

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2262

By: Shannon

6 AS INTRODUCED

7 An Act relating to state government assets; amending
8 62 O.S. 2011, Section 901, which relates to the Long
9 Range Capital Planning Commission; modifying
10 requirements related to certain report; providing for
11 findings related to Oklahoma State Government Asset
12 Reduction and Cost Savings Program; amending 74 O.S.
13 2011, Section 61.7, which relates to the Oklahoma
14 State Government Asset Reduction and Cost Savings
15 Program; creating the Maintenance of State Buildings
16 Revolving Fund; providing for deposit of certain sale
17 proceeds; prescribing requirements for expenditures;
18 providing an effective date; and declaring an
19 emergency.

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

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

23 Section 901. A. 1. There is hereby created a Long-Range
24 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.

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

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

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

23 b. The plan shall assess long-term needs for capital
24 facilities provided by both state and local

1 governments as determined by the Commission. The plan
2 shall include:

3 (1) an inventory of capital facilities held by the
4 state, and when available, by units of local
5 government or special districts. The inventory
6 shall include such information as is reasonably
7 available on the physical and economic condition
8 of these assets,

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

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

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

19 (5) an analysis of recent trends and projections of
20 revenues available from general obligation and
21 revenue bonds, general and dedicated taxes used
22 for capital facilities finance, user fees, the
23 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.

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

maintenance costs of such facilities and a schedule of depreciation calculated in accordance with the principles and standards of capital budgeting

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 ad-

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 sh

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

1 planning and budgeting processes, establish accounting standards and
2 standards for costs and benefits of public facility investments.

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

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

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

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

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

23 F. 1. The Commission and the Oklahoma State Bond Advisor may
24 call to their assistance such personnel or any state agency in order

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

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

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

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

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- 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.

7 3. The Policy Advisory Committee shall be composed of the
8 members of the Bond Oversight Commissions and the chief executive
9 officer or fixed designate from each of the following entities;
10 provided, designated members shall be appointed by each chief
11 executive officer for a term certain which shall not be less than
12 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,

1 commission and public trust having the State of Oklahoma as a
2 beneficiary shall submit the necessary data to the Department of
3 Central Services for the development of this report.

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

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

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

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

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

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