An Act

ENROLLED HOUSE
BILL NO. 2863

By: Wallace and Moore of the House

and

Kidd of the Senate

An Act relating to veterinary medicine; creating the Oklahoma State University Veterinary Medicine Authority Act; titling and providing reference for the act; defining terms; announcing mission, purposes, and legislative findings; declaring that certain power to govern be retained by certain board of regents; requiring certain hospitals, clinics, and facilities be subject to certain requirements, provide certain services, and participate in certain programs; creating the Oklahoma State University Veterinary Medicine Authority (OSUVMA) as an agency of the state; providing for alternative name and site; providing powers, duties, limitations and prohibitions on certain actions; providing Authority membership, appointing authority, membership term lengths, eligibility requirements, removal conditions, and appointment procedure for vacancies; establishing quorum requirements and organizational requirements; exempting Authority from certain requirements and acts; making Authority subject to certain requirements and acts; providing powers and duties; requiring certain reports be provided to certain entities at certain intervals; providing for the establishment of initial operations and organization; authorizing certain contracting; authorizing certain types of property acquisition, leasing, and disposal; authorizing the hire and employ of various positions; accept grants; issue revenue bonds under certain conditions and limitations; making bonding authority subject to a maximum outstanding bond cap; authorizing certain limiting interest rate; limiting term of issuances; requiring approval of certain fees and expenses; providing for replacement of certain bonds; allowing issuance of bonds without certain consent;

authorizing refunding of bonds; requiring certain involvement by Attorney General in issuance of bonds of Authority; authorizing certain declaratory judgment action in Supreme Court; providing for validation proceeding for bonds; providing for certain legal characteristics of bonds; requiring certain notices; clarifying liability for such issuances; requiring certain audits comply with certain standards; establishing a petty cash fund; authorizing certain declaration of necessity; making Authority subject to certain budgetary requirements; limiting certain contractual agreements; providing for investment of certain funds; creating the Oklahoma State University Veterinary Medicine Authority Agency Special Account; providing account nature; providing certain revenues be deposited to account; requiring blanket bond coverage complying with certain conditions; creating the Oklahoma State University Veterinary Medicine Authority Disbursing Fund; providing fund nature; authorizing the budgeting and expenditure of funds for certain purposes by certain entity; creating the Oklahoma State University Veterinary Medicine Authority Marketing Revolving Fund; providing fund nature; authorizing the budgeting and expenditure of funds for certain purposes by certain entity; requiring certain fraction of operating budget be dedicated to fund; authorizing certain traffic and parking regulation by Authority; requiring regulation be accomplished pursuant to certain procedures; authorizing Authority to place certain persons on payroll and provide certain benefits; approving creation of Oklahoma State University Veterinary Medical Trust contingent on certain conditions; requiring certain provisions to be included in certain agreements; requiring approval of contingency review board for certain agreement; authorizing certain transfer of property; providing for reversion of property in certain circumstance; authorizing certain agreement; authorizing certain lease agreements under certain conditions and limitations; creating the Oklahoma State University Veterinary Medical Trust Revolving Fund; providing fund nature; authorizing the budgeting and expenditure of funds for certain purposes by certain entity; providing for

codification; providing an effective date; and declaring an emergency.

SUBJECT: Veterinary medicine

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 4001 of Title 2, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma State University Veterinary Medicine Authority Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4002 of Title 2, unless there is created a duplication in numbering, reads as follows:

As used in the Oklahoma State University Veterinary Medicine Authority Act:

1. "Academic affiliation agreement" means an agreement between the Oklahoma State University College of Veterinary Medicine and an entity providing facilities, equipment, and support for the veterinary medicine education programs of the Oklahoma State University College of Veterinary Medicine;

2. "Animal patient" means a large or small animal patient receiving care from an Oklahoma State University Veterinary Medicine trainee, intern, resident, or full-time or part-time veterinary medicine trainer;

3. "Animal teaching hospital" means a hospital designated for the training and preparation of veterinarians or a component of a veterinary training program, affiliated with the Oklahoma State University College of Veterinary Medicine;

4. "Declaration of necessity" means an official action of the Oklahoma State University Veterinary Medicine Authority to fulfill the terms of an academic affiliation, statutory provisions or other agreement or to provide facilities, financing or any other general support to enhance the stability, quality or otherwise furtherance of the veterinary medicine education programs of the Oklahoma State University College of Veterinary Medicine or to provide for the safety of the public related to animal disease and testing; and

5. "Veterinary medicine programs" means educational programs meeting the guidelines of the American Veterinary Medical Association (AVMA) Council on Education (COE) offered through or as an extension of Oklahoma State University or the Oklahoma State University College of Veterinary Medicine in cooperation with an animal teaching hospital, animal diagnostic testing center or clinic, or other animal health care provider.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4003 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. The purposes of the Oklahoma State University Veterinary Medicine Authority Act are to provide for an effective and efficient administration, to ensure a dependable source of funding, and to effectuate the mission and purposes of the Oklahoma State University Veterinary Medicine Authority. The mission and purposes of the Oklahoma State University Veterinary Medicine Authority are to support and upon a declaration of necessity, to serve as teaching and training facilities for students enrolled at the Oklahoma State University College of Veterinary Medicine, upon a declaration of necessity, to acquire and provide a site for conducting veterinary medical and biomedical research by faculty members of Oklahoma State University, to facilitate and upon a declaration of necessity, to provide care for the animal patients of Oklahoma State University College of Veterinary Medicine veterinarian trainers and upon a declaration of necessity to provide support or the safety of the public related to animal disease and testing. The Oklahoma State University Veterinary Medicine Authority shall maintain a close affiliation with the Oklahoma State University College of Veterinary Medicine and shall coordinate their operations and activities in a cooperative manner.

B. The Legislature finds that the needs of the citizens of this state and the needs of the Oklahoma State University College of Veterinary Medicine will be best served by an Authority charged with the mission of supporting the Veterinary Medicine Education programs of the Oklahoma State University College of Veterinary Medicine, entering into academic affiliation agreements in support of Oklahoma State University veterinarian training programs, operating or leasing the operations of the teaching animal hospital or hospitals for the benefit of the Oklahoma State University College of Veterinary Medicine and providing care for the animal patients of Oklahoma State University veterinarian trainers.

C. The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges shall retain full power to govern the personnel, curriculum, and facilities of the Oklahoma State University College of Veterinary Medicine.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4004 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. Any hospital or clinic purchased, leased or constructed by the Oklahoma State University Veterinary Medicine Authority shall be operated as an animal hospital or clinic and shall be licensed or accredited by the appropriate entities. Provided, the Secretary of Agriculture may waive any such standards, requirements, and essentials as the Secretary deems necessary.

B. Any such animal hospital or clinic may provide services and receive payments from animal health care insurance companies and any state or federal reimbursement programs.

C. Any such animal hospital or clinic shall be available as teaching and training facilities for the Oklahoma State University College of Veterinary Medicine, for other animal patient and educational facilities, and may also provide animal patient care for research purposes.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4005 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Oklahoma State University Veterinary Medicine Authority, known and cited also as "OSUVMA", an agency of the State of Oklahoma, a body corporate and politic, with powers of government and with the authority to exercise the rights, privileges, and functions as specified in the Oklahoma State University Veterinary Medicine Authority Act. The Oklahoma State University Veterinary Medicine Authority is covered by the Governmental Tort Claims Act.

B. The Authority shall consist of eight (8) members as follows:

1. One member shall be appointed by the Governor, with the advice and consent of the Oklahoma State Senate;

2. One member shall be appointed by the Speaker of the Oklahoma House of Representatives;

3. One member shall be appointed by the President Pro Tempore of the Oklahoma State Senate;

4. One member shall be the Dean of the Oklahoma State University College of Veterinary Medicine;

5. One member to be appointed from the veterinarian community by the President of Oklahoma State University;

6. One member shall be a member of the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges;

7. One member shall be appointed by the Chair of the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges; and

8. One ex-officio, non-voting member shall be the Chief Executive Officer of the Oklahoma State University Veterinary Medicine Authority who shall be appointed by the President of Oklahoma State University.

C. All appointed members shall be appointed by July 1, 2023. Of the members of the Authority initially appointed, the member appointed by the President Pro Tempore of the Senate shall serve a term of three (3) years; the member appointed by the Speaker of the House of Representatives shall serve a term of two (2) years; and the member appointed by the Governor shall serve a term of one (1) year. Successors shall be appointed for terms of three (3) years.

D. Each member of the Authority, prior to appointment, shall be a resident of the state and a qualified elector. Each member of the Authority shall possess dual office holding exemption privileges and shall be exempt from any statutory dual office holding prohibitions.

E. Members shall be removable only for cause by the appointing authority. Any vacancy occurring on the Authority shall be filled by the original appointing authority.

F. The members of the Authority shall serve without compensation but may be reimbursed for all actual and necessary travel expenses incurred in performance of their duties in accordance with the provisions of the State Travel Reimbursement Act.

G. All members of the Authority and administrative personnel of the Authority shall be subject to the provisions of the Oklahoma Ethics Commission Rules, Chapter 62 Appendix of Title 74 of the Oklahoma Statutes.

H. A quorum of the Authority shall be four (4) voting members. The Authority shall elect a chair and vice-chair from among its members.

I. The Authority shall be exempt from the Oklahoma Central Purchasing Act but shall be subject to the purchasing policies of Oklahoma State University and shall be subject to the Oklahoma Open Meeting Act and the Oklahoma Open Records Act, except as otherwise provided by this act. Any information submitted to or compiled by the Authority except for budgetary information related to appropriations or the appropriations process with respect to the marketing plans, financial statements, trade secrets, research concepts, methods or products, or any other proprietary information of the Authority, persons, firms, associations, partnerships, agencies, corporations, institutions of higher education, nonprofit research institutions or other entities shall be confidential, except to the extent that the person or entity which provided the information or which is the subject of the information consents to disclosure. Executive sessions may be held to discuss such materials if deemed necessary by the Authority.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4006 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. On and after July 1, 2023, the Authority shall have the power and duty to:

1. Adopt bylaws and promulgate rules for the regulation of its affairs and the conduct of its business;

2. Adopt an official seal;

3. Maintain an office at a location to be determined by the Authority;

4. Sue and be sued, subject to the provisions of the Governmental Tort Claims Act;

5. Enter into cooperative agreements with the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges and/or other Oklahoma State University agencies, authorities, trusts or entities for educational programs, professional staffing, research and other veterinary activities;

6. Make and enter into all contracts necessary or incidental to the performance of its duties and the execution of its powers pursuant to the Oklahoma State University Veterinary Medicine Authority Act;

7. Purchase or lease equipment, furniture, materials and supplies, and incur such other expenses as may be necessary to maintain and operate animal hospitals or clinics, or to discharge its duties and responsibilities or to make any of its powers effective;

8. Acquire by purchase, lease, gift, or by any other manner, and to maintain, use and operate or to contract for the maintenance, use and operation of or lease of any and all property of any kind, real, personal, or mixed or any interest therein unless otherwise provided by the Oklahoma State University Veterinary Medicine Authority Act;

9. Appoint such officers, agents, and employees, including but not limited to attorneys, as it deems necessary and to prescribe their duties and to fix their compensation;

10. Accept grants from the United States of America, or from any corporation or agency created or designed by the United States of America, and, in connection with any grant, to enter into such agreements as the United States of America or such corporation or agency may require;

11. Make and issue bonds and to pledge revenues of the Authority subject to the Oklahoma Bond Oversight and Reform Act. Nothing in the Oklahoma State University Veterinary Medicine Authority Act shall authorize the issuance of any bonds of the Authority payable other than from revenues of the Authority. Authority revenue bonds issued under the provisions of this act shall not at any time be deemed to constitute a debt of the state or of any political subdivision thereof, or a pledge of the faith and credit of the state or of any political subdivision, but such bonds shall be payable solely from the funds herein provided. Such revenue bonds shall contain on the face thereof a statement to the

effect that neither the state nor the Authority shall be obligated to pay the same or the interest thereon except from the revenues of the project or projects for which they are issued and that neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged, or may hereafter be pledged, to the payment of the principal of or the interest on such bonds. The maximum amount of outstanding bonds at any time shall not exceed Fifty Million Dollars ($50,000,000.00) unless a greater amount is expressly approved by the Legislature by a concurrent resolution adopted prior to commencing any action in anticipation of issuance of revenue bonds of the Oklahoma State University Veterinary Medicine Authority for the greater amount;

12. Provide for complete financial audits on all accounts of the Oklahoma State University Veterinary Medicine Authority and to authorize periodic audits by an independent external auditing agency. Such audits shall be performed annually in a format approved by the State Auditor and Inspector, and all such audits shall be submitted to the State Auditor and Inspector for review. Such audits shall be made in accordance with generally accepted auditing standards and government auditing standards. Financial statements shall be prepared in accordance with generally accepted accounting principles;

13. Engage in long-term planning for the operation and management of the Authority;

14. Establish petty cash funds and provide for appropriate accounting procedures and controls;

15. Contract with national manufacturers and distributors of drugs and medical supplies when appropriate to carry out the purposes of this act;

16. Do all other things necessary and proper to implement the provisions of the Oklahoma State University Veterinary Medicine Authority Act;

17. Provide funding to other entities related to public health, animal health, teaching, research, and the purposes of the Oklahoma State Veterinary Medicine Authority Act when provided funding for such purposes by the Legislature;

18. Waive, by such means as the Authority deems appropriate, the exemption from federal income taxation of interest on the

Authority's bonds provided by the Internal Revenue Code of 1986, as amended, or any other federal statute providing a similar exemption;

19. Arrange for guaranties or insurance of its bonds by the federal government or by any private insurer, and to pay any premiums therefor; and

20. Make a declaration of necessity as provided in Section 3 of this act. The Authority may, in its exclusive judgment, make a declaration of necessity when such a declaration is deemed necessary to effectuate the purposes of the Oklahoma State University Veterinary Medicine Authority Act.

B. The Oklahoma State University Veterinary Medicine Authority shall be subject to the Oklahoma State Finance Act.

C. The Authority shall prepare monthly a "budget vs. actual" report which shows by budget activity the monthly and year-to-date revenues and expenditures compared to budgeted revenues and expenditures. Such report shall be submitted to the Office of Management and Enterprise Services and to the Directors of the House of Representatives Fiscal Division and the Senate Fiscal Division.

D. The Authority shall be subject to the professional risk management program provided for in Section 85.58A of Title 74 of the Oklahoma Statutes.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4007 of Title 2, unless there is created a duplication in numbering, reads as follows:

All agreements and obligations undertaken, as permitted under this section, by the Oklahoma State University Veterinary Medicine Authority shall be for a public purpose. In addition to any other limitations, conditions or restrictions provided by law, the following conditions shall apply to contractual agreements entered into pursuant to this section:

1. Private and public funds shall be accounted for separately; and

2. The state shall not assume any liability for private entities.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4008 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. The funds deposited in the Oklahoma State University Veterinary Medicine Authority Agency Special Account created in subsection B of this section shall be invested by the State Treasurer in the manner provided for by law. The return on such investments shall be credited to the accounts of the Authority.

B. There is hereby created in the State Treasury an official depository account for the Oklahoma State University Veterinary Medicine Authority, to be designated the Oklahoma State University Veterinary Medicine Authority Agency Special Account. The account shall consist of an agency clearing account and an agency special account. All revenues, except federal entitlements and state appropriations, generated by the Oklahoma State University Veterinary Medicine Authority shall be deposited in these accounts.

C. The Authority shall be subject to blanket bond coverage as provided in Sections 85.58Q through 85.58V of Title 74 of the Oklahoma Statutes, provided the Authority shall be authorized to purchase increased amounts of fidelity bond coverage for employees for whom it is deemed necessary by the Authority. When the amount listed in Section 85.58T of Title 74 of the Oklahoma Statutes is deemed inadequate, the cost of increased coverage shall be borne by the Authority.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4009 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. Subject to the provisions of paragraph 11 of subsection A of Section 6 of this act, the Oklahoma State University Veterinary Medicine Authority may provide by resolution, from time to time, for the issuance of revenue bonds for its lawful purposes, in such amount or amounts as are necessary, incidental or convenient to the exercise of powers, rights, privileges and functions conferred upon it by the Oklahoma State University Veterinary Medicine Authority Act or other law. The principal of and interest on any indebtedness shall be payable solely from the revenues of the Authority and such other funds as may be provided by law for such payment. The Authority may provide for credit enhancement as additional security or liquidity for its bonds and enter into such agreements as may be necessary or appropriate to provide for the repayment of any funds

advanced by the provider of any such credit enhancement including the payment of any fees and expenses incurred in connection therewith. The bonds of each issue shall bear interest at fixed or variable rates and shall bear an average interest rate not to exceed eleven percent (11%) per annum, shall mature at such time or times not exceeding thirty (30) years from their date or dates of issue, as may be determined by the Authority, and may be made redeemable before maturity at the option of the Authority, at such time or times and at such price or prices and pursuant to such terms and conditions as may be fixed by the Authority prior to the issuance of the bonds. The Authority shall determine the form of the bonds and the manner of execution thereof, and shall fix the denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank and trust company within or without this state. If any officer whose signature or facsimile of whose signature appears on any bonds shall cease to be said officer before the delivery of the bonds, the signature or the facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the person had remained in office until such delivery. All bonds issued pursuant to the provisions of the Oklahoma State University Veterinary Medicine Authority Act shall have all the qualities and incidences of negotiable instruments subject to the laws of this state. The Authority may sell the bonds in such amounts and in such manner, either at public or private sale, and for such price, as it may determine to be in the best interests of the state. If the bonds are not sold by competitive bid, the sale must be approved by the State Bond Advisor.

B. All fees and expenses of bond sales must be approved by the State Bond Advisor and the Bond Oversight Commission. Prior to the preparation of definitive bonds, the Authority, subject to like restrictions, may issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds which have been executed and are available for delivery. The Authority may also provide for the replacement of any bonds which have become mutilated or which have been destroyed or lost. Except as otherwise provided by Section 14 of this act, bonds may be issued pursuant to the provisions of the Oklahoma State University Veterinary Medicine Authority Act without obtaining the consent of any department, division, commission, board, bureau, or agency of this state, and without any other proceedings or the occurrence of any other conditions or things than those proceedings, conditions, or things that are specifically required by the Oklahoma State University Veterinary Medicine Authority.

C. The Authority may, by resolution, provide for the issuance of refunding bonds then outstanding, including the payment of any redemption premium, any interest accrued to the date of redemption of such bonds, and for incurring additional indebtedness for its lawful purposes. The issuance of such bonds shall be governed by the provisions of the Oklahoma State University Veterinary Medicine Authority Act.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4010 of Title 2, unless there is created a duplication in numbering, reads as follows:

Before any bond shall be issued and delivered by the Oklahoma State University Veterinary Medicine Authority, a certified copy of the proceedings for the issuance thereof, together with any other information which the Attorney General of the State of Oklahoma may require as the Bond Commissioner of the State of Oklahoma, shall be submitted to the Attorney General. If the Attorney General shall find that such bonds have been issued in accordance with law, the Attorney General shall approve such bonds and execute a certificate to that effect. The Attorney General shall file such certificates in the Office of the State Auditor and Inspector, and the certificates shall be recorded in a record kept for that purpose. All bonds approved by the Attorney General, and issued in accordance with the approved proceedings, shall be valid and binding obligations of the Authority and shall be incontestable for any course from and after the date of such approval.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4011 of Title 2, unless there is created a duplication in numbering, reads as follows:

The Oklahoma State University Veterinary Medicine Authority or the Oklahoma State University Veterinary Medical Trust may file an application with the Supreme Court of the State of Oklahoma for approval of any bonds to be issued under the provisions of the Oklahoma State University Veterinary Medicine Authority Act, and exclusive original jurisdiction is hereby conferred upon the Supreme Court to hear and determine such application. The Supreme Court shall give such applications precedence over the other business of the Court and consider and determine the validity of the bonds and consider the application and any protest which may be filed thereto. Notice of the hearing on each application shall be given by notice published in a newspaper of general circulation in this state that on a day named the Authority or the Trust will ask the Court to hear

the application and approve the bonds. Such notice shall inform all interested parties that they may file a protest against the issuance of the bonds, may be present at the hearing, and may contest the legality thereof. Such notice shall be published one time, not less than ten (10) days prior to the date named for the hearing and the hearing may be adjourned from time to time in the discretion of the Court. If the Court is satisfied that the bonds have been properly authorized in accordance with the Oklahoma State University Veterinary Medicine Authority Act, and that when issued such bonds will constitute valid obligations in accordance with their terms, the Court shall render its written opinion approving the bonds and shall fix the time within which the petition for rehearing may be filed. The decision of the Court shall be a judicial determination of the validity of the bonds, shall be conclusive as to the Authority of the Trust, its officers and agents, and thereafter the bonds so approved and the revenues pledged to their payment shall be incontestable in any court in the State of Oklahoma.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4012 of Title 2, unless there is created a duplication in numbering, reads as follows:

Revenue bonds of the Oklahoma State University Veterinary Medicine Authority issued pursuant to the provisions of the Oklahoma State University Veterinary Medicine Authority shall not constitute a debt of the state or of any political subdivision thereof, or a pledge of the full faith and credit of the state, or of any political subdivision thereof, but such bonds shall be payable solely from the funds provided therefor. The forms of the bonds so issued shall contain on the face thereof a statement to the effect that neither the state nor the Authority shall be obligated to pay the same or the interest thereon except from the revenues of the Authority pledged to the payment of such bonds and that neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged, or may hereafter be pledged, to the payment of the principal of or interest on such bonds. The bonds so issued shall be exempt from taxation by the State of Oklahoma and any political subdivision thereof, including the income therefrom, and any gain from the sale thereof.

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4013 of Title 2, unless there is created a duplication in numbering, reads as follows:

Bonds issued pursuant to provisions of the Oklahoma State University Veterinary Medicine Authority Act are hereby made securities in which all public officers and public boards, agencies and instrumentalities of the state and its political subdivisions, all banks, trust companies, trust and loan associations, investment companies, and others carrying on a banking business, and all insurance companies and insurance associations, and others carrying on an insurance business, may legally and properly invest. Such bonds are also approved as collateral security for the deposit of any public funds and for the investment of trust funds.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4014 of Title 2, unless there is created a duplication in numbering, reads as follows:

The Oklahoma State University Veterinary Medicine Authority shall submit an annual report to the Governor, the Speaker of the Oklahoma House of Representatives, and the President Pro Tempore of the Oklahoma State Senate. Such report shall be submitted in accordance with the requirements for financial statement audits in Section 212A of Title 74 of the Oklahoma Statutes and shall include an account of the operations and actions of the Authority and an accounting of all revenue received and disbursed by the Authority for the previous fiscal year. The report shall include an accounting of expenses related to each of the following:

1. Education and training of students of the Oklahoma State University College of Veterinary Medicine, resident veterinarians and others;

2. Care and treatment of animal patients for whom the Authority receives any form of state or federal reimbursement; and

3. Research.

SECTION 15. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4015 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma State University Veterinary Medicine Authority, to be designated the "Oklahoma State University Veterinary Medicine Authority Disbursing Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of appropriated revenues and federal entitlements. All

monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma State University Veterinary Medicine Authority as provided in subsection B of this section.

B. Following the execution of a lease of real properties under the jurisdiction of the Oklahoma State University Veterinary Medicine Authority to the Oklahoma State University Veterinary Medical Trust pursuant to Section 22 of this act, monies from the fund may be expended by the Authority for the fiscal year ending in the year the lease is executed, for the operations of the Authority after the execution of the lease to the Oklahoma State University Veterinary Medical Trust for payment of any costs to the Authority associated with the transfer of operations of facilities under the jurisdiction of the Authority, and legal obligations of the Authority.

SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4016 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma State University Veterinary Medicine Authority, to be designated the "Oklahoma State University Veterinary Medicine Authority Marketing Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Oklahoma State University Veterinary Medicine Authority pursuant to the provisions of this section. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma State University Veterinary Medicine Authority for the purpose of marketing research and planning, public education, special events customary to the veterinary care industry, advertising and promotion of special and general services provided or sponsored by the Oklahoma State University Veterinary Medicine Authority and such other purposes specifically authorized by the Legislature. Expenditures from said 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.

B. An amount equal to one-tenth of one percent (1/10 of 1%) of the total annual operating budget of the Oklahoma State University Veterinary Medicine Authority and such other funds as may be specifically designated for deposit to the fund shall be deposited

in the Oklahoma State University Veterinary Medicine Authority Marketing Revolving Fund.

C. The Oklahoma State University Veterinary Medicine Authority Marketing Revolving Fund shall be audited annually by the State Auditor and Inspector. The Oklahoma State University Veterinary Medicine Authority shall reimburse the State Auditor and Inspector from the Oklahoma State University Authority Marketing Revolving Fund for any expenses incurred in auditing said fund.

SECTION 17. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4017 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma State University Veterinary Medicine Authority may regulate traffic and the parking of vehicles on property used by or for the Oklahoma State University Veterinary Medicine Authority. Such regulations shall be in writing, and copies thereof, including amendments thereto, shall be filed in the office of the Secretary of State, and in the office of the city clerk of the City of Stillwater. The municipal court of the City of Stillwater shall have jurisdiction to hear and determine prosecutions for violations of such regulations, which may be prosecuted and shall be punishable as violations of ordinances of the City of Stillwater. The Authority may cause to be removed, and may enter into contracts for such purpose, any vehicle parked in violation of such regulations.

B. The Authority may appoint campus police officers and guards for buildings and grounds of the Oklahoma State University Veterinary Medicine Authority in the same manner and with the same powers as campus police appointed by governing boards of state institutions for higher education under the provisions of Section 360.15 et seq. of Title 74 of the Oklahoma Statutes, and who may prevent or stop improper conduct and trespass in and upon such buildings and grounds, and make arrests and prosecute any and all persons arrested for such improper conduct and trespassing. Employees of the Authority serving as police officers shall be certified as provided for in Section 3311 of Title 70 of the Oklahoma Statutes.

C. The Authority and the City of Stillwater may enter into a cooperative agreement to effectuate the provisions of this section.

SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4018 of Title 2, unless there is created a duplication in numbering, reads as follows:

The Oklahoma State University Veterinary Medicine Authority is authorized to place resident veterinarians of the Oklahoma State University College of Veterinary Medicine on the Oklahoma State University Veterinary Medicine Authority payroll, and is further authorized to acquire health, life, and dental insurance for such residents. Such residents shall not be considered employees of the Authority and shall not be eligible to participate in the Oklahoma Public Employees Retirement System. This section shall not preclude the right of the Oklahoma State University Veterinary Medicine Authority to terminate, for cause, the practicing privileges of any resident veterinarian within the Oklahoma State University Veterinary Medicine Authority.

SECTION 19. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4019 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. The State of Oklahoma expressly approves the creation of a public trust to be named the "Oklahoma State University Veterinary Medical Trust", of which the State of Oklahoma shall be the beneficiary, provided such approval shall be contingent upon satisfaction of the following conditions:

1. Finalizing of the declaration of trust;

2. Adoption of the declaration of trust by an official action of the trustees of the Trust;

3. Submission of the Trust for acceptance of the beneficial interest and approval as required by Section 177 of Title 60 of the Oklahoma Statutes; and

4. The approved declaration of trust shall:

a. clearly state that the principal purpose of the Oklahoma State University Veterinary Medical Trust is to effectuate the purposes of the Oklahoma State University Veterinary Medicine Authority as established in the Oklahoma State University Veterinary Medicine Authority Act,

b. except as otherwise provided by law, provide that the title to real property held by the Oklahoma State University Veterinary Medicine Authority shall not be transferred, conveyed, or assigned to the Oklahoma State University Veterinary Medical Trust without the express consent of the Legislature as the governing entity of the beneficiary pursuant to Section 176 of Title 60 of the Oklahoma Statutes,

c. provide that any indebtedness incurred by the Oklahoma State University Veterinary Medical Trust or the trustees of the Trust shall not be secured with or create a lien upon real property to which title is held by the Oklahoma State University Veterinary Medicine Authority and shall not involve the bonding capacity of the Oklahoma State University Veterinary Medicine Authority,

d. provide that the trust estate of the Oklahoma State University Veterinary Medical Trust shall not include fee simple title to real property owned by the Oklahoma State University Veterinary Medicine Authority,

e. clearly state that the creation of the Oklahoma State University Veterinary Medical Trust shall not in any way reduce, limit or interfere with the power granted to the Oklahoma State University Veterinary Medicine Authority in the Oklahoma State University Veterinary Medicine Authority Act,

f. provide that any lease or contractual agreement involving use of the real property to which title is held by the Oklahoma State University Veterinary Medicine Authority and any improvements thereto shall contain a provision and covenants requiring the proper maintenance and upkeep of the real property and improvements,

g. provide that the trustees of the Oklahoma State University Veterinary Medical Trust shall be the acting members of the Oklahoma State University Veterinary Medicine Authority as provided in the Oklahoma State University Veterinary Medicine Authority Act, and

h. provide that the trustees of the Oklahoma State University Veterinary Medical Trust shall have the duty to submit an annual report to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. The report shall be submitted by January 1 of each year and shall include an account of all operations, actions of the Trust, and an account of all revenue received and disbursed by the Trust for the previous fiscal year. The report shall also provide a complete accounting of how the Trust meets its primary function of effectuating the purposes of the Oklahoma State University Veterinary Medicine Authority, as established in the Oklahoma State University Veterinary Medicine Authority Act.

B. The Oklahoma State University Veterinary Medical Trust shall require any agreements which it enters into with any entity pursuant to Section 22 of this act for the operations of facilities leased by the Oklahoma State University Veterinary Medicine Authority to the Trust to include, but not be limited to:

1. The inclusion of all the members of the Trust, representing the State of Oklahoma in a governing committee;

2. Binding arbitration shall not be required by such agreements for resolving issues under consideration by the governing committee; and

3. Major decisions shall be resolved by the governing committee, and approval of any major decision by the governing committee must include the approval of a majority of the state appointees and the approval of a majority of the private entity appointees to the governing committee. Major decisions shall include:

a. approval of the operating and capital budgets,

b. sale or disposition of assets over Two Hundred Fifty Thousand Dollars ($250,000.00),

c. the termination, transfer, material addition, or material diminution of animal medical services at the Oklahoma State University Veterinary Hospital related

to and part of a teaching program of the Oklahoma State University College of Veterinary Medicine, and

d. other major decisions as may be agreed upon by the Trust and the private entity.

C. To the extent it is determined by legislative enactment that the Trust has expended funds in contravention of its mission as set forth in this section, the Trust shall remit, upon a thirty (30) day written notice from the Oklahoma State University Veterinary Medicine Authority, such sum or sums to the Oklahoma State University Veterinary Medicine Authority.

SECTION 20. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4020 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. Contingent upon the creation of the Oklahoma State University Veterinary Medical Trust as provided in Section 20 of this act, the Trust, prior to acceptance, shall submit to the Contingency Review Board for review the proposed agreement regarding the lease and operations of any animal hospital or hospitals owned by the Oklahoma State University Veterinary Medicine Authority to any entity authorized to transact business in the state and an independent statement as to the fairness of said proposed agreement for the State of Oklahoma. The Contingency Review Board shall upon receipt of the proposed agreement meet within fifteen (15) business days to review the proposed agreement; and unless the Contingency Review Board disapproves the proposed agreement, the agreement may be executed but no lease of the animal hospital or hospitals shall become effective until after Supreme Court approval pursuant to subsection B of this section.

B. 1. If a proposed agreement is not disapproved by the Contingency Review Board pursuant to subsection A of this section, the Oklahoma State University Veterinary Medicine Authority and Oklahoma State University Veterinary Medical Trust, within thirty (30) calendar days after the time for Contingency Review Board action has expired, may file a petition with the Supreme Court of Oklahoma for a declaratory judgment determining the validity of the proposed agreement. The review of the Court shall be based upon the exercise of any of the powers, rights, privileges, and functions conferred upon the Authority or the Oklahoma State University Veterinary Medical Trust, as applicable, under the Oklahoma State University Veterinary Medicine Authority Act and Oklahoma Statutes.

Exclusive original jurisdiction is conferred upon the Supreme Court to hear and determine such petitions. The Supreme Court shall give such petitions precedence over other business of the Court except habeas corpus proceedings.

2. Notice of the hearing of such a petition shall be given by a notice published in a newspaper of general circulation in this state that on a day specified the Supreme Court will hear the petition to approve the proposed agreement and enter a declaratory judgment. The notice shall be published one time not less than ten (10) days prior to the date specified for the hearing. The notice shall inform property owners, taxpayers, citizens and all persons having or claiming any right, title, or interest in the proposed agreement or properties or funds to be affected by the implementation of the proposed agreement, or affected in any way thereby, that they may file protests against the approval of the proposed agreement, and be present at the hearing to contest the legality of the proposed agreement. The hearing may be adjourned from time to time at the discretion of the Court.

3. If the Court is satisfied that the proposed agreement is in accordance with the Oklahoma State University Veterinary Medicine Authority Act and Oklahoma Statutes, the Court shall enter a declaratory judgment approving and declaring the proposed agreement to be valid and conclusive as to the Authority, the Trust, and all other parties to the proposed agreement; and, upon petition of the Authority, shall issue an order permanently enjoining all persons described in the notice required by this subsection from thereafter instituting any action or proceeding contesting the validity of the proposed agreement. A declaratory judgment rendered pursuant to this subsection shall have force and effect of a final judgment or decree and shall be incontestable in any court in this state.

4. As used in the Oklahoma State University Veterinary Medicine Authority Act, "proposed agreement" means one or more contracts regarding the lease and operations of any animal hospital or hospitals owned by the Oklahoma State University Veterinary Medicine Authority and all other agreements contemplated by or referred to in the contract regarding such lease and operations.

SECTION 21. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4021 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. Contingent upon the creation of the Oklahoma State University Veterinary Medical Trust as provided in Section 20 of this act, the Oklahoma State University Veterinary Medicine Authority is hereby authorized to lease, for a term of not more than fifty (50) years, renewable at the option of the Authority, all real property owned by the Authority and any other sites under the control of the Authority to the Oklahoma State University Veterinary Medical Trust. Any lease agreement made pursuant to this section shall be contingent upon:

1. Prior review by the Attorney General of any contractual agreement between the Oklahoma State University Veterinary Medical Trust and any entity authorized to transact business in the State of Oklahoma regarding the lease and operations. The Attorney General shall disapprove the agreement if it is determined that provisions of the agreement are not consistent with state law; and

2. The execution of an operating and lease agreement between the Oklahoma State University Veterinary Medical Trust and any entity authorized to transact business in the State of Oklahoma.

B. Concurrent with the execution of a lease of real property from the Oklahoma State University Veterinary Medicine Authority to the Oklahoma State University Veterinary Medical Trust as provided in subsection A of this section, the Authority is authorized to transfer title to and possession of all tangible and intangible personal property under its control to the Trust. In any contractual agreement regarding the lease and operations of an animal hospital or hospitals between the Oklahoma State University Veterinary Medical Trust and any entity authorized to transact business in the State of Oklahoma, the Trust is authorized to sell or otherwise convey to such entity all tangible and intangible personal property the Trust may receive from the Oklahoma State University Veterinary Medicine Authority. Any contract or other agreement which purports to exercise the powers authorized by this subsection is subject to review by the Contingency Review Board, as specified in Section 21 of this act.

C. If a contracting entity fails to take possession of the leased premises, or abandons or surrenders possession of the leased premises other than to a state agency, at any time during the term of the lease between the Oklahoma State University Veterinary Medical Trust and the contracting entity, the interest in the real property leased to the Oklahoma State University Veterinary Medical Trust by the Oklahoma State University Veterinary Medicine Authority

shall revert to and be the sole and exclusive property of the Oklahoma State University Veterinary Medicine Authority.

D. Contingent upon the execution of an agreement between the Oklahoma State University Veterinary Medical Trust and any entity authorized to transact business in the State of Oklahoma, as specified in subsection A of this section, the Oklahoma State University Veterinary Medicine Authority is authorized to enter into an agreement for such entity to provide animal patient care services and perform other related duties imposed upon the Oklahoma State University Veterinary Medicine Authority by law. Such an agreement between the Oklahoma State University Veterinary Medicine Authority and such entity is exempt from the requirements of the Oklahoma Central Purchasing Act and any rules adopted by the Oklahoma State University Veterinary Medicine Authority pursuant to the Administrative Procedures Act. The governing committee created by the agreement and the Oklahoma State University Veterinary Medical Trust shall be subject to the Open Meeting Act and the Oklahoma Open Records Act to the same extent and with the same exceptions as provided for the Oklahoma State University Veterinary Medicine Authority in Section 5 of this act and shall be exempt from the Oklahoma Central Purchasing Act.

SECTION 22. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4022 of Title 2, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Oklahoma State University Veterinary Medical Trust to be designated the "Oklahoma State University Veterinary Medical Trust Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies directed for deposit to the fund by law. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma State University Veterinary Medical Trust in accordance with the provisions of this act. Expenditures from said 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.

SECTION 23. This act shall become effective July 1, 2023.

SECTION 24. It being immediately necessary for the preservation of the public peace, health or 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 House of Representatives the 22nd day of February, 2023.

Presiding Officer of the House of Representatives

Passed the Senate the 19th day of April, 2023.

Brent Howard

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 20th day of April, 2023, at 3:15 o'clock p. M.

By: Secretary

Approved by the Governor of the State of Oklahoma this _____ day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 26th day of May, 2023, at 8:56 o'clock A M.

By: Brian Bingman

MESSAGE
FROM THE
HOUSE OF REPRESENTATIVES

5/25/2023

THE HONORABLE
SECRETARY OF STATE

By order of the House of Representatives of the State of Oklahoma, this Message is sent:

Transmitting herewith Enrolled HB 2863 and advising that under the provisions of Article V, Section 58, of the Constitution of the State of Oklahoma, the House of Representatives and the Senate have reconsidered and passed said bill, over the Governor's veto, by a three-fourths vote of each House, said votes being as follows:

House of Representatives:	Ayes: 92,	Nays: 5
Senate:	Ayes: 43,	Nays: 0

Respectfully,

EMILY GILES

Chief Clerk

f

17:18:00
HM65-32

RECEIVED
MAY 26 2023
OKLAHOMA SECRETARY
OF STATE
8:56 AM

OFFICE OF

THE GOVERNOR
STATE OF OKLAHOMA

No. HB 2863

OKLAHOMA CITY, OKLA., April 26, 2023

TIME SIGNED: 5:50pm

TO THE HONORABLE SPEAKER OF THE HOUSE
AND MEMBERS OF THE OKLAHOMA HOUSE OF REPRESENTATIVES
FIRST REGULAR SESSION OF THE
FIFTY-NINTH OKLAHOMA LEGISLATURE

ENROLLED HOUSE BILL NO. 2863:

Pursuant to the authority vested in me by Section 11 of Article VI of the Oklahoma Constitution, I have vetoed Enrolled House Bill 2863.

Enrolled House Bill 2863 would create the Oklahoma State University Veterinary Medicine Authority ("the Authority") to provide for an effective and efficient administration of the Oklahoma State University's College of Veterinary Medicine's educational programs and to ensure a dependable source of funding.

As a champion of government efficiency, I wholeheartedly support the effective and efficient administration of government and quasigovernment programs. However, among the many powers and duties the bill gives to the Authority is the power to make and issue bonds up to $50,000,000.00. Even for a good cause, I cannot allow the taxpaying public to foot the Authority's bill, especially where there is little to no oversight, as is the case here.

For these reasons, I have vetoed Enrolled House Bill 2863.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA

Delivered to HOUSE: Summer Curry

Date/Time: 4/26/23; 6:15pm

HOUSE:

By Celeste H. Hancock

Date/Time: 4/26/23 6:16pm

RECEIVED

APR 26 2023

OKLAHOMA SECRETARY OF STATE

@ 8:56 PM