

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

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

4 HOUSE BILL 2262

By: Shannon of the House

5 and

6 Jolley of the Senate

7  
8  
9 AS INTRODUCED

10 An Act relating to state government assets; amending  
11 62 O.S. 2011, Section 901, which relates to the Long  
12 Range Capital Planning Commission; modifying  
13 requirements related to certain report; providing for  
14 findings related to Oklahoma State Government Asset  
15 Reduction and Cost Savings Program; amending 74 O.S.  
16 2011, Section 61.7, which relates to the Oklahoma  
17 State Government Asset Reduction and Cost Savings  
18 Program; creating the Maintenance of State Buildings  
19 Revolving Fund; providing for deposit of certain sale  
20 proceeds; prescribing requirements for expenditures;  
21 providing an effective date; and declaring an  
22 emergency.

23  
24 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

5 a. four members appointed by the President Pro Tempore of  
6 the Senate to serve at his pleasure. Of these  
7 appointees two shall be members of the Senate and two  
8 shall be from the public at large,

9 b. four members appointed by the Speaker of the House of  
10 Representatives to serve at his pleasure. Of these  
11 appointees two shall be members of the House of  
12 Representatives and two shall be from the public at  
13 large,

14 c. four members shall be appointed by the Governor to  
15 serve at his pleasure. These appointees shall be from  
16 the public at large.

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

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

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

5           C. The Oklahoma State Bond Advisor shall provide staffing for  
6 the Commission and other such assistance as the Commission may  
7 require.

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

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

1 the provisions of Sections ~~3~~ 910 through ~~6~~ 912 of  
2 ~~this act~~ Title 62 and Section 5003.7 of 74 of the  
3 Oklahoma Statutes.

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

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

14 (2) a projection of economic and demographic trends  
15 likely to influence the needs for new or expanded  
16 capital facilities,

17 (3) an estimate of mandatory, essential, desirable  
18 and deferrable repair, replacement and  
19 expansions,

20 (4) estimates of life cycle costs for new and  
21 substantially expanded or renovated facilities.  
22 Life cycle costs shall include the cost of  
23 construction, financing, repair and maintenance,  
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- 1 (5) an analysis of recent trends and projections of  
2 revenues available from general obligation and  
3 revenue bonds, general and dedicated taxes used  
4 for capital facilities finance, user fees, the  
5 federal government and other sources,
- 6 (6) an analysis of the capacity of the state and  
7 local governments to incur debt or finance public  
8 capital facilities,
- 9 (7) a detailed list of all capital projects of the  
10 state which the Commission recommends be  
11 undertaken or continued for any state agency in  
12 the next two (2) fiscal years, together with  
13 information as to the effect of such capital  
14 projects on future operating expenses of the  
15 state, and with recommendations as to the  
16 priority of such capital projects and the means  
17 of funding them,
- 18 (8) the forecasts of the Commission as to the  
19 requirements for capital projects of state  
20 agencies for the three (3) fiscal years next  
21 following such two (2) fiscal years and for such  
22 additional periods, if any, as may be necessary  
23 or desirable for adequate presentation of  
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1 particular capital projects, and a schedule for  
2 the planning and implementation or construction  
3 of such capital projects,

4 (9) a schedule for the next fiscal year of  
5 recommended projects,

6 (10) a review of capital projects which have recently  
7 been implemented or completed or are in process  
8 of implementation or completion,

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

11 (12) such other information as the Commission deems  
12 relevant to the foregoing matters, and

13 (13) the inclusion of the findings of the Oklahoma  
14 State Government Asset Reduction and Cost Savings  
15 Program and the indexing of the most necessary  
16 capital improvements to the expenditure of funds  
17 from the Maintenance of State Buildings Revolving  
18 Fund.

19 3. The Governor shall prepare at the same time as the state  
20 budget document is prepared, a capital budget. The capital budget  
21 shall be prepared and submitted by the Governor or Governor-elect in  
22 accordance with the procedures for preparing the state budget  
23 document. The capital budget shall embrace all expenditures of the  
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1 state government for facilities and equipment and all revenues to be  
2 raised for purpose of meeting expenditure commitments during the  
3 next ensuing fiscal year and shall include the following:

4 a. for each expenditure and class of expenditures, the  
5 costs to be incurred during the next ensuing fiscal  
6 year, plus where appropriate, the annual operating and  
7 maintenance costs of such facilities and a schedule of  
8 depreciation calculated in accordance with the  
9 principles and standards of capital budgeting  
10 authorized by paragraph 4 of this subsection,

11 b. the revenues and sources required to meet projected  
12 expenditures. Revenue sources to be indicated  
13 include, but are not limited to: the General Revenue  
14 Fund, the Transportation Fund, any special funds,  
15 proceeds of bond sales, federal funds, local  
16 government revenue or other sources. Where additional  
17 revenues in the form of additional taxes, user fees or  
18 new bond issues are proposed to meet expenditure  
19 requests, any funds created for such purposes shall be  
20 included in this act, and

21 c. a statement regarding the relationship between the  
22 proposals contained in the capital budget and the  
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1 capital plan. The capital budget shall be based upon  
2 the capital plan prepared by the Commission.

3 4. The Commission, with the assistance of the Office of State  
4 Finance, shall prepare and publish rules and regulations that set  
5 forth principles and standards for capital planning and budgeting to  
6 be used by state agencies. The rules and regulations shall set  
7 forth definitions of relevant terms to be used in the capital  
8 planning and budgeting processes, establish accounting standards and  
9 standards for costs and benefits of public facility investments.

10 E. The Oklahoma Department of Commerce shall assist the Long-  
11 Range Capital Planning Commission in developing any portion of the  
12 state capital plan addressing regional and local public capital  
13 facility needs. The Department shall assist in providing the  
14 expertise and information required to assess long-term needs for  
15 capital facilities at the regional and local level. The Department  
16 shall have the authority to contract with other entities to provide  
17 the type of information needed to prepare:

18 1. An inventory of capital facilities held by units of local  
19 government, and special districts, including such information as is  
20 reasonably available on the physical and economic condition of these  
21 assets. Inventories shall be conducted according to the  
22 geographical boundaries of the regional councils;



1           2. A projection of economic and demographic trends likely to  
2 influence the needs for new or expanded local capital facilities;

3           3. An estimate of mandatory, essential, desirable and  
4 deferrable repair, replacement and expansions; and

5           4. Estimates of life cycle costs for new and substantially  
6 expanded or renovated facilities. Life cycle costs shall include  
7 the cost of construction, financing, repair and maintenance.

8           F. 1. The Commission and the Oklahoma State Bond Advisor may  
9 call to their assistance such personnel or any state agency in order  
10 to perform their duties pursuant to the State Capital Improvement  
11 Planning Act and such agencies shall respond and provide any such  
12 assistance as may be required. The Office of State Finance and  
13 other state agencies also shall assist the Commission in the  
14 performance of its functions. The Commission may use existing  
15 studies, surveys, plans, data and other materials in the possession  
16 of any state agency or any municipality or political subdivision of  
17 this state. Each such agency, municipality or subdivision may make  
18 the same available to the Commission so that the Commission may have  
19 available to it current information with respect to the capital  
20 plans and programs of each such agency, municipality or subdivision.

21           2. The officers and personnel of any state agency, municipality  
22 or political subdivision, and any other person may serve at the  
23 request of the Commission upon such advisory committees as the  
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1 Commission may create and such officers and personnel may serve upon  
2 such committees without forfeiture of office or employment and with  
3 no loss or diminution of the compensation, status, rights and  
4 privileges which they otherwise enjoy.

5 G. 1. There is hereby created the Policy Advisory Committee to  
6 the Commission to meet no less than once a year or at the call of  
7 the chairman of the Commission.

8 2. The purposes and responsibilities of the Policy Advisory  
9 Committee shall be:

- 10 a. to counsel and otherwise assist the Commission in the  
11 development of the capital plan, and
- 12 b. to review and comment on the capital plan and make  
13 recommendations to the Commission concerning capital  
14 planning and debt management issues as deemed  
15 appropriate by the Committee.

16 3. The Policy Advisory Committee shall be composed of the  
17 members of the Bond Oversight Commissions and the chief executive  
18 officer or fixed designate from each of the following entities;  
19 provided, designated members shall be appointed by each chief  
20 executive officer for a term certain which shall not be less than  
21 one (1) year:

- 22 a. Association of County Commissioners of Oklahoma,
- 23 b. Oklahoma Municipal League,

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- c. ~~State~~ Department of Transportation,
- d. Oklahoma Turnpike Authority,
- e. ~~Office~~ Department of ~~Public Affairs~~ Central Services,
- f. Oklahoma Water Resources Board,
- g. Department of Human Services,
- h. Department of Corrections,
- i. Department of Mental Health and Substance Abuse  
Services,
- j. Oklahoma Tourism and Recreation Department,
- k. State Department of Education,
- l. Oklahoma State Regents for Higher Education,
- m. State Department of Health,
- n. ~~State~~ Oklahoma Department of Agriculture, Food, and  
Forestry,
- 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. AMENDATORY 74 O.S. 2011, Section 61.7, is amended to read as follows:

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

1 B. No later than December 31 each year the Director of Central  
2 Services shall publish a comprehensive report detailing state-owned  
3 properties.

4 C. The report mandated in accordance with the provisions of  
5 this section shall list the five percent (5%) most underutilized  
6 state-owned properties. The report shall describe the value of  
7 properties falling within the description in this subsection, assess  
8 the potential for purchase should the properties be offered for sale  
9 and describe the impact on local-level tax rolls in the event the  
10 properties are purchased by a nongovernmental entity.

11 D. The Director of Central Services shall promulgate rules  
12 establishing procedures by which each state agency, board,  
13 commission and public trust having the State of Oklahoma as a  
14 beneficiary shall submit the necessary data to the Department of  
15 Central Services for the development of this report.

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

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

21 G. There is hereby created the Maintenance of State Buildings  
22 Revolving Fund. The fund shall not be subject to fiscal year  
23 limitations and the fund shall serve as the depository for proceeds

1 from the sale of state owned properties pursuant to the Oklahoma  
2 State Government Asset Reduction and Cost Savings Program.  
3 Expenditures from the fund shall be limited exclusively to  
4 maintaining and repairing state owned properties and buildings.

5 SECTION 3. This act shall become effective July 1, 2012.

6 SECTION 4. It being immediately necessary for the preservation  
7 of the public peace, health and safety, an emergency is hereby  
8 declared to exist, by reason whereof this act shall take effect and  
9 be in full force from and after its passage and approval.

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11 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
12 02/23/2012 - DO PASS, As Coauthored.

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