HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

2nd Session of the 54th Legislature (2014)

ENGROSSED SENATE
BILL NO. 1254

By: Griffin of the Senate

and

Murphey of the House

An Act relating to state property; amending 74 O.S. 2011, Section 61.7, as last amended by Section 1, Chapter 209, O.S.L. 2013, and as renumbered by Section 17, Chapter 209, O.S.L. 2013 (62 O.S. Supp. 2013, Section 908), and Section 2, Chapter 209, O.S.L. 2013 (74 O.S. Supp. 2013, Section 61.8), which relate to the Oklahoma State Government Asset Reduction and Cost Savings Program; authorizing Office of Management and Enterprise Services to invite proposals based on certain criteria; providing procedures for evaluation; authorizing certain negotiations and contracts; modifying requirements for report on certain property; requiring notification to and approval of Oklahoma Historical Society prior to sale or reuse of certain property; providing for codification; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 327.1 of Title 61, unless there is created a duplication in numbering, reads as follows:

A. When historic significance, location, advancement of the long term capital asset plan or other factors make disposition of state owned properties under Section 327 of Title 61 of the Oklahoma Statutes not in the best interest of the state, the Office of Management and Enterprise Services may invite the presentation of written proposals for the purchase or lease, and redevelopment, of state owned property provided the property meets one or more of the following criteria:

1. The property is listed on the National Register of Historic Places;

2. The property is designated by the Oklahoma Historical Society as a property of historical interest or significance;

3. The property is located within the Oklahoma State Capitol Complex;

4. The property is located within a campus owned by the State of Oklahoma;

5. The property is part of the long term capital asset plan for the State of Oklahoma; or

6. It is in the best interest of the state to retain ownership of the property while encouraging private development.

B. Proposals shall be evaluated by a committee selected by the Director of the Office of Management and Enterprise Services which shall include at least one member of the Long Range Capital Planning

Commission. The evaluation of the proposals shall be based on the principal criteria of:

1. The proposal's economic benefits, cultural benefits, job creation potential, advancement of long term capital asset plan or other benefits to the State of Oklahoma and the general public;

2. The qualifications and experience of the redeveloper;

3. The financial ability of the redeveloper to complete the redevelopment in a timely fashion; and

4. When applicable, the fidelity of the proposed renovation or redevelopment with the historic significance of the property.

C. The Office of Management and Enterprise Services may enter into negotiations with one or more respondents and may enter into contracts with the respondent or respondents selected by the committee.

The Office of Management and Enterprise Services may reject any and all bids.

SECTION 2. AMENDATORY 74 O.S. 2011, Section 61.7, as last amended by Section 1, Chapter 209, O.S.L. 2013, and as renumbered by Section 17, Chapter 209, O.S.L. 2013 (62 O.S. Supp. 2013, Section 908), is amended to read as follows:

Section 908. 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 the Office of Management and Enterprise 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 the Office of Management and Enterprise Services shall promulgate rules establishing procedures by which each state agency, board, commission and public trust having the State of Oklahoma as a beneficiary, excluding those otherwise exempted under Section ~~129.4~~ 327 of ~~this title~~ Title 61 of the Oklahoma Statutes, shall submit the necessary data to the Office of Management and Enterprise 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. In addition to the requirements of subsection C of this section, the Office of Management and Enterprise Services may make recommendations for the sale of other state-owned properties based upon the value of the property and the potential for net gain for the state based upon the data obtained for the Oklahoma State Government Asset Reduction and Cost Savings Program.

H. There is hereby created the Maintenance of State Buildings Revolving Fund. The fund shall be a continuing fund, not subject to fiscal year limitations and 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. The fund shall further consist of monies appropriated thereto and other funds designated for deposit therein. All monies accruing to the credit of the fund are hereby appropriated and may be expended exclusively for maintaining and repairing state-owned properties and buildings pursuant to the procedures set forth in Section ~~10~~ 901.1 of ~~this act~~ Title 62 of the Oklahoma Statutes. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment. Expenditures from the Maintenance of State Buildings Revolving Fund shall be detailed in a data feed and made available through the data.ok.gov web portal.

I. The Director of the Office of Management and Enterprise Services shall notify entities found by the Office to be out of compliance with the reporting provisions of this section in writing.

J. This section shall not be applicable to the following or their lands, properties, buildings, funds or revenue:

1. The Oklahoma Ordnance Works Authority; and

2. The Commissioners of the Land Office.

<u>K. The report required in subsection B of this section shall include an indication of whether a property is owned by the Oklahoma Historical Society, is listed on the National Register of Historic Places or with the National Trust for Historic Preservation, or is potentially of historical significance. The Office of Management and Enterprise Services shall notify the Oklahoma Historical Society and obtain its approval prior to the sale of any such property.</u>

SECTION 3. AMENDATORY Section 2, Chapter 209, O.S.L. 2013 (74 O.S. Supp. 2013, Section 61.8), is amended to read as follows:

Section 61.8. A. The Long-Range Capital Planning Commission shall work to decrease the amount of property owned by Oklahoma state government, return state-owned property to private sector ownership, better maintain and utilize the state's needed capital assets and, whenever possible, eliminate the practice of state agencies leasing real property not owned by the state.

B. Each year, the Director of the Office of Management and Enterprise Services at the direction of the Long-Range Capital Planning Commission, shall take action to approve the privatization of state-owned real property as identified pursuant to the Oklahoma State Government Asset Reduction and Cost Savings Program. Proceeds from the liquidation of real properties shall be deposited into the Maintenance of State Buildings Revolving Fund.

C. Prior to entering into or renewing a lease for real property, each state agency, board, commission, and public trust having the State of Oklahoma as a beneficiary shall receive approval for entering into the lease from the Office of Management and Enterprise Services.

D. Prior to making a purchase of real property or constructing a building, each state agency, board, commission, and public trust having the State of Oklahoma as a beneficiary shall receive approval for the purchase or construction from the Director of the Office of Management and Enterprise Services; provided, if such purchase or construction is deemed by the Director of the Office of Management and Enterprise Services to be within the authority of the Long-Range Capital Planning Commission, the Director shall not approve the purchase or construction and shall refer the request to the Commission for action.

E. Prior to approval or referral pursuant to subsection C or D of this section, the Office of Management and Enterprise Services shall determine if the applicant entity can utilize already existing state-owned real property as an alternative to leasing non-state-owned real property or purchasing or constructing new real property. <u>If such existing state-owned real property is owned by the Oklahoma Historical Society, is listed on the National Register of Historic Places or with the National Trust for Historic Preservation, or is potentially of historical significance, the Office of Management and Enterprise Services shall notify the Oklahoma Historical Society and obtain its approval prior to approving an application for its reuse.</u>

F. By February 1 of each year, the Office of Management and Enterprise Services shall publish a report for the preceding calendar year listing the parcels of previously state-owned property sold, detailing the reduction in the amount of space leased by the state, describing the source of funds and expenditures from the Maintenance of State Buildings Revolving Fund and showing the manner in which deferred maintenance needs are being met. The report shall be provided to the Governor, Speaker of the House of Representatives, President Pro Tempore of the Senate and placed on the documents.ok.gov web portal.

G. This section shall not be applicable to the following or their lands, properties, buildings, funds or revenue:

1. The Oklahoma Ordnance Works Authority; and

2. The Commissioners of the Land Office.

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 GOVERNMENT MODERNIZATION AND ACCOUNTABILITY, dated 04/09/2014 - DO PASS.