An Act

ENROLLED SENATE
BILL NO. 1573

By: Jolley and Treat of the Senate

and

Sears and Casey of the House

An Act relating to the Oklahoma Historical Society; authorizing the Society to transfer ownership of historic properties; requiring first offer to original donor; requiring sale to originate with Board of Directors; amending 74 O.S. 2011, Section 129.4, as renumbered by Section 39, Chapter 209, O.S.L. 2013, and as last amended by Section 7, Chapter 286, O.S.L. 2014 (61 O.S. Supp. 2015, Section 327), which relates to procedures for disposal or lease of certain state-owned real property; modifying exemptions; amending 74 O.S. 2011, Section 62.3, as amended by Section 707, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2015, Section 62.3), which relates to rules for disposal of surplus property; modifying exemptions; providing for codification; and declaring an emergency.

SUBJECT: Historic property

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 5.2b of Title 53, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Historical Society is hereby authorized to transfer ownership of historic properties, both real and tangible, to

appropriate organizations or groups who agree to maintain the properties in the best interest of historic preservation and who pay fair market value for such property. Notwithstanding Section 5.2a of Title 53 of the Oklahoma Statutes, when property by the Society is declared surplus, or is determined to be beyond the means of the Society to maintain properly, the Society shall first offer the property for sale at fair market value to the original donor, even if a reversionary clause is not included in the gift agreement. If a donor cannot be identified, the property may be offered for sale at fair market value to an appropriate not-for-profit organization or a federally recognized Indian tribe that agrees to maintain the property through a formal written contract which provides for compensation, and may include in-kind, in the form of maintenance and preservation agreements. The process for the sale and transfer of title shall originate with the Oklahoma Historical Society Board of Directors. The authorization to sell this property pursuant to this section shall be exempt from the Oklahoma Surplus Property Act as well as Sections 327 and 327.1 of Title 61 of the Oklahoma Statutes.

SECTION 2. AMENDATORY 74 O.S. 2011, Section 129.4, as renumbered by Section 39, Chapter 209, O.S.L. 2013, and as last amended by Section 7, Chapter 286, O.S.L. 2014 (61 O.S. Supp. 2015, 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 provided for in this section. As used in this section, "state agency" means any department, board, commission, institution, agency or entity of state government.

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

a. legislative authorization,

b. authorization by the Long-Range Capital Planning Commission, or

c. a determination, in writing, by the Office of Management and Enterprise Services or the state agency that a parcel of real property subject to its jurisdiction is no longer needed.

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

a. obtain at least one complete appraisal made by a person certified by the Real Estate Appraiser Board of the Oklahoma Insurance Department, who shall ascertain:

(1) the present fair value of the property,

(2) the present value of the improvements on such property, and

(3) the actual condition of the improvements on the property,

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

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

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

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

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

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

property, the state agency shall state the intended use of the real property. Within thirty (30) days of receipt, the Office shall provide notice of transaction approval or disapproval to the state agency.

D. The provisions of this section shall not apply to the lease of office space or real property subject to supervision of the Commissioners of the Land Office or district boards of education.

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

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

3. The provisions of paragraph 2 of this subsection shall apply to all lands of public trusts having a state agency as the primary beneficiary, but shall not apply to lands of municipalities, counties, school districts, or agencies thereof, or Department of Transportation rights-of-way.

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

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

G. The Office of Management and Enterprise Services may provide services to sell, transfer, trade or purchase real property for other state agencies.

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

I. The Oklahoma Ordnance Works Authority and its lands, and the Northeast Oklahoma Public Facilities Authority, the Oklahoma Historical Society, the Oklahoma Department of Transportation and the Oklahoma Turnpike Authority, shall be exempt from the application of this section. The Grand River Dam Authority and its lands shall be exempt from the application of this section for any real property disposed of prior to November 1, 2006.

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

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

SECTION 3. AMENDATORY 74 O.S. 2011, Section 62.3, as amended by Section 707, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2015, Section 62.3), is amended to read as follows:

Section 62.3. A. The Director of the Office of Management and Enterprise Services shall promulgate rules for use by state agencies and the Office of Management and Enterprise Services to dispose of surplus property. The rules shall include standards for recordkeeping, methods for removal or disposal of surplus property, and acquisition by state agencies and authorized entities of surplus property, and for Office management of surplus property programs.

B. A state agency selling, trading, redistributing or otherwise disposing of surplus property shall comply with the rules promulgated by the Director.

C. The Office shall make surplus property available to state agencies and authorized entities, which shall include political subdivisions, school districts, and nonprofit entities of this state.

D. The provisions of the Oklahoma Surplus Property Act shall not apply to institutions of higher education in this state, the Oklahoma Historical Society, or the Northeast Oklahoma Public Facilities Authority. The Grand River Dam Authority shall be exempt from the provisions of the Oklahoma Surplus Property Act for any surplus property disposed of prior to November 1, 2006. CompSource Oklahoma shall be exempt from the provisions of the Oklahoma Surplus Property Act if CompSource Oklahoma is operating pursuant to a pilot program authorized by Sections 3316 and 3317 of this title.

E. Notwithstanding the provisions of the Oklahoma Surplus Property Act, the Oklahoma State Bureau of Investigation may, pursuant to rules promulgated by the Oklahoma State Bureau of Investigation Commission for that purpose, donate any surplus property, as defined in Section 62.2 of this title, to any law enforcement agency of any political subdivision of the State of Oklahoma. The use of such donated equipment shall be limited to valid and authorized law enforcement efforts by the receiving agency.

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.

Passed the Senate the 28th day of April, 2016.

Presiding Officer of the Senate

Passed the House of Representatives the 9th day of May, 2016.

Presiding Officer of the House of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 10th day of May, 2016, at 2:20 o'clock P M.

By: Audrey Rockwell

Approved by the Governor of the State of Oklahoma this 16th day of May, 2016, at 4:45 o'clock P M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 16th day of May, 2016, at 5:03 o'clock P. M.

By: Chris Benge