

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 416

By: Pemberton

AS INTRODUCED

An Act relating to public buildings and public works; amending 61 O.S. 2021, Section 327, as amended by Section 47, Chapter 238, O.S.L. 2022 (61 O.S. Supp. 2022, Section 327), which relates to procedures for disposal or lease of certain real property; modifying list of exemptions; and providing an effective date.

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

SECTION 1. AMENDATORY 61 O.S. 2021, Section 327, as amended by Section 47, Chapter 238, O.S.L. 2022 (61 O.S. Supp. 2022, Section 327), is amended to read as follows:

Section 327. A. Unless procedures for state agency real property transactions are otherwise specifically provided for by law, no state agency shall sell, lease, exchange, or otherwise dispose of such real property subject to its jurisdiction, or lease, purchase or otherwise acquire real property subject to its jurisdiction, except as authorized by subsection L of this section and as otherwise provided for in this section. As used in this section, "state agency" means any department, board, commission, institution, agency or entity of state government.

1 B. 1. Every state agency shall request the Office of
2 Management and Enterprise Services to dispose of real property upon:

- 3 a. legislative authorization,
- 4 b. authorization by the Long-Range Capital Planning
5 Commission, or
- 6 c. a determination, in writing, by the Office of
7 Management and Enterprise Services or the state agency
8 that a parcel of real property subject to its
9 jurisdiction is no longer needed.

10 2. Upon the request of the state agency to dispose of real
11 property, the Office of Management and Enterprise Services shall
12 estimate the value of the property, and:

- 13 a. for properties with an estimated value of greater than
14 Twenty-five Thousand Dollars (\$25,000.00), obtain at
15 least one complete appraisal made by a person
16 certified by the Real Estate Appraiser Board of the
17 Oklahoma Insurance Department, who shall ascertain:
 - 18 (1) the present fair value of the property,
 - 19 (2) the present value of the improvements on such
20 property, and
 - 21 (3) the actual condition of the improvements on the
22 property,
- 23 b. after completion of the provisions of subsection L of
24 this section, cause notice of such sale to be

1 published for at least one (1) day in a newspaper of
2 general statewide circulation authorized to publish
3 legal notices, and weekly for three (3) consecutive
4 weeks in a newspaper of general circulation published
5 in the county or counties in which the property is
6 located. The notice shall contain the legal
7 description of each parcel of real property to be
8 offered for sale, the appraised value thereof, the
9 time and location of the sale or opening of the bids,
10 and terms of the sale including the fact that no
11 parcel of property shall be sold for less than ninety
12 percent (90%) of the appraised value of the real
13 property; provided, in lieu of such procedure, the
14 information may be published electronically on the
15 Office of Management and Enterprise Services' website
16 if the notice of sale and instructions on accessing
17 the public information are published in a newspaper of
18 general circulation in the county or counties in which
19 the property is located weekly for three (3)
20 consecutive weeks,

21 c. offer the property through electronic auction, public
22 auction or sealed bids within three (3) weeks after
23 the last publication of the notice. The property
24 shall be sold to the highest bidder. The Office of
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1 Management and Enterprise Services shall not accept a
2 bid of less than ninety percent (90%) of the average
3 appraised fair value of the property and the
4 improvements on such property,

5 d. if the property is being disposed of in compliance
6 with Section 908 of Title 62 of the Oklahoma Statutes,
7 the Office may auction the property at public or
8 electronic auction provided proper public notice is
9 given in compliance with this section and the property
10 has been approved for liquidation by the Long-Range
11 Capital Planning Commission. The Office of Management
12 and Enterprise Services is authorized to reject all
13 bids,

14 e. if the property has an estimated value of less than
15 Twenty-five Thousand Dollars (\$25,000.00), the Office
16 of Management and Enterprise Services may establish
17 the value through market comparison and may dispose of
18 the property based on estimated value without
19 obtaining a certified appraisal; provided, however,
20 the sale shall comply with all other requirements of
21 statute, and

22 f. if the property is landlocked, the Office of
23 Management and Enterprise Services may offer the
24 property through indirect sale to the adjacent
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1 property owner for not less than ninety percent (90%)
2 of fair market value, as determined in compliance with
3 this section. All sales costs, including any required
4 surveys and appraisals, shall be at the expense of the
5 buyer.

6 3. The cost of the appraisal required by the provisions of this
7 section, together with other necessary expenses incurred pursuant to
8 this section, shall be paid by the state agency for which the real
9 property is to be sold from funds available to the state agency for
10 such expenditure. All monies received from the sale or disposal of
11 the property, except those monies necessary to pay the expenses
12 incurred pursuant to this section, shall be deposited in the
13 Maintenance of State Buildings Revolving Fund unless otherwise
14 provided by law.

15 4. The Office of Management and Enterprise Services may dismiss
16 from consideration any appraisal found to be incomplete or flawed.

17 C. Unless otherwise provided by law, the Office of Management
18 and Enterprise Services shall review and approve state agency real
19 property transactions. A state agency shall not lease or acquire
20 real property, or lease, dispose of or transfer state-owned real
21 property until the Office provides notice of transaction approval to
22 the state agency. Prior to approval, a state agency shall provide
23 documents to the Office and provide reference to statutory or other
24 legal authority of the state agency to lease or acquire real

1 property, or lease, dispose of or transfer state-owned real
2 property. If the state agency intends to lease or acquire real
3 property, the state agency shall state the intended use of the real
4 property, and shall provide the Office with required telework
5 documentation. Within thirty (30) days of receipt, the Office shall
6 provide notice of transaction approval or disapproval to the state
7 agency.

8 D. The provisions of this section shall not apply to the lease
9 of office space or real property subject to supervision of the
10 Commissioners of the Land Office, institutions comprising The
11 Oklahoma State System of Higher Education, or district boards of
12 education.

13 E. 1. The Office of Management and Enterprise Services shall
14 maintain a comprehensive inventory of state-owned real property and
15 its use excluding property of the public schools and property
16 subject to the jurisdiction of the Commissioners of the Land Office.

17 2. Each state agency shall, within thirty (30) days of the
18 closing date for lands newly acquired, provide to the Office a list
19 of records, deeds, abstracts and other title instruments showing the
20 description of and relating to any and all such lands or interests
21 therein.

22 3. The provisions of paragraph 2 of this subsection shall apply
23 to all lands of public trusts having a state agency as the primary
24 beneficiary, but shall not apply to lands of municipalities,

1 counties, school districts, or agencies thereof, or Department of
2 Transportation rights-of-way.

3 4. A state agency that sells or otherwise disposes of land
4 shall notify the Office within thirty (30) days of the disposition
5 closing date.

6 F. This section shall not be construed to authorize any state
7 agency, not otherwise authorized by law, to sell, lease, or
8 otherwise dispose of any real property owned by the state.

9 G. The Office of Management and Enterprise Services and the
10 Secretary of the Commissioners of the Land Office, or designee, as
11 provided in subsection L of this section may provide services to
12 sell, transfer, trade or purchase real property for other state
13 agencies.

14 H. The Director of the Office of Management and Enterprise
15 Services shall, pursuant to the Administrative Procedures Act,
16 promulgate rules to effect procedures necessary to the fulfillment
17 of its responsibilities under this section.

18 I. The Oklahoma Ordnance Works Authority and its lands, and the
19 Northeast Oklahoma Public Facilities Authority, the Oklahoma
20 Historical Society, the Oklahoma Department of Transportation, the
21 Oklahoma Turnpike Authority, institutions comprising The Oklahoma
22 State System of Higher Education, and the Department of Wildlife
23 managed lands shall be exempt from the application of this section.
24 The Grand River Dam Authority and its lands shall be exempt from the

1 application of this section for any real property disposed of prior
2 to November 1, 2006.

3 J. Unless otherwise provided for by law, the procedures
4 established pursuant to this section for the sale or exchange of
5 real estate or personal property as authorized pursuant to Sections
6 2222 and 2223 of Title 74 of the Oklahoma Statutes shall be followed
7 unless the sale is to an entity of state government.

8 K. The Director of the Office of Management and Enterprise
9 Services shall contract with experts, professionals or consultants
10 as necessary to perform the duties of the Office. Selections shall
11 be made using the qualifications-based procedures established in
12 Section 62 of this title and the rules promulgated by the Director
13 for the selection of construction managers and design consultants.

14 L. 1. No state agency shall sell, lease, exchange, or
15 otherwise dispose of such real property subject to its jurisdiction,
16 or lease, purchase or otherwise acquire real property subject to its
17 jurisdiction, until such agency or the Office of Management and
18 Enterprise Services acting on the agency's behalf has presented to
19 the Secretary of the Commissioners of the Land Office, or designee,
20 all information collected pursuant to subparagraph a of paragraph 2
21 of subsection B of this section, and provided the Secretary of the
22 Commissioners of the Land Office or designee a twenty-calendar-day
23 period to provide a proposal for the acquisition or disposal of
24 applicable real property.

1 2. The Secretary of the Commissioners of the Land Office or
2 designee may decline to provide such a proposal; provided such
3 notice of decline is communicated to the Office of Management and
4 Enterprise Services in written or electronic form. Upon the
5 reception of such notice of decline by the Office of Management and
6 Enterprise Services, the twenty-calendar-day period otherwise
7 required by this subsection shall be deemed to have expired.

8 SECTION 2. This act shall become effective November 1, 2023.

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