

SENATE CHAMBER

STATE OF OKLAHOMA

DISPOSITION

FLOOR AMENDMENT

No. 1

COMMITTEE AMENDMENT

(Date)

I move to amend Senate Bill No. 1476, by substituting the attached floor substitute (Request #3729) for the title, enacting clause, and entire body of the measure.

Submitted by:

David Rader
Senator Rader

I hereby grant permission for the floor substitute to be adopted.

[Signature]
Senator Pugh, Chair (required)

Senator Mann

[Signature]
Senator Seifried

Senator Pederson

[Signature]
Senator Dossett

[Signature]
Senator Rader

[Signature]
Senator Deever

[Signature]
Senator Reinhardt

Senator Hicks

Senator Sacchieri

[Signature]
Senator Hines

Senator Paxton, President Pro Tempore

Senator Daniels, Majority Floor Leader

Note: Education committee majority requires six (6) members' signatures.

Rader-EB-FS-SB1476
2/23/2026 5:14 PM

(Floor Amendments Only)

Date and Time Filed: 2-24-26 1:50pm

Untimely

Amendment Cycle Extended

Secondary Amendment

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 FLOOR SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1476

6 By: Rader of the Senate

7 and

8 Moore of the House

9 FLOOR SUBSTITUTE

10 An Act relating to Commissioners of the Land Office;
11 amending 64 O.S. 2021, Sections 1002, 1002A, 1003,
12 1004, 1006, 1007, 1010, 1011, 1013, as amended by
13 Section 40, Chapter 228, O.S.L. 2022, 1022, 1023, as
14 amended by Section 1, Chapter 360, O.S.L. 2025, 1034,
15 1047, 1052, 1053, 1055, 1056, 1063, 1069, 1071, 1086,
16 and 1089 (64 O.S. Supp. 2025, Sections 1013 and
17 1023), which relate to the Commissioners of the Land
18 Office Modernization Act; modifying the powers and
19 authority of the Commissioners; allowing, rather than
20 requiring, the Commissioners to exchange land for
21 certain properties; authorizing, rather than
22 requiring, the Commissioners to request certain
23 easement via petition; replacing reference to
24 realtors with reference to real estate licensees;
authorizing licensees to be used for certain purpose;
directing the Lieutenant Governor to serve as vice
chair in the absence of certain election; modifying
authority of Secretary of the Land Office; directing
the Commissioners to maintain certain licenses for
certain employees; removing language creating a cash
drawer change fund; allowing the permanent school
fund to be invested in certain investments; removing
language providing for calculation of investments in
real property; allowing the Commissioners to retain
external real estate property managers; modifying
method for choosing investment managers and
investment property managers; allowing investment
real estate property managers full discretion on
certain leasing and operations; directing execution
of certain leases upon approval of the Secretary of

1 the Land Office; exempting certain leases from term
2 limitations; defining term; removing references to
3 the Cash Management and Investment Oversight
4 Commission; requiring electronic submission of
5 certain report; prohibiting the Commissioners from
6 taking any action to impede certain development;
7 exempting certain investment real estate from certain
8 term limitations; directing investment real estate
9 leases to provide for certain value; prohibiting an
10 abstention from being considered in certain vote;
11 requiring the Commissioners to advertise certain sale
12 of lands and improvements; modifying frequency of
13 publication of sale; allowing certain designee to
14 provide certain information; clarifying requirement
15 to appraise certain improvements; allowing certain
16 public auction to be held via live bidding or a
17 combination of live and online bidding; allowing the
18 Commissioners to issue certain patent to certain
19 purchaser; directing patent or deed to contain
20 certain provisions; clarifying the authority of the
21 Commissioners over certain leasing; allowing oil and
22 gas leases to be encumbered; modifying source of
23 funds for the Multiyear Education Distribution
24 Stabilization Revolving Fund; allowing the
Commissioners to convey certain execution ability to
the Secretary of the Land Office; providing for
approval of exchange of state-owned lands; making
language gender neutral; updating statutory
reference; updating statutory language; repealing 64
O.S. 2021, Sections 1014, 1021, 1030, 1050, 1054, and
1061, which relate to the Commissioners of the Land
Office Modernization Act; providing an effective
date; and declaring an emergency.

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

20 SECTION 1. AMENDATORY 64 O.S. 2021, Section 1002, is
21 amended to read as follows:

22 Section 1002. In order that the state school lands may be
23 administered in a manner to assure their preservation as well as the
24 appreciation of the trust estate and the maximum return from the use

1 of state school lands for the support and maintenance of the common
2 schools of the state, the Commissioners of the Land Office, as
3 trustees of the state school lands, are hereby authorized and
4 empowered to:

5 1. Categorize the state school lands as agricultural ~~or~~,
6 commercial, or investment according to the use which the
7 Commissioners of the Land Office determine from time to time to be
8 most beneficial to the interest of the present and future
9 beneficiaries of ~~the~~ this state;

10 2. Sell, at public auction after appraisalment, the surface
11 interest in any state school land categorized by the Commissioners
12 of the Land Office to be excess or when determined to be in the best
13 interest of the trust;

14 3. Institute projects to develop and improve those state school
15 lands which are categorized as commercial or investment lands;

16 4. Acquire by exchange, purchase, gift, or grant all real
17 property and to acquire by exchange, purchase, gift, or grant all
18 personal property including donations and funds necessary for the
19 purpose of utilizing trust lands for the development of commercial
20 ~~and~~, agricultural, investment, oil and gas, or other leases or
21 Commissioners of the Land Office operations to maximize trust income
22 for present and future beneficiaries; ~~and~~

23 5. Exchange any real property of the trust for other real
24 property of equal or greater value to maximize income for present

1 and future beneficiaries, in accordance with and under the safeguard
2 of trust requirements; and

3 6. Purchase, own, and operate motor vehicles necessary for use
4 in their operations and purchase insurance on such motor vehicles in
5 accordance with statutory provisions and subject to the approval of
6 the Risk Management Administrator as provided for in Section 85.58A
7 of Title 74 of the Oklahoma Statutes.

8 SECTION 2. AMENDATORY 64 O.S. 2021, Section 1002A, is
9 amended to read as follows:

10 Section 1002A. The Commissioners of the Land Office ~~shall~~ may,
11 in compliance with Oklahoma law and all of the duties as trustees,
12 use their best efforts to exchange undeveloped land owned by the
13 Commissioners of the Land Office for privately held investment or
14 commercial properties and. Before approving such exchange, the
15 Commissioners of the Land Office shall consider the impact on
16 affected taxing districts prior to the exchange or purchase of
17 investment or commercial properties.

18 SECTION 3. AMENDATORY 64 O.S. 2021, Section 1003, is
19 amended to read as follows:

20 Section 1003. A. The Commissioners of the Land Office may
21 grant easements to entities with power of eminent domain pursuant to
22 the policies of Section 13 of Title 27 of the Oklahoma Statutes.

23 B. The Commissioners shall, upon written application, grant
24 easements to:

1 1. Nonprofit rural water districts organized pursuant to
2 Section 863 of Title 18 of the Oklahoma Statutes;
3 2. Rural water districts organized pursuant to the Rural Water,
4 Sewer, Gas and Solid Waste Management Districts Act; or
5 3. Rural electric cooperatives organized pursuant to Section
6 437 et seq. of Title 18 of the Oklahoma Statutes, for the purpose of
7 laying a water or power line upon the property.

8 C. Prior to the granting of such easement, ~~an appraisal shall~~
9 ~~be conducted to~~ the Commissioners of the Land Office shall determine
10 the fair market value of the easement. ~~The~~ If the district or
11 cooperative requesting the easement ~~shall~~ disagrees with such value,
12 it may petition the ~~District Court~~ district court in the county in
13 which the easement is located to determine the fair market value of
14 the easement. The court shall appoint three disinterested persons
15 who are residents of that county who shall first take an oath to
16 fairly and impartially appraise the value of the easement. The
17 appraisers shall meet and determine the fair market value of the
18 easement, in writing, and return the same under their signatures to
19 the court. ~~Said~~ The appraisal shall show the fair market value of
20 the easement. ~~Appraiser's~~ Appraiser fees shall be set by the court
21 and charged to the requesting district or cooperative as costs. The
22 district or cooperative shall enclose a certified copy of the
23 appraisal and payment in the amount of the appraised value with its
24 written request for easement to the Commissioners of the Land

1 Office. Except for the amount received for the granting of an
2 easement, no additional fees or other charges shall be assessed by
3 the Commissioners of the Land Office for the granting of such
4 easement.

5 D. The granting of easements pursuant to this section shall be
6 timely and shall not exceed sixty (60) days from date that the
7 appraisal is submitted to the district court.

8 E. Easements shall run concurrently with the life of the
9 facilities installed.

10 SECTION 4. AMENDATORY 64 O.S. 2021, Section 1004, is
11 amended to read as follows:

12 Section 1004. The Commissioners of the Land Office may retain
13 ~~realtors~~ real estate licensees for the purpose of securing tenants
14 in the ~~commercial~~ leasing of investment and commercial trust
15 property and for the purpose of assisting with the sale of
16 investment and commercial trust property. ~~Realtors~~ Real estate
17 licensees shall be chosen by a solicitation of proposals on a
18 competitive bid basis pursuant to standards set by the
19 Commissioners. The process of selecting ~~realtors~~ real estate
20 licensees shall be exempt from the Oklahoma Central Purchasing Act.
21 The ~~Commission~~ Commissioners may pay ~~realtors~~ real estate licensees
22 retained to secure tenants for trust property or assist with the
23 sale of trust property on a commission basis.

24

1 SECTION 5. AMENDATORY 64 O.S. 2021, Section 1006, is
2 amended to read as follows:

3 Section 1006. The Governor ~~of the State of Oklahoma~~ shall be
4 designated as ~~chairman~~ chair ex officio of the Commissioners of the
5 Land Office. The Commissioners ~~shall~~ may elect from their body a
6 ~~vice-chairman~~ vice chair whose duty it shall be to act as ~~chairman~~
7 chair in the absence of the ~~chairman~~ chair or in case of the
8 failure, neglect, or refusal of the ~~chairman~~ chair to act. In the
9 absence of such an election, the Lieutenant Governor of this state
10 shall serve as the vice chair.

11 The Secretary of the Land Office shall select for employment all
12 employees as may be deemed necessary and appropriate to properly
13 operate the Land Office, except the General Counsel for the ~~Land~~
14 ~~Commission~~ Commissioners of the Land Office who shall be selected by
15 a majority of the ~~Commission~~ Commissioners.

16 The Commissioners, by a majority vote, may remove the Secretary
17 of the Land Office and the General Counsel of the Land Office. The
18 Secretary may discharge and remove any employee of the Land Office.

19 SECTION 6. AMENDATORY 64 O.S. 2021, Section 1007, is
20 amended to read as follows:

21 Section 1007. ~~The head of each division in the Department of~~
22 ~~the Commissioners of the Land Office shall be under the immediate~~
23 ~~supervision and command, in the administration of their divisions,~~
24 ~~of~~ Subject to the requirements of the Commissioners of the Land

1 Office Modernization Act, the Secretary of the Land Office shall
2 have the authority and discretion to organize and maintain the
3 organizational structure of the Land Office.

4 SECTION 7. AMENDATORY 64 O.S. 2021, Section 1010, is
5 amended to read as follows:

6 Section 1010. The Commissioners of the Land Office shall be
7 responsible for and pay the fee for ~~obtaining~~ maintaining a real
8 estate ~~appraiser~~ license including, but not limited to, real estate
9 licensee, broker, and appraiser licenses for any Land Office
10 employee who is required to ~~obtain~~ maintain such license to perform
11 job duties.

12 SECTION 8. AMENDATORY 64 O.S. 2021, Section 1011, is
13 amended to read as follows:

14 Section 1011. ~~A.~~ There is hereby created a revolving fund for
15 the Commissioners of the Land Office to be designated the
16 "Commissioners of the Land Office Revolving Fund". The fund shall
17 be a continuing fund not subject to fiscal year limitations and into
18 which shall be paid all fees that may be collected by the
19 Commissioners of the Land Office, transfers from other revolving
20 funds of the Commissioners of the Land Office, and any monies
21 designated for transfer into the fund. In addition, available
22 monies received within an annual period may be added to the fund
23 upon designation by the Secretary of the Land Office, and in such case
24 the funds are hereby appropriated and may be budgeted and expended

1 by the Commissioners of the Land Office within the annual period in
2 which received or thereafter in the performance of the
3 constitutional and statutory trust duties of the Commissioners of
4 the Land Office. Monies from the fund may be used to pay for all
5 books, forms, and other necessary equipment and supplies for the
6 installation and maintenance of a modern system of accounting,
7 necessary printing expenses, abstracts, refunds, expenses incidental
8 to the operation of the Land Office, necessary communication and
9 traveling expenses incurred by the employees of the Land Office,
10 attorney fees and litigation expenses, collection costs and
11 expenses, distributions, and conservation and commercial property
12 upgrades. The Commissioners of the Land Office may also use monies
13 in the revolving fund for any expenses of the Land Office related to
14 ~~personal~~ personnel services, operating expenses, the purchase of
15 equipment, and for the performance of all duties necessary and as
16 may be prescribed to carry out the function of the Land Office. All
17 funds accruing to the fund are hereby appropriated. Monies in the
18 fund may be invested by the State Treasurer in the manner prescribed
19 in Section 89.1a et seq. of Title 62 of the Oklahoma Statutes.
20 Interest income derived from the investment of monies in the fund
21 shall be credited to and placed in the fund.

22 ~~B. There is hereby created a cash drawer change fund for the~~
23 ~~Commissioners of the Land Office. The fund shall be used as cash~~
24 ~~for the Land Office to make change for customers and for the payment~~

1 ~~of emergency purchases and bills. The amount held in the fund shall~~
2 ~~not exceed One Thousand Dollars (\$1,000.00). The initial amount in~~
3 ~~the fund shall be drawn by warrant from the revolving fund created~~
4 ~~pursuant to subsection A of this section. All adjustments to the~~
5 ~~amount retained in the fund shall be by withdrawal and deposit in~~
6 ~~the revolving fund established pursuant to subsection A of this~~
7 ~~section upon the filing of a claim with proper receipts showing the~~
8 ~~disbursement therefrom. Officers, employees or agents of the Land~~
9 ~~Office shall be prohibited from receiving change from the fund.~~

10 SECTION 9. AMENDATORY 64 O.S. 2021, Section 1013, as
11 amended by Section 40, Chapter 228, O.S.L. 2022 (64 O.S. Supp. 2025,
12 Section 1013), is amended to read as follows:

13 Section 1013. A. The Commissioners of the Land Office shall be
14 responsible for the investment of the permanent school funds, other
15 educational funds, and public building funds solely in the best
16 interests of the current and future beneficiaries. The
17 Commissioners of the Land Office shall make investments:

- 18 1. For the exclusive purpose of:
- 19 a. providing maximum benefits to current and future
 - 20 beneficiaries, and
 - 21 b. defraying reasonable expenses of administering the
 - 22 trust funds;
- 23
- 24

1 2. With the care, skill, prudence, and diligence under the
2 circumstances then prevailing that a prudent person acting in a like
3 enterprise of a like character and with like aims would use; and

4 3. By diversifying the investments of the trust funds so as to
5 minimize the risk of large losses.

6 B. The permanent school fund and other educational funds may
7 only be invested in bonds issued in the United States, United States
8 dollar denominated or other investments settled in United States
9 dollars or traded on the United States exchange markets, investments
10 subject to the Invest in Oklahoma Act, private equity or private
11 credit investments, and real property to be owned or acquired by the
12 Commissioners of the Land Office. The Commissioners of the Land
13 Office shall not invest more than sixty percent (60%) of the trust
14 fund investments in equity securities. The Commissioners of the
15 Land Office are further authorized to acquire, purchase, exchange,
16 and grant any real property under ~~its~~ their jurisdiction as is
17 necessary to carry out the investment in the real property, which
18 shall be classified specifically as investment property. The
19 Commissioners of the Land Office shall not invest more than five
20 percent (5%) of the total value of the assets of the permanent
21 school funds in connection with real property classified as
22 investments in real property. ~~The calculation of investments in~~
23 ~~real property within the five percent (5%) cap shall not include the~~
24 ~~value of real property under long-term lease to the State of~~

1 ~~Oklahoma, agencies of the state or subdivisions thereof.~~ In no case
2 shall the Commissioners of the Land Office bid against private-
3 sector bidders above the appraised value of any property to be
4 acquired.

5 C. The Commissioners shall establish an investment committee.
6 The investment committee shall be composed of not ~~more~~ fewer than
7 three members of the Commissioners of the Land Office or their
8 designees. The committee shall make recommendations to the
9 Commissioners of the Land Office on all matters related to the
10 choice of managers of the assets of the funds, on the establishment
11 of investment and fund management guidelines, and in planning future
12 investment policy. The committee shall have no authority to act on
13 behalf of the Commissioners of the Land Office in any circumstances
14 whatsoever. No ~~recommendations~~ recommendation of the committee
15 shall have effect as an action of the Commissioners of the Land
16 Office or take effect without the approval of the Commissioners as
17 provided by law. The Commissioners shall promulgate and adopt on an
18 annual basis an investment plan. The investment plan shall state
19 the criteria for selecting investment managers, the allocation of
20 assets among investment managers, and established standards of
21 investment and fund management.

22 D. The Commissioners shall retain qualified investment managers
23 to provide for investment of the fund monies and may retain external
24 real estate property managers for the management of investment real

1 property pursuant to the investment plan. Investment managers and
2 investment property managers shall be chosen ~~by a solicitation of~~
3 ~~proposals on a competitive bid basis~~ pursuant to standards set by
4 the Commissioners in compliance with Section 85.7 of Title 74 of the
5 Oklahoma Statutes. Subject to the investment plan, each investment
6 manager shall have full discretion in the management of the funds ~~or~~
7 ~~investment real property~~ allocated to ~~the investment managers~~ each
8 manager. The funds allocated to investment managers shall be
9 actively managed by them, which may include selling investments and
10 realizing losses if the action is considered advantageous to longer
11 term return maximization. Because of the total return objective, no
12 distinction shall be made for management and performance evaluation
13 purposes between realized and unrealized capital gains and losses.
14 Subject to the investment plan, investment real estate property
15 managers shall have full discretion on leasing and operations of the
16 investment real estate under their management subject to budget
17 restrictions placed by the Commissioners of the Land Office.
18 Further, all leases pertaining to the investment real estate shall
19 be executed by the Commissioners of the Land Office upon approval by
20 the Secretary of the Land Office. Leases on investments shall be
21 exempt from term limitations for commercial property held by the
22 Commissioners of the Land Office as long as the investments are
23 managed by external investment real estate property managers and the
24 lease terms are consistent with the market; provided, however, in no

1 event shall a lease on investment real estate exceed twenty-five
2 (25) years including all options. For the purposes of this section,
3 "investment real estate" means properties purchased as investments
4 and managed as part of the investment plan.

5 E. The Commissioners shall take any measures they deem
6 appropriate to safeguard custody of securities and other assets of
7 the trusts.

8 F. By September 1 of each year, the Commissioners shall develop
9 a written investment plan for the trust funds.

10 G. The Commissioners shall compile a quarterly financial report
11 showing the performance of all the combined funds under their
12 control on a fiscal year basis. The report shall contain a list of
13 all investments made by the Commissioners and a list of any
14 commissions, fees, or payments made for services regarding the
15 investments for that reporting period. The report shall be based on
16 market values and shall be compiled pursuant to uniform reporting
17 standards prescribed by the Oklahoma State Pension Commission for
18 all state retirement systems. The report shall be electronically
19 distributed to the Oklahoma State Pension Commission, ~~the Cash~~
20 ~~Management and Investment Oversight Commission,~~ and the Legislative
21 Service Bureau.

22 H. Before January 1 of each year, the Commissioners shall
23 publish an annual report of all ~~Trust~~ trust operations, presented in
24 a simple and easily understood manner to the extent possible. The

1 report shall be submitted electronically to the Governor, the
2 Speaker of the House of Representatives, the President Pro Tempore
3 of the Senate, the State Department of Education, and each higher
4 education beneficiary. The annual report shall cover the operation
5 of the ~~Trusts~~ trusts during the past fiscal year including income,
6 disbursements, and the financial condition of the ~~Trusts~~ trusts at
7 the end of each fiscal year on a cash basis. The annual report
8 shall also contain a summary of the assets of each trust and current
9 market value as of the report date.

10 I. ~~The Cash Management and Investment Oversight Commission~~
11 Invest in Oklahoma Board shall review reports prepared by the
12 Commissioners of the Land Office ~~pursuant to this subsection~~
13 pertaining to their investments made in the Invest in Oklahoma
14 program and shall make recommendations regarding the investment
15 strategies and practices, the development of internal auditing
16 procedures and practices, and any other matters as determined
17 necessary and applicable.

18 J. The Commissioners of the Land Office shall select one or
19 more custodial banks to settle transactions involving the investment
20 of the funds under the control of the Commissioners of the Land
21 Office. The Commissioners of the Land Office shall review the
22 performance of each custodial bank at least once every year. The
23 Commissioners of the Land Office shall require a written competitive
24 bid every ten (10) years. The custodial bank shall have a minimum

1 of Five Hundred Million Dollars (\$500,000,000.00) in assets to be
2 eligible for selection. Any out-of-state custodial bank shall have
3 a service agent in the State of Oklahoma so that service of summons
4 or legal notice may be had on the designated agent, and the bank
5 shall submit to the jurisdiction of Oklahoma state courts for
6 resolution of any and all disputes. In order to be eligible for
7 selection, the custodial bank shall allow electronic access to all
8 transaction and portfolio reports maintained by the custodial bank
9 involving the investment of state funds under control of the
10 Commissioners of the Land Office ~~and to the Cash Management and~~
11 ~~Investment Oversight Commission.~~ The requirement for electronic
12 access shall be incorporated into any contract between the
13 Commissioners of the Land Office and the custodial bank. Neither
14 the Commissioners of the Land Office nor the custodial bank shall
15 permit any of the funds under the control of the Commissioners of
16 the Land Office or any of the documents, instruments, securities, or
17 other evidence of a right to be paid money to be located in any
18 place other than within a jurisdiction or territory under the
19 control or regulatory power of the United States government.

20 SECTION 10. AMENDATORY 64 O.S. 2021, Section 1022, is
21 amended to read as follows:

22 Section 1022. The Commissioners of the Land Office shall
23 reserve and retain one hundred percent (100%) of all oil, gas, and
24 other minerals under any school lands and shall not sell nor take

1 any action to impede the development of any oil, gas, or other
2 mineral interest under the authority or jurisdiction of the
3 Commissioners.

4 SECTION 11. AMENDATORY 64 O.S. 2021, Section 1023, as
5 amended by Section 1, Chapter 360, O.S.L. 2025 (64 O.S. Supp. 2025,
6 Section 1023), is amended to read as follows:

7 Section 1023. A. The Commissioners of the Land Office are
8 authorized to grant commercial leases and agricultural leases in
9 trust property.

10 Commercial leases shall not exceed fifty-five (55) years. The
11 granting of any commercial lease in excess of three (3) years shall
12 be by public bidding at not less than fair market value. All
13 commercial leases shall provide for fair market value throughout the
14 term of the lease. Such term limitations shall not apply to
15 investment real estate as defined in subsection D of Section 1013 of
16 this title. Investment real estate term limitations shall be as
17 defined in subsection D of Section 1013 of this title. All
18 investment real estate leases shall provide for fair market value
19 throughout the term of the lease.

20 Agricultural leases of trust property shall be limited to a
21 maximum of five (5) years and shall be by public bidding at not less
22 than fair market value.

23 The granting of any interest in trust property at less than fair
24 market value or not in compliance with this section is void.

1 Any permanent improvement made on commercial trust property from
2 and after July 1, 1989, shall revert to the trust at the end of the
3 lease.

4 B. In connection with any commercial and agricultural leases,
5 the Commissioners of the Land Office shall, unless otherwise
6 exempted by the Constitution or laws of this state:

7 1. Require payment of ad valorem property taxes on any
8 improvements and structures on state school land, which would
9 otherwise be subject to ad valorem property taxation if constructed
10 on privately owned land; and

11 2. Indemnify and hold harmless the Commissioners of the Land
12 Office from any financial obligation related to land, financing, or
13 operation.

14 C. An appraiser selected by the Commissioners of the Land
15 Office shall appraise any improvements approved by the Commissioners
16 of the Land Office made to the property leased as an agricultural
17 lease by the current lessee that cannot be removed without manifest
18 injury to the land. When the Commissioners enter into a new lease
19 for the property, the lease shall require the new lessee to
20 reimburse the previous lessee for the appraised value of any
21 improvements made by the previous lessee by the date the new lessee
22 is permitted to take occupancy of the property. It shall be
23 considered a default of the lease of the property to the new lessee
24 if such reimbursement is not made. Provided, no fees may be charged

1 to a lessee above those included in the originally accepted bid to
2 irrigate land used for agricultural purposes if the water is not
3 sourced from lands owned or managed by the Commissioners.

4 D. The Commissioners of the Land Office may refuse to accept
5 any bid or lease on a commercial, agricultural, or mineral lease
6 where the party is in default of any installment due or in violation
7 of any provisions contained in a prior or current lease contract.

8 E. The Commissioners of the Land Office may refuse to accept
9 any bid or lease contract where the interested party cannot show
10 adequate creditworthiness as determined by the Land Office.

11 F. The Commissioners of the Land Office shall promulgate rules
12 to implement the provisions of this section.

13 SECTION 12. AMENDATORY 64 O.S. 2021, Section 1034, is
14 amended to read as follows:

15 Section 1034. A permanent minute record shall be kept of all
16 proceedings had by the Commissioners of the Land Office. ~~No~~ Unless
17 otherwise specified in the Commissioners of the Land Office
18 Modernization Act, no action of the Commissioners of the Land Office
19 shall be valid unless voted on by at least three members with the
20 majority of votes cast in favor of the action. An abstention shall
21 not be considered a vote cast. No action taken, or which may be
22 taken by the Commissioners of the Land Office, may be rescinded
23 except by a three-fifths (3/5) or greater vote of the full
24 membership of the ~~Board of~~ Commissioners of the Land Office. The

1 Commissioners of the Land Office shall approve the minutes of each
2 ~~Board~~ meeting at the next succeeding meeting.

3 SECTION 13. AMENDATORY 64 O.S. 2021, Section 1047, is
4 amended to read as follows:

5 Section 1047. Before selling lands and improvements authorized
6 to be sold, the Commissioners of the Land Office shall advertise the
7 sale by publication calculated to bring the highest and best bids.

8 Before selling any public, state, or school lands, the Commissioners
9 of the Land Office shall advertise the fact that the sale shall be
10 had by publication in ~~four consecutive issues of at least one weekly~~
11 a newspaper of general circulation at least once per week for four
12 (4) consecutive weeks in the county in which ~~said~~ such lands are
13 situated. The notice shall state the time, place, and terms of
14 sale, give a brief description of the land and improvements, and of
15 the appraised value of the land and the appraised value of the
16 improvements, and state that any further information that is desired
17 may be obtained by addressing the Secretary ~~to the Commissioners~~ of
18 the Land Office or his or her designee.

19 SECTION 14. AMENDATORY 64 O.S. 2021, Section 1052, is
20 amended to read as follows:

21 Section 1052. Before any lands under the jurisdiction and
22 control of the Commissioners of the Land Office, covered by
23 preference right leases and the improvements located on the land are
24 owned by the lessees, shall be offered for sale and sold, the

1 Commissioners of the Land Office shall cause the same to be
2 appraised by three disinterested appraisers, who are nonresidents of
3 the county in which the land is situated, to be selected by the
4 Secretary of the Land Office. The appraisers, before entering upon
5 their duties, shall take and subscribe to the oath required of state
6 officers. The appraisers shall make a true appraisalment of the
7 lands at the actual cash value thereof, exclusive of all
8 improvements, and shall separately appraise all improvements owned
9 by the lessee which ~~can~~ cannot be removed without manifest injury to
10 the land.

11 SECTION 15. AMENDATORY 64 O.S. 2021, Section 1053, is
12 amended to read as follows:

13 Section 1053. The lands authorized to be sold shall be offered
14 for sale to the highest bidder at public auction in the county in
15 which the land is situated. The auction may be held via live
16 bidding or a combination of live bidding and online bidding
17 submitted via the Internet or similar electronic means. The sale
18 shall be ~~made~~ closed and completed within six (6) months from the
19 date of the ~~final~~ approval of the appraisalment by the Commissioners
20 of the Land Office, unless for good cause shown, the Commissioners
21 of the Land Office extend the time of offering the land for sale for
22 a period not to exceed one (1) year from the effective date of ~~the~~
23 ~~final approval of~~ the appraisalment.

24

1 SECTION 16. AMENDATORY 64 O.S. 2021, Section 1055, is
2 amended to read as follows:

3 Section 1055. The Commissioners of the Land Office upon
4 completion of the sale of lands and improvements and receipt of the
5 purchase price shall issue a patent or deed to the purchaser which
6 shall contain a provision reserving the oil, gas, ~~and other~~
7 minerals, and any other property or property right as provided for
8 in this title, required by law, or required by resolution of the
9 Commissioners of the Land Office.

10 SECTION 17. AMENDATORY 64 O.S. 2021, Section 1056, is
11 amended to read as follows:

12 Section 1056. Except as otherwise provided by law, all the
13 public lands of this state shall be subject to lease in the manner
14 provided by law. The Commissioners of the Land Office shall have
15 charge of the leasing of the lands under their control.

16 SECTION 18. AMENDATORY 64 O.S. 2021, Section 1063, is
17 amended to read as follows:

18 Section 1063. The Commissioners of the Land Office are
19 authorized to lease for oil and gas purposes any of the school or
20 other lands owned by the State of Oklahoma, which such Commissioners
21 may deem valuable for oil and gas. Each such lease shall be a
22 commence-type lease and shall provide for a term not less than one
23 (1) year and not to exceed five (5) years and as long thereafter as
24 oil or gas may be produced therefrom in paying quantities, upon such

1 terms and conditions and in such quantities as the Commissioners
2 shall by rules and regulations prescribe. Each such lease shall
3 provide for the delivery to the state of a royalty of not less than
4 one-eighth (1/8) part of the oil or gas produced from the leased
5 premises or in lieu thereof, the payment to the state of the market
6 value of ~~said~~ such royalty interest, as the Commissioners may elect.
7 The leases shall be offered by public competition after notice of
8 the lease auction published one time not less than thirty (30) days
9 prior to the lease auction date in two newspapers authorized by law
10 to publish legal notices. One of the newspapers shall be published
11 in the county where the land is located or other newspaper as
12 authorized by Section 106 of Title 25 of the Oklahoma Statutes. The
13 other shall be a newspaper of general circulation in this state.
14 Such leasing shall be let by sealed bids and each lease awarded to
15 the highest responsible bidder, ~~such~~. Such oil and gas leases may
16 be assigned or encumbered only with the consent and approval of the
17 Commissioners of the Land Office; provided, the Commissioners have
18 the right to reject any and all bids. The Commissioners of the Land
19 Office shall provide any other notice of oil and gas lease sales to
20 all interested parties by any means it determines is needed to
21 attract the best competition.

22 SECTION 19. AMENDATORY 64 O.S. 2021, Section 1069, is
23 amended to read as follows:

24

1 Section 1069. A. The proceeds derived in bonuses and royalties
2 and from other inducements and considerations for the execution and
3 operation of the oil and gas leases as authorized in this title,
4 except oil and gas leases on state-owned lands set apart and
5 designated for the use, benefit, and occupancy of state educational
6 institutions, shall be for the use and benefit of the lands which
7 were granted by the United States to the State of Oklahoma, and to
8 the territory now comprising the area embraced within the state,
9 under the provisions of the Enabling Act and any and all other Acts
10 of Congress. Bonus and delay rental income received by the Land
11 Office and other income as designated by the Secretary of the Land
12 Office for transfer and received by the Land Office may be
13 distributed to current beneficiaries in like manner as lease income
14 received from surface leases, except that if determined to be in the
15 best interest of the trust, the distributions may be made upon a
16 schedule determined by a five-year rolling average of bonus and
17 delay rental income.

18 B. There is hereby created a revolving fund for the
19 Commissioners of the Land Office to be designated the "Multiyear
20 Education Distribution Stabilization Revolving Fund". The fund
21 shall be a continuing fund, not subject to fiscal year limitations,
22 and ~~shall consist of bonus and delay rental income received by the~~
23 ~~Commission~~ subject to distribution, if it is determined by the
24 ~~Commission~~ Commissioners to be in the best interest of the trust to

1 make distributions of ~~the income~~ any such funds upon a five-year
2 rolling average schedule as authorized in subsection A of this
3 section. Monies in the fund may be invested by the State Treasurer
4 in the manner prescribed in Section 89.1a et seq. of Title 62 of the
5 Oklahoma Statutes. Interest income derived from the investment of
6 monies in the fund shall be credited to and placed in the fund.

7 SECTION 20. AMENDATORY 64 O.S. 2021, Section 1071, is
8 amended to read as follows:

9 Section 1071. The lands described in Section ~~290~~ 1070 of this
10 title are to be leased under the same provisions as the school and
11 other lands of the State of Oklahoma.

12 SECTION 21. AMENDATORY 64 O.S. 2021, Section 1086, is
13 amended to read as follows:

14 Section 1086. Any instrument, easement, contract, or deed which
15 may be required in, or convenient to, the exercise of the powers
16 granted in Section ~~4~~ 1001 of this ~~act~~ title shall be executed by the
17 ~~chairman~~ chair or presiding officer and attested by the secretary,
18 if such instrument ~~be~~ is executed by a board or commission, and if
19 such instrument ~~be~~ is executed by an officer, it shall be signed by
20 ~~said~~ the officer. No such contract, easement, deed, or instrument
21 of conveyance shall be effective unless and until the approval of
22 the Governor is endorsed thereon in writing. The Commissioners of
23 the Land Office may via resolution convey the ability to execute

24

1 certain instruments, easements, contracts, and leases to the
2 Secretary of the Land Office.

3 SECTION 22. AMENDATORY 64 O.S. 2021, Section 1089, is
4 amended to read as follows:

5 Section 1089. Each and all of the rights, powers, and remedies
6 granted and conferred by the terms of ~~this act~~ the Commissioners of
7 the Land Office Modernization Act shall be cumulative and shall be
8 construed to be in addition to those already existing, except that
9 at any private or voluntary sale or exchange of state-owned lands by
10 the Commissioners of the Land Office such sale or exchange shall be
11 ~~held~~ finally approved only upon ~~resolution adopted by~~ a unanimous
12 vote of the voting members of the Commissioners of the Land Office
13 present.

14 SECTION 23. REPEALER 64 O.S. 2021, Sections 1014, 1021,
15 1030, 1050, 1054, and 1061, are hereby repealed.

16 SECTION 24. This act shall become effective July 1, 2026.

17 SECTION 25. It being immediately necessary for the preservation
18 of the public peace, health, or 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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