

STATE OF OKLAHOMA

2nd Session of the 53rd Legislature (2012)

HOUSE BILL 2262

By: Shannon

AS INTRODUCED

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

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,

- 1 (6) an analysis of the capacity of the state and  
2 local governments to incur debt or finance public  
3 capital facilities,
- 4 (7) a detailed list of all capital projects of the  
5 state which the Commission recommends be  
6 undertaken or continued for any state agency in  
7 the next two (2) fiscal years, together with  
8 information as to the effect of such capital  
9 projects on future operating expenses of the  
10 state, and with recommendations as to the  
11 priority of such capital projects and the means  
12 of funding them,
- 13 (8) the forecasts of the Commission as to the  
14 requirements for capital projects of state  
15 agencies for the three (3) fiscal years next  
16 following such two (2) fiscal years and for such  
17 additional periods, if any, as may be necessary  
18 or desirable for adequate presentation of  
19 particular capital projects, and a schedule for  
20 the planning and implementation or construction  
21 of such capital projects,
- 22 (9) a schedule for the next fiscal year of  
23 recommended projects,  
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- 1 (10) a review of capital projects which have recently  
2 been implemented or completed or are in process  
3 of implementation or completion,  
4 (11) recommendations as to the maintenance of physical  
5 properties and equipment of state agencies, ~~and~~  
6 (12) such other information as the Commission deems  
7 relevant to the foregoing matters, and  
8 (13) the inclusion of the findings of the Oklahoma  
9 State Government Asset Reduction and Cost Savings  
10 Program and the indexing of the most necessary  
11 capital improvements to the expenditure of funds  
12 from the Maintenance of State Buildings Revolving  
13 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:

- 22 a. for each expenditure and class of expenditures, the  
23 costs to be incurred during the next ensuing fiscal  
24 year, plus where appropriate, the annual operating and

1 maintenance costs of such facilities and a schedule of  
2 depreciation calculated in accordance with the  
3 principles and standards of capital budgeting  
4 authorized by paragraph 4 of this subsection,

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

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

19 4. The Commission, with the assistance of the Office of State  
20 Finance, shall prepare and publish rules and regulations that set  
21 forth principles and standards for capital planning and budgeting to  
22 be used by state agencies. The rules and regulations shall set  
23 forth definitions of relevant terms to be used in the capital  
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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.

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,

- 1           l.    Oklahoma State Regents for Higher Education,
- 2           m.    State Department of Health,
- 3           n.    ~~State~~ Oklahoma Department of Agriculture, Food, and
- 4                Forestry,
- 5           o.    Oklahoma Department of Career and Technology
- 6                Education,
- 7           p.    Oklahoma Association of Regional Councils, and
- 8           q.    Such other members as determined by the Commission.

9           SECTION 2.        AMENDATORY        74 O.S. 2011, Section 61.7, is  
10 amended to read as follows:

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

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

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

23           D.   The Director of Central Services shall promulgate rules  
24 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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22 53-2-8358 MAH 01/09/12  
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