

1 ENGROSSED SENATE
2 BILL NO. 797

By: David of the Senate

and

3
4 Watson of the House

5
6 An Act relating to the Grand River Dam Authority;
7 amending 82 O.S. 2011, Section 874, which relates to
8 disposal of property; authorizing the district to
9 sell property to certain entities upon approval by
10 the Board; and providing an effective date.

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

12 SECTION 1. AMENDATORY 82 O.S. 2011, Section 874, is
13 amended to read as follows:

14 Section 874. A. Nothing in Sections 861 through 890 of this
15 title shall be construed as authorizing the district and it shall
16 not be authorized to mortgage or otherwise encumber any of its
17 property of any kind, real, personal or mixed, or any interest
18 therein, or to acquire any property or interest subject to a
19 mortgage or conditional sale, provided that this section shall not
20 be construed as preventing the pledging of the revenues of the
21 district as herein authorized.

22 B. Nothing in Sections 861 through 890 of this title shall be
23 construed as authorizing the sale, lease or other disposition of any
24 property or interest of the district by the district or any receiver

1 of any of its properties or through any court proceeding or
2 otherwise.

3 C. 1. The district may sell for cash, subject to competitive
4 bidding as provided by the Board of Directors of the Grand River Dam
5 Authority, any property or interest in an aggregate value not
6 exceeding the sum of Five Hundred Thousand Dollars (\$500,000.00) in
7 any one (1) year, except that the district may sell any or all
8 surplus property that the district may have acquired without regard
9 to the limitations herein, if the Board, by the affirmative vote of
10 five or more of the members, shall have determined that the same is
11 not necessary to the business of the district and shall have
12 approved the terms of any sale.

13 2. Notwithstanding any other provision of law, the district may
14 sell real and personal property directly used for ~~an electrical~~
15 ~~substation, transformer station, switch station, or similar purpose~~
16 ~~to a rural electric cooperative corporation which has an ownership~~
17 ~~interest in an electricity generating station in which the district~~
18 ~~also has an ownership interest~~ the generation, transmission or
19 distribution of electricity to any association, cooperative,
20 municipal corporation or a beneficial trust thereof engaged in the
21 furnishing of wholesale or retail electric if the Board approves by
22 a vote of five (5) or more members that the property is not
23 necessary to the business of the district. Sales pursuant to this
24 paragraph shall be exempt from the requirements and limitations of

1 paragraph 1 of this subsection and from the requirements of Section
2 129.4 of Title 74 of the Oklahoma Statutes.

3 D. The district may lease any of its lands if the Board, by the
4 affirmative vote of five or more of the members, shall have
5 determined that the same can be leased without injury to or without
6 interference with the operations of the project, and shall have
7 approved the terms of any lease. Except as otherwise provided, no
8 shorelands (lands lying between the low and high water marks) shall
9 be leased for a term longer than two (2) years and not more than
10 one-fourth (1/4) mile of the lake front shall be leased to any one
11 person, firm or corporation. The district may lease shorelands for
12 a term longer than two (2) years and more than one-fourth (1/4) mile
13 of lake front may be leased to any one person, firm, or corporation
14 without regard to the limitations herein, if the Board, by the
15 affirmative vote of a majority of the members, determines that the
16 lease is necessary or beneficial to the business of the district.
17 The district may lease shorelands to political subdivisions,
18 agencies of the State of Oklahoma, or tax-exempt public trusts, for
19 any public purpose, on such terms as are mutually satisfactory to
20 the parties, notwithstanding the limitations herein. No lease shall
21 deprive the owner of any land adjacent to the shorelands or lake
22 front, or abutting thereon, of ingress or egress to and from the
23 water of the lakes and shall not deprive the owner of any wharf,
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1 dock or boat anchorage privileges that would belong to the owner if
2 the shorelands or lake front were not leased.

3 E. It is the intention of Sections 861 through 890 of this
4 title that, except by sale, lease or agreement as expressly
5 authorized in Sections 861 through 890 of this title, no property or
6 interest of the district shall ever come into the ownership or
7 control, directly or indirectly, of any person, firm or corporation
8 other than a public authority created under the laws of the State of
9 Oklahoma.

10 F. Nothing in this section shall be construed as preventing the
11 district from contracting with the United States or any agency
12 thereof for the temporary possession, control and use of properties
13 by the United States or any agency thereof for the safety and
14 defense of the United States in time of a national emergency or in
15 anticipation thereof.

16 G. All property of the district shall be at all times exempted
17 from forced sale, and nothing contained in Sections 861 through 890
18 of this title shall authorize the sale of any of the property of the
19 district under any judgment rendered in any suit, and such sales are
20 hereby prohibited and forbidden. The provisions of this subsection
21 shall not apply to any property constructed on a lease or the
22 interest in a lease of shoreland that has been entered into by the
23 district pursuant to subsection B of this section for a term of
24 longer than two (2) years, provided the provisions of the lease

1 authorizing the mortgage and forced sale of the property or lease
2 interest has been approved by an affirmative vote of a majority of
3 the members of the Board.

4 H. The provisions of this section shall not apply to any sale
5 agreement, lease agreement or other agreement entered into by the
6 district pursuant to paragraphs (f) or (g) of Section 862 of this
7 title, provided that the agreement is in compliance with any
8 applicable provision restricting the sale or leasing of property by
9 the district contained in any resolution of the district providing
10 for the issuance of revenue bonds.

11 SECTION 2. This act shall become effective November 1, 2015.

12 Passed the Senate the 11th day of March, 2015.

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14 _____
15 Presiding Officer of the Senate

16 Passed the House of Representatives the ____ day of _____,
17 2015.

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19 _____
20 Presiding Officer of the House
21 of Representatives
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