to the Office of Management and Enterprise Services for the
23 development of this report.

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

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

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

13 SECTION 2. AMENDATORY 74 O.S. 2011, Section 129.4, as
14 amended by Section 818, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
15 2012, Section 129.4), is amended to read as follows:

16 Section 129.4. A. Unless procedures for state agency
17 transactions to lease or acquire real property, or lease, dispose of
18 or transfer state-owned real property are otherwise provided for by
19 law, no department, board, commission, institution, or agency of
20 this state shall sell, lease, exchange, or otherwise dispose of such
21 real property subject to its jurisdiction except as provided for in
22 this section.

23 B. 1. Every department, board, commission, institution, or
24 agency shall request the Capital Asset Management Division of the

1 Office of Management and Enterprise Services to dispose of real
2 property upon:

3 a. legislative authorization to dispose of a parcel of
4 real property ~~or upon,~~

5 b. a determination, in writing, by ~~said~~ the department,
6 board, commission, institution, or agency that a
7 parcel of real property subject to its jurisdiction is
8 no longer needed by ~~said~~ the department, board,
9 commission, institution, or agency, ~~shall request the~~
10 ~~Office of Management and Enterprise Services to~~
11 ~~dispose of said real property or~~

12 c. a recommendation to sell or transfer real property
13 pursuant to the report required in Section 61.7 of
14 this title.

15 2. Upon notification by the department, board, commission,
16 institution, or agency to sell a parcel of real property, the Office
17 of Management and Enterprise Services shall:

18 a. ~~when appropriate,~~ determine whether a study conducted
19 pursuant to Section 456.7 of this title is in the best
20 interest of the state,

21 b. obtain ~~three~~ two new and complete appraisals on
22 properties with an estimated value that equals or
23 exceeds ~~One Million Dollars (\$1,000,000.00); or, two~~
24 ~~new and complete appraisals on properties with an~~

1 ~~estimated value greater than One Hundred Thousand~~
2 ~~Dollars (\$100,000.00) and less than One Million~~
3 ~~Dollars (\$1,000,000.00); or, one new and complete~~
4 ~~appraisal on properties with an estimated value less~~
5 ~~than One Hundred Thousand Dollars (\$100,000.00) Five~~
6 ~~Hundred Thousand Dollars (\$500,000.00). The~~
7 ~~appraisals shall be made by persons located in the~~
8 ~~area and certified by the Real Estate Appraiser Board~~
9 ~~of the Oklahoma Insurance Department, who shall~~
10 ~~ascertain:~~

- 11 (1) the present fair value of the property, and
12 (2) the present value of the improvements on such
13 property; provided, abandoned properties in
14 disrepair or in a vandalized state, or located in
15 a flood plain, shall be deemed to be a liability
16 and an appraisal shall not be required, and
17 ~~(3) the actual condition of the improvements on the~~
18 ~~property,~~

19 c. cause notice of such sale to be published ~~for at least~~
20 ~~one (1) day~~ in a newspaper of general statewide
21 circulation authorized to publish legal notices, and
22 ~~for at least three (3) consecutive weeks~~ in a
23 newspaper of general circulation published in the
24 county or counties in which the property is located,

1 for at least three (3) consecutive weeks. The notice
2 shall contain the legal description of each parcel of
3 real property to be offered for sale, the appraised
4 value thereof, the time and location of the sale or
5 opening of the bids, and terms of the sale including
6 the fact that no parcel of property shall be sold for
7 less than ~~ninety percent (90%)~~ seventy-five percent
8 (75%) of the appraised value of the real property, and

9 d. offer ~~said~~ the property through public auction or
10 sealed bids within three (3) weeks after the last
11 publication of the notice in ~~said~~ the newspapers. The
12 property shall be sold to the highest bidder. ~~The~~
13 ~~Office of Management and Enterprise Services shall not~~
14 ~~accept a bid of less than ninety percent (90%) of the~~
15 ~~appraised fair value of the property and the~~
16 ~~improvements on such property.~~ The Office of
17 Management and Enterprise Services is authorized to
18 reject all bids, except on property deemed to be a
19 liability.

20 3. The cost of the appraisements required by the provisions of
21 this section, together with other necessary expenses incurred
22 pursuant to this section, shall be paid by the department, board,
23 commission, institution, or agency for which the real property is to
24

1 be sold from funds available to said department, board, commission,
2 institution, or agency for such expenditure.

3 4. a. All monies, except as provided in subparagraph b of
4 this subsection, received from the sale or disposal of
5 said the property, except those monies necessary to
6 pay the expenses incurred pursuant to this section,
7 shall be deposited in the General Revenue Fund;
8 provided the first Fifty Million Dollars
9 (\$50,000,000.00) shall be deposited in the Maintenance
10 of State Buildings Revolving Fund created in Section
11 61.7 of this title.

12 b. Any monies received for the sale or disposal of
13 property under the authority of the Oklahoma
14 Department of Transportation or the Oklahoma Turnpike
15 Authority, except those monies necessary to pay the
16 expenses incurred pursuant to this section, shall be
17 deposited into the Department's Highway Construction
18 and Maintenance Fund or the Authority's Reserve
19 Maintenance Fund.

20 C. Unless otherwise provided by law, the Office of Management
21 and Enterprise Services shall review and approve state agency
22 transactions to lease or acquire real property, or lease, dispose of
23 or transfer state-owned real property. A state agency shall not
24 lease or acquire real property, or lease, dispose of or transfer

1 state-owned real property until the Office provides notice of
2 transaction approval to the state agency. Prior to approval, a
3 state agency shall provide documents to the Office and provide
4 reference to statutory or other legal authority of the state agency
5 to lease or acquire real property, or lease, dispose of or transfer
6 state-owned real property. If the state agency intends to lease or
7 acquire real property, the state agency shall state the intended use
8 of the real property. Within thirty (30) days of receipt, the
9 Office shall provide notice of transaction approval or disapproval
10 to the state agency.

11 D. The provisions of this section shall not apply to the lease
12 of office space, real property subject to supervision of the
13 Commissioners of the Land Office or district boards of education.

14 E. The Office of Management and Enterprise Services shall
15 maintain a comprehensive inventory of state-owned real property and
16 its use excluding property of the public schools and property
17 subject to the jurisdiction of the Commissioners of the Land Office.

18 1. Each state agency shall, within thirty (30) days of the
19 closing date for lands newly acquired, provide to the Office a list
20 of records, deeds, abstracts and other title instruments showing the
21 description of and relating to any and all such lands or interests
22 therein.

23 2. The provisions of paragraph 1 of this subsection shall apply
24 to all lands of public trusts having a state agency as the primary

1 benefactor, but shall not apply to lands of municipalities,
2 counties, or school districts, ~~or agencies thereof, or Department of~~
3 ~~Transportation rights-of-way.~~

4 3. A state agency that sells or otherwise disposes of land
5 shall notify the Office within thirty (30) days of the disposition
6 closing date.

7 F. This section shall not be construed to authorize any
8 department, board, commission, institution, or agency, not otherwise
9 authorized by law, to sell, lease, or otherwise dispose of any real
10 property owned by the state.

11 G. The Office of Management and Enterprise Services may provide
12 services to sell or purchase real property for other state agencies.

13 H. The Director of the Office of Management and Enterprise
14 Services shall, pursuant to the Administrative Procedures Act,
15 promulgate rules to effect procedures necessary to the fulfillment
16 of its responsibilities under this section.

17 I. The Oklahoma Ordnance Works Authority and its lands, and the
18 Northeast Oklahoma Public Facilities Authority shall be exempt from
19 the application of this section. The Grand River Dam Authority and
20 its lands shall be exempt from the application of this section for
21 any real property disposed of prior to November 1, 2006.

22 J. Unless otherwise provided for by law, the procedures
23 established pursuant to this section for the sale or exchange of
24 real estate or personal property as authorized pursuant to Sections

1 2222 and 2223 of this title shall be followed unless the sale is to
2 an entity of state government.

3 K. The Director of the Office of Management and Enterprise
4 Services shall contract with experts, professionals or consultants
5 as necessary to perform the duties of the Department. Selections
6 shall be made using the qualifications-based procedures established
7 in Section 62 of Title 61 of the Oklahoma Statutes, and the rules
8 promulgated by the Director for the selection of construction
9 managers and design consultants.

10 SECTION 3. This act shall become effective November 1, 2013.

11 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
12 February 20, 2013 - DO PASS AS AMENDED

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