

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 1049

6 By: Thompson and Rader of the  
7 Senate

8 and

9 Wallace and Hilbert of the  
10 House

11 COMMITTEE SUBSTITUTE

12 An Act relating to public health and safety; amending  
13 63 O.S. 2011, Sections 3202, 3203, 3204, 3207, 3208,  
14 as amended by Section 513, Chapter 304, O.S.L. 2012,  
15 3210, 3221 and 3224, as amended by Section 1, Chapter  
16 387, O.S.L. 2016 (63 O.S. Supp. 2018, Sections 3208  
17 and 3224), which relate to the University Hospitals  
18 Authority and University Hospitals Trust; defining  
19 terms; modifying mission and purpose of University  
20 Hospitals; deleting provisions relating to transfer  
21 of University Hospitals; deleting obsolete language;  
22 modifying membership of University Hospital  
23 Authority; providing that members serve at pleasure  
24 of appointing authority; subjecting certain persons  
to Rules of Ethics Commission; modifying powers of  
University Hospitals Authority; clarifying  
application of Oklahoma State Finance Act; modifying  
requirement to submit certain monthly report;  
modifying provisions relating to selection of vendors  
and contractors; empowering Authority to authorize  
certain building demolition; modifying revenues to be  
deposited to University Hospitals Authority  
Disbursing Fund; granting certain powers and  
authority to University Hospitals Trust; amending 61  
O.S. 2011, Section 207.2, as amended by Section 323,  
Chapter 304, O.S.L. 2012 (61 O.S. Supp. 2018, Section  
207.2), which relates to public buildings and public  
works; exempting Authority and Trust from certain

1 provisions; amending 74 O.S. 2011, Section 62.3, as  
2 last amended by Section 3, Chapter 309, O.S.L. 2016  
3 (74 O.S. Supp. 2018, Section 62.3), which relates to  
4 Oklahoma Surplus Property Act; exempting Authority  
5 and Trust from Act; repealing 63 O.S. 2011, Sections  
6 3211 and 3212, as amended by Sections 514 and 515,  
7 Chapter 304, O.S.L. 2012, 3213.2, 3221.1 and 3223, as  
8 amended by Sections 516 and 517, Chapter 304, O.S.L.  
9 2012, 3227, 3227.1, as amended by Section 518,  
10 Chapter 304, O.S.L. 2012 and 3228 (63 O.S. Supp.  
11 2018, Sections 3211, 3212, 3221.1, 3223 and 3227.1),  
12 which relate to the University Hospitals Authority  
13 Act; and providing an effective date.

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

15 SECTION 1. AMENDATORY 63 O.S. 2011, Section 3202, is  
16 amended to read as follows:

17 Section 3202. As used in the University Hospitals Authority  
18 Act:

19 1. "University Hospitals" include the Oklahoma Memorial  
20 Hospital, which shall be renamed University Hospital; the Children's  
21 Hospital of Oklahoma; the Child Study Center; and the O'Donoghue  
22 Rehabilitation Institute;

23 2. "Authority" means the University Hospitals Authority;

24 3. "Department" means the Department of Human Services; ~~and~~

1. "Commission" means the Commission for Human Services or the  
Oklahoma Public Welfare Commission;

1        5. "University Hospital" means Everett Tower and the North  
2 Pavilion, which have been renamed as Children's Hospital at the  
3 University of Oklahoma Medical Center; and

4        6. "Children's Hospital of Oklahoma" means the Bielstein,  
5 Garrison, Nicholson and MRI towers which are no longer being used as  
6 hospitals.

7        SECTION 2.        AMENDATORY        63 O.S. 2011, Section 3203, is  
8 amended to read as follows:

9        Section 3203. A. The purposes of the University Hospitals  
10 Authority Act are to provide for an effective and efficient  
11 administration, to ensure a dependable source of funding, and to  
12 effectuate the mission and purposes of the University Hospitals  
13 Authority. The mission and purposes of the University Hospitals are  
14 to serve as general hospitals, to serve as teaching and training  
15 facilities for students enrolled at the University of Oklahoma, to  
16 serve as a site for conducting ~~medical and biomedical~~ research by  
17 faculty members of the University of Oklahoma ~~Health Sciences Center~~  
18 and to provide care for the medically indigent. The University  
19 Hospitals shall maintain a close affiliation with the University of  
20 Oklahoma Health Sciences Center and shall coordinate their  
21 operations and activities in a cooperative manner. In addition, the  
22 University Hospitals Authority shall provide indigent and  
23 nonindigent patient care, as more fully described herein.

1        B. The Legislature finds that the needs of the citizens of this  
2 state and the needs of the University of Oklahoma Health Sciences  
3 Center will be best served if the University Hospitals are operated  
4 by a separate Authority charged with the mission of operating or  
5 leasing the operations of the teaching hospitals for the benefit of  
6 the colleges of the University of Oklahoma Health Sciences Center  
7 and providing care for the medically indigent.

8        C. The University Hospitals Authority, by receiving the assets  
9 and operating obligations, shall ensure that the costs of delivering  
10 medically indigent care continue to be subsidized in excess of the  
11 state reimbursement for the medically indigent, consistent with the  
12 teaching hospitals' past policy and performance and that of the  
13 University of Oklahoma Health Sciences Center. The Authority shall  
14 make or cause to be made every reasonable effort to continue the  
15 hospitals' historic commitment to the provision of uncompensated  
16 care and that the allocation and investment of resources shall be  
17 made with a view to maximizing the hospitals' long-term ability to  
18 provide uncompensated care, except as may be modified by changes in  
19 federal or state law. The University Hospitals Authority shall  
20 ensure that indigent care provided by the Oklahoma Medical Center  
21 during a fiscal year shall be equal to or exceed one hundred twenty  
22 percent (120%) of the annual appropriation to the University  
23 Hospitals Authority for indigent care. The level of indigent care  
24 provided shall be based on Medicare costs as determined by the most

1 recent report filed by any operating entity of the University  
2 Hospitals with the federal Health Care Finance Administration.

3 D. As used in this section, "indigent care" means charity care,  
4 Medicaid contractual allowances, all debt arising from accounts for  
5 which there is no third-party coverage including services provided  
6 to the Department of Corrections and Department of Mental Health and  
7 Substance Abuse Services as otherwise required by law. For purposes  
8 of this subsection, third-party coverage shall not include Medicaid  
9 coverage.

10 E. The Board of Regents of the University of Oklahoma shall  
11 retain full power to govern the personnel, curriculum and facilities  
12 of the University of Oklahoma.

13 SECTION 3. AMENDATORY 63 O.S. 2011, Section 3204, is  
14 amended to read as follows:

15 Section 3204. A. Until July 1, 1993, the University Hospitals  
16 shall be under the jurisdiction, supervision, management and control  
17 of the Department of Human Services and the Commission for Human  
18 Services.

19 B. Effective July 1, 1993, the University Hospitals are hereby  
20 transferred from the Department of Human Services and the Commission  
21 for Human Services to the University Hospitals Authority.

22 C. The transfer shall include:

23 1. All powers, duties, responsibilities, properties, assets,  
24 fund balances, encumbrances, obligations, records, personnel and

1 liabilities, including, but not limited to, liability for all  
2 University Hospital employees' sick leave, annual leave, holidays,  
3 unemployment benefits and workers' compensation benefits accruing to  
4 employees prior to July 1, 1993, which are attributable to the  
5 University Hospitals; provided, however, that any claims arising  
6 under the Governmental Tort Claims Act and filed prior to July 1,  
7 1993, and from any other actions filed prior to July 1, 1993, shall  
8 remain the responsibility of the Department of Human Services and  
9 the Commission for Human Services. All claims arising prior to July  
10 1, 1993 and for which no action has been filed shall be paid by the  
11 Risk Management Program;

12 ~~2. The attorney employed by the Department of Human Services~~  
13 ~~who provides legal representation for the University Hospitals~~  
14 ~~Authority facilities. The Authority shall make such attorney~~  
15 ~~available, at the request of the Department, for purposes of~~  
16 ~~resolving and terminating any claims arising from alleged medical~~  
17 ~~malpractice and other actions filed prior to July 1, 1993. The~~  
18 ~~Authority and the Department of Human Services shall enter into an~~  
19 ~~interagency agreement for the purpose of assisting the Department in~~  
20 ~~resolving claims and other actions;~~

21 ~~3.~~ Children's Hospital of Oklahoma and all buildings and  
22 appurtenances located on land which is described as follows: Blocks  
23 B, 3, 4, 12 and 13, and the North 30 feet of Block 14; and Lots 6  
24 through 15, Block 21, CULBERTSON HEIGHTS ADDITION less and except

1 the West 7 feet of Lot 5 and all of Lots 6 through 19, and the East  
2 5 feet of Lot 20 and the North 59.5 feet of Lots 21 through 26, and  
3 the North 59.5 feet of the West 49.5 feet of Lot 27, all in Block  
4 13, CULBERTSON HEIGHTS ADDITION to the City of Oklahoma City,  
5 Oklahoma, and also less and except the West 106 feet of the vacated  
6 Northeast 12th Street abutting said Block 13; and a part of Block  
7 20, CULBERTSON HEIGHTS ADDITION and a part of the alleys adjacent  
8 thereto, and a part of the SW 1/4, Section 26, T12N, R3W, I.M., and  
9 a part of the SE 1/4, Sec. 27, T12N, R3W, I.M., Oklahoma County,  
10 Oklahoma, and a part of vacated Kelley Avenue adjacent thereto, more  
11 particularly described as follows: Commencing at the NE corner of  
12 Block 20, CULBERTSON HEIGHTS ADDITION, Oklahoma City, Oklahoma,  
13 thence S. 0 degrees 03' 34" E. and along the East line of said Block  
14 20 and along the West Right-of-Way line of Stonewall Avenue a  
15 distance of 10 ft. to the point or place of beginning; thence  
16 continuing S. 0 degrees 03' 34" E. and along the East line of said  
17 Block 20 and along the West Right-of-Way line of Stonewall Avenue a  
18 distance of 341.27 ft., thence N. 89 degrees 54' 35" W. a distance  
19 of 520.10 ft., thence N. 0 degrees 11' 08" E. a distance of 18.0  
20 ft.; thence N. 89 degrees 48' 52" W. a distance of 12.0 ft.; thence  
21 N. 0 degrees 11' 08" E. a distance of 6 ft.; thence N. 89 degrees  
22 48' 52" W. a distance of 21.5 ft., thence N. 0 degrees 11' 08" E. a  
23 distance of 22.5 ft., thence N. 89 degrees 48' 52" W. a distance of  
24 286.5 ft., thence N. 89 degrees 48' 52" W. a distance of 27.00 feet;

1 thence N. 0 degrees 12' 03" E. a distance of 72.50 feet; thence N.  
2 89 degrees 48' 51" W. a distance of 25.65 feet; thence N. 23 degrees  
3 29' 12" W. a distance of 250.50 feet to a point on the South Right-  
4 of-Way line of N.E. 13th Street; thence S. 89 degrees 48' 51" E. and  
5 along the South Right-of-Way line of N.E. 13th Street a distance of  
6 649.76 feet; to a point in the East line of said SE 1/4 of Section  
7 27, T12N, R3W, thence S. 0 degrees 06' 23" W. along the East line of  
8 said Section 27, a distance of 10.0 ft., thence N. 89 degrees 33'  
9 42" E. and parallel to and 10 ft., South of the North line of said  
10 Block 20 of said CULBERTSON HEIGHTS ADDITION a distance of 342.10  
11 ft. to the point or place of beginning; and

12 ~~4.~~

13 3. a. Oklahoma Memorial Hospital and all buildings and  
14 appurtenances located on land which is described as  
15 follows: A part of the South Half of the Southeast  
16 Quarter of Section 27, T12N, R3W of the Indian  
17 Meridian AND a part of the North Half of the Northeast  
18 Quarter of Section 34, T12N, R3W, of the Indian  
19 Meridian, all in Oklahoma County, Oklahoma, more  
20 particularly described as follows: Beginning at the  
21 Southwest corner of Block 13, HOWE'S CAPITOL ADDITION;  
22 thence N. 0 degrees 10' 36" E. along the East line of  
23 Phillips Avenue a distance of 674.64 feet to a point  
24 on the South line of Northeast 13th Street; thence S.

1 89 degrees 48' 51" E. along the South line of said  
2 Northeast 13th Street a distance of 620.30 feet;  
3 thence S. 23 degrees 29' 12" E. a distance of 250.50  
4 feet; thence S. 89 degrees 48' 51" E. a distance of  
5 25.65 feet; thence S. 0 degrees 12' 03" W. a distance  
6 of 72.50 feet; thence S. 89 degrees 48' 51" E. a  
7 distance of 27.00 feet; thence S. 00 degrees 12' 03"  
8 W. a distance of 443.57 feet; thence S. 89 degrees 43'  
9 03" E. a distance of 32.95 feet; thence S. 00 degrees  
10 14' 28" W. along the East line of a retaining wall a  
11 distance of 733.66 feet to a point on the South line  
12 of Block 1 of OAK PARK ADDITION; thence S. 89 degrees  
13 52' 55" W. along the South line of Blocks 1 and 7 of  
14 OAK PARK ADDITION a distance of 810.11 feet to the  
15 Southwest corner of said Block 7; thence N. 00 degrees  
16 10' 36" E. along the West line of said Block 7, OAK  
17 PARK ADDITION a distance of 213.87 feet; thence N. 89  
18 degrees 49' 24" W. a distance of 3.40 feet; thence N.  
19 00 degrees 10' 36" E. along the West line of Block 24,  
20 HOWE'S CAPITOL ADDITION a distance of 190.00 feet;  
21 thence S. 89 degrees 49' 24" E. a distance of 8.10  
22 feet; thence N. 00 degrees 10' 36" E. along the West  
23 line of Block 18, HOWE'S CAPITOL ADDITION a distance  
24 of 405.00 feet to the Point of Beginning and

1 containing 1,146,572 Square Feet or 26.32 Acres more  
2 or less;

3 b. That portion of the property described in subparagraph  
4 a known as the Research Building shall be transferred  
5 to the Authority, but shall be leased to the  
6 University of Oklahoma for a term of not less than  
7 forty (40) years from the date thereof; and

8 c. All of Blocks 1 and 2 of Culbertson Heights Addition,  
9 and all of Block 3 and Lots 3 through 20 and the North  
10 50 feet of Lots 21 through 38 of Block 12, Oak Park  
11 Addition to the City of Oklahoma City, Oklahoma,  
12 including the encompassed and abutting portions of the  
13 vacated Northeast 11th Street, Park Place and  
14 Northeast 10th Street, and the abutting portion of  
15 Everest Avenue and the alley way in Block 12 of the  
16 said Oak Park Addition.

17 D. Properties to be retained by the Department of Human  
18 Services include:

19 1. The Service Center Building and land located on: The South  
20 100 feet of Block 12 and all of Block 17, Oak Park Addition to the  
21 City of Oklahoma City, Oklahoma, including the encompassed or  
22 abutting portions of vacated Everest Avenue and Northeast 9th  
23 Street. (219,300 sq. ft., 5.03 acres); and  
24

1           2. The Management Information Division Building and land  
2 located on: The West 7 feet of Lot 5 and all of Lots 6 through 19,  
3 and the East 5 feet of Lot 20 and the North 59.5 feet of Lots 21  
4 through 26, and the North 59.5 feet of the West 49.5 feet of Lot 27,  
5 all in Block 13, Culbertson Heights Addition to the City of Oklahoma  
6 City, Oklahoma, and also including the West 106 feet of the vacated  
7 Northeast 12th Street abutting said Block 13. (82,199 sq. ft., 1.89  
8 acres).

9           E. Appropriate conveyances shall be executed to effectuate the  
10 transfers specified by subsections B, C and D of this section.

11           SECTION 4.           AMENDATORY           63 O.S. 2011, Section 3207, is  
12 amended to read as follows:

13           Section 3207. A. There is hereby created the University  
14 Hospitals Authority, an agency of the State of Oklahoma, a body  
15 corporate and politic, with powers of government and with the  
16 authority to exercise the rights, privileges and functions as  
17 specified in the University Hospitals Authority Act. The University  
18 Hospitals Authority is an agency of the State of Oklahoma covered by  
19 the Governmental Tort Claims Act.

20           B. The Authority shall consist of six (6) members as follows:

21           1. One member shall be appointed by the Governor, with the  
22 advice and consent of the Senate;

23           2. One member shall be appointed by the President Pro Tempore  
24 of the Senate;

1 3. One member shall be appointed by the Speaker of the House of  
2 Representatives;

3 4. One member shall be the ~~Director for Human Services or the~~  
4 ~~director of the successor organization responsible for Medicaid~~  
5 Administrator of the Oklahoma Health Care Authority, or his or her  
6 designee;

7 5. One member shall be the Provost of the University of  
8 Oklahoma Health Sciences Center; and

9 6. The Chief Executive Officer of the University Hospitals  
10 Authority who shall be an ex officio, nonvoting member.

11 C. ~~All members shall be appointed by June 1, 1993. Of the~~  
12 ~~members of the Authority initially appointed, the member appointed~~  
13 ~~by the President Pro Tempore of the Senate shall serve a term of one~~  
14 ~~(1) year; the member appointed by the Speaker of the House of~~  
15 ~~Representatives shall serve a term of two (2) years; and the member~~  
16 ~~appointed by the Governor shall serve a term of three (3) years.~~  
17 ~~Successors shall be appointed for terms of three (3) years.~~

18 ~~D.~~ Each member of the Authority, prior to appointment, shall be  
19 a resident of the state and a qualified elector.

20 ~~E. Members~~ D. Each appointed member shall be removable only  
21 for cause by the serve at the pleasure of his or her appointing  
22 authority and be removed or replaced without cause. Members serving  
23 on November 1, 2019, shall continue serving unless and until another  
24 appointment is made by the appointing authority. Any vacancy

1 occurring on the Authority shall be filled by the original  
2 appointing authority.

3 ~~F.~~ E. The members of the Authority shall serve without  
4 compensation but may be reimbursed for all actual and necessary  
5 travel expenses incurred in performance of their duties in  
6 accordance with the provisions of the State Travel Reimbursement  
7 Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

8 ~~G.~~ F. All members of the Authority and administrative personnel  
9 of the Authority shall be subject to the Rules of the Ethics  
10 Commission and the provisions of the Oklahoma Ethics Commission Act,  
11 Section 4200 et seq. of Title 74 of the Oklahoma Statutes.

12 ~~H.~~ G. A quorum of the Authority shall be three (3) voting  
13 members. Members shall elect a chair and vice chair for the  
14 Authority from among its members. The chair must be an appointed  
15 member of the Authority.

16 ~~I.~~ H. The Authority shall be subject to the Open Meeting Act,  
17 Section 301 et seq. of Title 25 of the Oklahoma Statutes, and the  
18 Open Records Act, Section 24A.1 et seq. of Title 51 of the Oklahoma  
19 Statutes, except as otherwise provided by this act. Any information  
20 submitted to or compiled by the Authority except for budgetary  
21 information related to appropriations or the appropriations process  
22 with respect to the marketing plans, financial statements, trade  
23 secrets, research concepts, methods or products, or any other  
24 proprietary information of the Authority, persons, firms,

1 associations, partnerships, agencies, corporations, institutions of  
2 higher education, nonprofit research institutions or other entities  
3 shall be confidential, except to the extent that the person or  
4 entity which provided such information or which is the subject of  
5 such information consents to disclosure. Executive sessions may be  
6 held to discuss such materials if deemed necessary by the Authority.

7 SECTION 5. AMENDATORY 63 O.S. 2011, Section 3208, as  
8 amended by Section 513, Chapter 304, O.S.L. 2012 (63 O.S. Supp.  
9 2018, Section 3208), is amended to read as follows:

10 Section 3208. A. ~~On and after June 1, 1993, and until July 1,~~  
11 ~~1993, in order to effectuate the transfer of the University~~  
12 ~~Hospitals from the Commission for Human Services and the Department~~  
13 ~~of Human Services to the University Hospitals Authority, the~~  
14 ~~Authority shall have the powers and duties to:~~

15 1. ~~Adopt bylaws and promulgate rules for the regulation of its~~  
16 ~~affairs and the conduct of its business;~~

17 2. ~~Adopt an official seal;~~

18 3. ~~Maintain an office at the University Hospitals;~~

19 4. ~~Make and enter into all contracts necessary or incidental to~~  
20 ~~the performance of its duties and the execution of its powers~~  
21 ~~pursuant to the University Hospitals Authority Act;~~

22 5. ~~Appoint such officers, agents and employees, including but~~  
23 ~~not limited to attorneys, as it deems necessary to implement the~~

24

1 ~~provisions of this subsection to prescribe their duties and to fix~~  
2 ~~their compensation; and~~

3 ~~6. Establish petty cash funds and provide for appropriate~~  
4 ~~accounting procedures and controls.~~

5 ~~B. On and after July 1, 1993, the~~ The Authority shall have the  
6 power and duty to:

7 1. Adopt bylaws and promulgate rules for the regulation of its  
8 affairs and the conduct of its business;

9 2. Adopt an official seal;

10 3. Maintain an office at the University Hospitals;

11 4. Sue and be sued, subject to the provisions of The  
12 Governmental Tort Claims Act;

13 5. Establish rates of payment for hospital and clinical  
14 services, which shall provide for exceptions and adjustments in  
15 cases where the recipients of services are unable to pay and for  
16 whom no third party source of payment is available, and to establish  
17 different rates of payment for indigent and nonindigent care;

18 6. Enter into cooperative agreements with the Board of Regents  
19 of the University of Oklahoma for educational programs, professional  
20 staffing, research and other medical activities and to pass through  
21 funds appropriated by the Legislature consistent with past practice;

22 7. Make and enter into all contracts necessary or incidental to  
23 the performance of its duties and the execution of its powers  
24 pursuant to the University Hospitals Authority Act;

1 8. Purchase or lease equipment, furniture, materials and  
2 supplies, and incur such other expenses as may be necessary to  
3 maintain and operate the hospitals or clinics, or to discharge its  
4 duties and responsibilities or to make any of its powers effective;

5 9. Acquire by purchase, lease, gift, or by any other manner,  
6 and to maintain, use and operate or to contract for the maintenance,  
7 use and operation of or lease of any and all property of any kind,  
8 real, personal, or mixed or any interest therein unless otherwise  
9 provided by the University Hospitals Authority Act;

10 10. Appoint such officers, agents and employees, including but  
11 not limited to attorneys, architects and construction managers, as  
12 it deems necessary to operate and maintain the University Hospitals  
13 and to prescribe their duties and to fix their compensation. ~~The~~  
14 ~~Authority shall employ and fix the duties and compensation of an~~  
15 ~~administrator of the hospitals.;~~

16 11. Accept grants from the United States of America, or from  
17 any corporation or agency created or ~~designed~~ designated by the  
18 United States of America, and, in connection with any such grant, to  
19 enter into such agreements as the United States of America or such  
20 corporation or agency may require;

21 12. Make and issue bonds and to pledge revenues of the  
22 Authority subject to the Oklahoma Bond Oversight and Reform Act.  
23 Nothing in the University Hospitals Authority Act shall authorize  
24 the issuance of any bonds of the Authority payable other than from

1 revenues of the University Hospitals. Funds appropriated to the  
2 University Hospitals shall not be used for issuance of bonds.  
3 Authority revenue bonds issued under the provisions of ~~this act~~ the  
4 University Hospitals Authority Act shall not at any time be deemed  
5 to constitute a debt of the state or of any political subdivision  
6 thereof or a pledge of the faith and credit of the state or of any  
7 political subdivision, but such bonds shall be payable solely from  
8 the funds herein provided. Such revenue bonds shall contain on the  
9 face thereof a statement to the effect that neither the state nor  
10 the Authority shall be obligated to pay the same or the interest  
11 thereon except from the revenues of the project or projects for  
12 which they are issued and that neither the faith and credit nor the  
13 taxing power of the state or any political subdivision thereof is  
14 pledged, or may hereafter be pledged, to the payment of the  
15 principal of or the interest on such bonds. The maximum amount of  
16 outstanding bonds at any time shall not exceed Fifty Million Dollars  
17 (\$50,000,000.00) unless a greater amount is expressly approved by  
18 the Legislature by a concurrent resolution adopted prior to  
19 commencing any action in anticipation of issuance of revenue bonds  
20 of the University Hospitals Authority for the greater amount;

21 13. Provide for complete financial audits on all accounts of  
22 the University Hospitals Authority and to authorize periodic audits  
23 by an independent external auditing agency. Such audits to be  
24 performed annually in a format approved by the State Auditor and

1 Inspector and all such audits shall be submitted to the State  
2 Auditor and Inspector for review. Such audits shall be made in  
3 accordance with generally accepted auditing standards and government  
4 auditing standards. Financial statements shall be prepared in  
5 accordance with generally accepted accounting ~~principals~~ principles.  
6 In addition to said audits, the State Auditor and Inspector,  
7 whenever he or she deems it appropriate, and at least once each five  
8 (5) years, or upon receipt of a request to do so from the Governor,  
9 the Attorney General, the President Pro Tempore of the Senate, the  
10 Speaker of the House of Representatives or the Authority shall  
11 conduct a special audit of the Authority and the University  
12 Hospitals;

13 14. Engage in long-term planning for the operation and  
14 management of the University Hospitals;

15 15. Establish petty cash funds and provide for appropriate  
16 accounting procedures and controls;

17 16. Contract with national manufacturers, wholesalers and  
18 distributors of equipment, drugs and medical supplies when  
19 appropriate to carry out the purposes of ~~this act~~ the University  
20 Hospitals Authority Act;

21 17. Do all other things necessary and proper to implement the  
22 provisions of the University Hospitals Authority Act;

23 18. Waive, by such means as the Authority deems appropriate,  
24 the exemption from federal income taxation of interest on the

1 Authority's bonds provided by the Internal Revenue Code of 1986, as  
2 amended, or any other federal statute providing a similar exemption;  
3 ~~and~~

4 19. Arrange for guaranties or insurance of its bonds by the  
5 federal government or by any private insurer, and to pay any  
6 premiums therefor; and

7 20. Adopt policies for the disposal of surplus property.

8 ~~C. B.~~ The University Hospitals Authority ~~and the University~~  
9 ~~Hospitals~~ shall be subject to the Oklahoma State Finance Act,  
10 Section 34 et seq. of Title 62 of the Oklahoma Statutes.

11 ~~D. C.~~ The Authority shall prepare monthly a "budget vs. actual"  
12 report which shows by budget activity the monthly and year-to-date  
13 revenues and expenditures compared to budgeted revenues and  
14 expenditures. Such report shall be submitted upon request to the  
15 Office of Management and Enterprise Services and to the Directors of  
16 the House of Representatives Fiscal Division and the Senate Fiscal  
17 Division.

18 ~~E. D.~~ The Authority shall be subject to the professional risk  
19 management program provided for in Section 85.58A of Title 74 of the  
20 Oklahoma Statutes.

21 ~~F. The Department of Human Services Institutional Maintenance~~  
22 ~~and Construction Unit and the Architecture and Engineering Planning~~  
23 ~~Unit should be given first priority to be vendor for the University~~

24

1 ~~Hospitals Authority for construction and remodeling projects which~~  
2 ~~fall within their scope of services.~~

3 E. The Authority may enter into contracts for construction and  
4 remodeling projects ~~with another contractor only after compliance~~  
5 ~~with all other~~ in accordance with applicable statutes and ~~after~~  
6 ~~making a specific finding that another contractor is more~~  
7 ~~competitive~~ its own administrative rules. The Authority shall have  
8 the power to authorize the demolition of any building owned by the  
9 Authority upon a finding that the building is no longer suitable for  
10 the purposes for which it was intended and that a renovation of the  
11 building is not economically justifiable.

12 ~~G. F.~~ The Authority ~~shall continue to~~ may provide space,  
13 utilities and janitorial services to the Department of Human  
14 Services Institutional Maintenance and Construction Architecture and  
15 Engineering Planning Unit.

16 SECTION 6. AMENDATORY 63 O.S. 2011, Section 3210, is  
17 amended to read as follows:

18 Section 3210. A. ~~Effective July 1, 1993, the University~~  
19 ~~Hospitals, subject to the direction of the~~ The University Hospitals  
20 Authority, shall have the authority to:

- 21 1. Enter into agreements and cooperative ventures with other  
22 health care providers to share services or to provide a benefit to  
23 the hospitals;

24

1           2. Make and enter into all contracts and agreements necessary  
2 or incidental to the performance of its duties and the execution of  
3 its powers pursuant to the University Hospitals Authority Act;

4           3. Join or sponsor ~~membership in~~ organizations or associations  
5 intended to benefit the hospitals;

6           4. Have members of its governing body or its officers or  
7 administrators serve without pay as directors or officers of any  
8 organization, association or cooperative ventures authorized  
9 pursuant to the University Hospitals Authority Act; and

10          5. Offer, directly or indirectly, products and services of the  
11 hospitals, any cooperative venture or organization to the general  
12 public.

13          B. All agreements and obligations undertaken, as permitted  
14 under this section, by the University Hospitals Authority shall be  
15 for a public purpose. In addition to any other limitations,  
16 conditions or restrictions provided by law, the following conditions  
17 shall apply to contractual agreements entered into pursuant to this  
18 section:

19           1. Private and public funds shall be accounted for separately;  
20 and

21           2. The state does not assume any liability for private  
22 entities.

23          SECTION 7.           AMENDATORY           63 O.S. 2011, Section 3221, is  
24 amended to read as follows:

1 Section 3221. A. There is hereby created in the State Treasury  
2 a revolving fund for the University Hospitals Authority, to be  
3 designated the "University Hospitals Authority Disbursing Fund".  
4 The fund shall be a continuing fund, not subject to fiscal year  
5 limitations, and shall consist of appropriated revenues, revenues  
6 earned by the Authority, donations and federal entitlements. All  
7 monies accruing to the credit of said fund are hereby appropriated  
8 and may be budgeted and expended by the University Hospitals  
9 Authority.

10 B. Following the execution of a lease of real properties under  
11 the jurisdiction of the University Hospitals Authority to the  
12 University Hospitals Trust pursuant to Section 3226 of this title,  
13 monies from the fund may be expended by the Authority for the fiscal  
14 year ending June 30, 1998, for the operations of the Authority after  
15 the execution of the lease to the University Hospitals Trust for  
16 payment of any costs to the Authority associated with the transfer  
17 of operations of facilities under the jurisdiction of the Authority,  
18 and legal obligations of the Authority. After July 1, 1998, the  
19 operation of the Authority may be funded from the interest earned by  
20 the fund.

21 C. After July 1, 2010, the principal and interest earned on the  
22 fund may be expended by the Authority for the operation of the  
23 Authority and for the completion of the mission of the Authority.  
24

1 D. It is the intent of the Legislature to restore the fund to  
2 the June 30, 2010, balance in the event that the state resumes  
3 operations of any of the facilities operated by the Authority prior  
4 to a lease being executed.

5 SECTION 8. AMENDATORY 63 O.S. 2011, Section 3224, as  
6 amended by Section 1, Chapter 387, O.S.L. 2016 (63 O.S. Supp. 2018,  
7 Section 3224), is amended to read as follows:

8 Section 3224. A. The State of Oklahoma expressly approves the  
9 creation of a public trust to be denominated the "University  
10 Hospitals Trust", of which the State of Oklahoma shall be the  
11 beneficiary, provided such approval shall be contingent upon the  
12 following conditions being satisfied:

- 13 1. Finalizing of the Declaration of Trust;
- 14 2. Adoption of the Declaration of Trust by an official action  
15 of the trustees of the Trust;
- 16 3. Submission of the Trust for acceptance of the beneficial  
17 interest and approval as required by Section 177 of Title 60 of the  
18 Oklahoma Statutes; and
- 19 4. The approved Declaration of Trust shall:
  - 20 a. clearly state that the principal purpose of the  
21 University Hospitals Trust is to effectuate the  
22 purposes of the University Hospitals Authority as  
23 established in the University Hospitals Authority Act,  
24

- 1           b.    except as otherwise provided by law, provide that the  
2                    fee simple title to real property held by the  
3                    University Hospitals Authority shall not be  
4                    transferred, conveyed, or assigned to the University  
5                    Hospitals Trust without the express consent of the  
6                    Legislature as the governing entity of the beneficiary  
7                    pursuant to Section 176 of Title 60 of the Oklahoma  
8                    Statutes,
- 9           c.    provide that any indebtedness incurred by the  
10                   University Hospitals Trust or the trustees of the  
11                   Trust shall not be secured with or create a lien upon  
12                   real property to which title is held by the University  
13                   Hospitals Authority and shall not involve the bonding  
14                   capacity of the University Hospitals Authority,
- 15           d.    provide that the trust estate of the University  
16                   Hospitals Trust shall not include fee simple title to  
17                   real property owned by the University Hospitals  
18                   Authority,
- 19           e.    clearly state that the creation of the University  
20                   Hospitals Trust shall not in any way reduce, limit or  
21                   interfere with the power granted to the University  
22                   Hospitals Authority in the University Hospitals  
23                   Authority Act,
- 24

- 1 f. provide that any lease or contractual agreement  
2 involving use of the real property to which title is  
3 held by the University Hospitals Authority and any  
4 improvements thereto shall contain a provision and  
5 covenants requiring the proper maintenance and upkeep  
6 of the real property and improvements,
- 7 g. provide that the trustees of the University Hospitals  
8 Trust shall be the acting members of the University  
9 Hospitals Authority as provided in the University  
10 Hospitals Authority Act, and
- 11 h. provide that the trustees of the University Hospitals  
12 Trust shall have the duty to submit an annual report  
13 to the Governor, the President Pro Tempore of the  
14 Senate and the Speaker of the House of  
15 Representatives. The report shall be submitted by  
16 January 1 of each year and shall include an account of  
17 all operations, actions of the Trust, account of all  
18 revenue received and disbursed by the Trust for the  
19 previous fiscal year. The report shall also provide a  
20 complete accounting of how the Trust meets its primary  
21 function of effectuating the purposes of the  
22 University Hospitals Authority, as established in the  
23 University Hospitals Authority Act.  
24

1 B. The University Hospitals Trust shall require any agreements  
2 which it enters into with any entity pursuant to Section 3226 of  
3 this title for the operations of facilities leased by the University  
4 Hospitals Authority to the Trust to include, but not be limited to:

5 1. The inclusion of four of the five members of the Trust as  
6 four of the five members representing the State of Oklahoma as state  
7 appointees to the governing committee created pursuant to a proposed  
8 agreement;

9 2. Binding arbitration shall not be involved in such agreements  
10 for resolving issues under consideration by the governing committee;  
11 and

12 3. Major decisions shall be resolved by the governing  
13 committee, and approval of any major decision by the governing  
14 committee must include the approval of a majority of the state  
15 appointees and the approval of a majority of the members of the  
16 private entity appointees to the governing committee. Major  
17 decisions shall include:

- 18 a. approval of the annual operating and capital budgets,
- 19 b. sale or disposition of assets that individually have a  
20 fair market value over Two Hundred Fifty Thousand  
21 Dollars (\$250,000.00),
- 22 c. the termination or transfer or material addition or  
23 material diminution of medical services at the  
24 Oklahoma Medical Center related to and part of a

1 teaching program of the University of Oklahoma Health  
2 Sciences Center, and

3 d. other major decisions as may be agreed upon by the  
4 Trust and the private entity.

5 C. To the extent it is determined by legislative enactment that  
6 the Trust has expended funds in contravention of its mission as set  
7 forth in this section, the Trust shall remit, upon thirty (30) days'  
8 written notice from the University Hospitals Authority, such sum or  
9 sums to the University Hospitals Authority.

10 D. In the event the Trust enters into a joint venture or  
11 acquires an interest in a not-for-profit entity to effectuate the  
12 administration of the mission of the Trust, that entity shall not be  
13 subject to the Oklahoma Open Meeting Act and the Oklahoma Open  
14 Records Act. Any information submitted to or compiled by the Trust  
15 with respect to marketing plans, financial statements, trade  
16 secrets, research concepts, methods or products or any other  
17 proprietary information submitted to or compiled by the Trust,  
18 persons, firms, associations, partnerships, agencies, corporations,  
19 institutions of higher education, nonprofit research institutions or  
20 other entities shall be confidential, except to the extent that the  
21 person or entity which provided such information or which is the  
22 subject of such information consents to disclosure. Executive  
23 sessions may be held to discuss such materials if deemed necessary  
24 by the Trust. The provisions of this subsection shall not apply to

1 budgetary information related to appropriations or the  
2 appropriations process.

3 E. In addition to the powers and exemptions granted to state  
4 beneficiary public trusts organized under Section 176 et seq. of  
5 Title 60 of the Oklahoma Statutes, the Trust shall possess all the  
6 statutory powers and exemptions provided to the University Hospitals  
7 Authority.

8 F. The Trust shall have the authority or may contract with a  
9 joint operator or with a foundation supporting the programs of  
10 Children's Hospital to sell naming rights to property owned or  
11 leased by the Trust, provided proceeds from the sale of naming  
12 rights are used to effectuate the purposes of the University  
13 Hospitals Authority as established in the University Hospitals  
14 Authority Act and are specifically approved by the Trust, which  
15 shall have absolute discretion in granting or denying naming rights.  
16 Naming rights shall not include any interest in the property by the  
17 purchaser other than the naming rights.

18 SECTION 9. AMENDATORY 61 O.S. 2011, Section 207.2, as  
19 amended by Section 323, Chapter 304, O.S.L. 2012 (61 O.S. Supp.  
20 2018, Section 207.2), is amended to read as follows:

21 Section 207.2. A. Except as provided by subsection B of this  
22 section, no state agency shall employ, either temporary or full-  
23 time, any person engaged in the practice of architecture,  
24 engineering or land surveying for the purpose of planning or

1 performing any construction upon any real property belonging to the  
2 agency or to the state, or upon any real property of which this  
3 state will assume possession or ownership by contract, option to  
4 purchase agreement, lease, or otherwise. The term "practice of  
5 architecture" shall be defined as those activities of an architect  
6 as provided for in Section 46.3 of Title 59 of the Oklahoma  
7 Statutes. The terms "practice of engineering" or the "practice of  
8 land surveying" shall be defined as such terms are defined by  
9 Section 475.2 of Title 59 of the Oklahoma Statutes.

10 B. The provisions of subsection A of this section shall not  
11 apply to:

- 12 1. The Department of Human Services;
- 13 2. The Oklahoma Tourism and Recreation Department;
- 14 3. The State Department of Health insofar as the monitoring of  
15 permitted health care facility construction for licensing purposes;
- 16 4. The Oklahoma Historical Society insofar as the monitoring of  
17 historical site preservation and authenticity;
- 18 5. The Office of Management and Enterprise Services;
- 19 6. The State Department of Education and the public schools  
20 subject to its jurisdiction;
- 21 7. The Department of Transportation;
- 22 8. The Oklahoma State System of Higher Education;
- 23 9. The Military Department of the State of Oklahoma;
- 24 10. The Oklahoma Municipal Power Authority;

1 11. The Department of Public Safety gun range; ~~and~~

2 12. CompSource Oklahoma if CompSource Oklahoma is operating  
3 pursuant to a pilot program authorized by Sections 3316 and 3317 of  
4 Title 74 of the Oklahoma Statutes; and

5 13. The University Hospitals Authority and University Hospitals  
6 Trust.

7 SECTION 10. AMENDATORY 74 O.S. 2011, Section 62.3, as  
8 last amended by Section 3, Chapter 309, O.S.L. 2016 (74 O.S. Supp.  
9 2018, Section 62.3), is amended to read as follows:

10 Section 62.3. A. The Director of the Office of Management and  
11 Enterprise Services shall promulgate rules for use by state agencies  
12 and the Office of Management and Enterprise Services to dispose of  
13 surplus property. The rules shall include standards for  
14 recordkeeping, methods for removal or disposal of surplus property,  
15 and acquisition by state agencies and authorized entities of surplus  
16 property, and for Office management of surplus property programs.

17 B. A state agency selling, trading, redistributing or otherwise  
18 disposing of surplus property shall comply with the rules  
19 promulgated by the Director.

20 C. The Office shall make surplus property available to state  
21 agencies and authorized entities, which shall include political  
22 subdivisions, school districts, and nonprofit entities of this  
23 state.

1 D. The provisions of the Oklahoma Surplus Property Act shall  
2 not apply to institutions of higher education in this state, the  
3 Oklahoma Historical Society, the University Hospitals Authority or  
4 University Hospitals Trust or the Northeast Oklahoma Public  
5 Facilities Authority. The Grand River Dam Authority shall be exempt  
6 from the provisions of the Oklahoma Surplus Property Act for any  
7 surplus property disposed of prior to November 1, 2006. CompSource  
8 Oklahoma shall be exempt from the provisions of the Oklahoma Surplus  
9 Property Act if CompSource Oklahoma is operating pursuant to a pilot  
10 program authorized by Sections 3316 and 3317 of this title.

11 E. Notwithstanding the provisions of the Oklahoma Surplus  
12 Property Act, the Oklahoma State Bureau of Investigation may,  
13 pursuant to rules promulgated by the Oklahoma State Bureau of  
14 Investigation Commission for that purpose, donate any surplus  
15 property, as defined in Section 62.2 of this title, to any law  
16 enforcement agency of any political subdivision of the State of  
17 Oklahoma. The use of such donated equipment shall be limited to  
18 valid and authorized law enforcement efforts by the receiving  
19 agency.

20 SECTION 11. REPEALER 63 O.S. 2011, Sections 3211 and  
21 3212, as amended by Sections 514 and 515, Chapter 304, O.S.L. 2012,  
22 3213.2, 3221.1 and 3223, as amended by Sections 516 and 517, Chapter  
23 304, O.S.L. 2012, 3227, 3227.1, as amended by Section 518, Chapter  
24

1 304, O.S.L. 2012 and 3228 (63 O.S. Supp. 2018, Sections 3211, 3212,  
2 3221.1, 3223 and 3227.1), are hereby repealed.

3 SECTION 12. This act shall become effective November 1, 2019.  
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