SENATE FLOOR VERSION
April 9, 2012
As Amended

ENGROSSED HOUSE
BILL NO. 2262

By: Shannon of the House

and

Jolley of the Senate

[state government assets - Long Range Capital Planning Commission - modifying requirements of report - creating Maintenance of State Buildings Revolving Fund - effective date - emergency]

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:

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

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

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

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

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

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

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

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

D. 1. The Commission shall prepare each year a state capital plan for addressing state, regional and local public capital facility needs for the next ensuing five (5) years. The Oklahoma

State Regents for Higher Education and each state governmental entity as defined in Section 695.3 of Title 62 of the Oklahoma Statutes shall cooperate with the Commission in the preparation of the state plan. By October 1, 1992, each state governmental entity shall submit a copy of its complete inventory and a need list. Beginning December 1, 1993, the plan shall be submitted to the Governor, Speaker of the House of Representatives and President Pro Tempore of the Senate no later than December 1 of each year.

2. a. The capital plan should supplement and integrate, not replace, existing capital planning processes at the state, regional or local level. The plan shall consider and incorporate, as appropriate, the local and regional plans that may be developed pursuant to the provisions of Sections ~~3~~ 910 through ~~6~~ 912 of ~~this act~~ Title 62 and Section 5003.7 of Title 74 of the Oklahoma Statutes.

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

(1) an inventory of capital facilities held by the state, and when available, by units of local government or special districts. The inventory shall include such information as is reasonably

available on the physical and economic condition of these assets,

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

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

(4) estimates of life cycle costs for new and substantially expanded or renovated facilities. Life cycle costs shall include the cost of construction, financing, repair and maintenance,

(5) an analysis of recent trends and projections of revenues available from general obligation and revenue bonds, general and dedicated taxes used for capital facilities finance, user fees, the federal government and other sources,

(6) an analysis of the capacity of the state and local governments to incur debt or finance public capital facilities,

(7) a detailed list of all capital projects of the state which the Commission recommends be undertaken or continued for any state agency in the next two (2) fiscal years, together with

information as to the effect of such capital projects on future operating expenses of the state, and with recommendations as to the priority of such capital projects and the means of funding them,

(8) the forecasts of the Commission as to the requirements for capital projects of state agencies for the three (3) fiscal years next following such two (2) fiscal years and for such additional periods, if any, as may be necessary or desirable for adequate presentation of particular capital projects, and a schedule for the planning and implementation or construction of such capital projects,

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

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

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

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

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

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

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

b. the revenues and sources required to meet projected expenditures. Revenue sources to be indicated include, but are not limited to: the General Revenue

Fund, the Transportation Fund, any special funds, proceeds of bond sales, federal funds, local government revenue or other sources. Where additional revenues in the form of additional taxes, user fees or new bond issues are proposed to meet expenditure requests, any funds created for such purposes shall be included in this act, and

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

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

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

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

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

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

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

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

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

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

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

a. to counsel and otherwise assist the Commission in the development of the capital plan, and

b. to review and comment on the capital plan and make recommendations to the Commission concerning capital planning and debt management issues as deemed appropriate by the Committee.

3. The Policy Advisory Committee shall be composed of the members of the Bond Oversight Commissions and the chief executive officer or fixed designate from each of the following entities;

provided, designated members shall be appointed by each chief executive officer for a term certain which shall not be less than one (1) year:

a. Association of County Commissioners of Oklahoma,

b. Oklahoma Municipal League,

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.

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

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

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

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

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

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

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

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

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 4-4-12 - DO PASS, As Amended.