

**FLOOR AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB704 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Cynthia Roe \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 FLOOR SUBSTITUTE  
4 FOR ENGROSSED

5 SENATE BILL NO. 704

6 By: Haste of the Senate

7 and

8 Roe of the House

9 FLOOR SUBSTITUTE

10 An Act relating to the Oklahoma State University  
11 Medical Authority; amending 63 O.S. 2021, Section  
12 3275, which relates to members; modifying  
13 qualifications; adding member; removing obsolete  
14 language; amending 63 O.S. 2021, Section 3276, which  
15 relates to powers and duties of the Authority; adding  
16 certain power and duty; amending 63 O.S. 2021,  
17 Section 3290, which relates to the Oklahoma State  
18 University Medical Trust; increasing certain asset  
19 limit for purpose of certain determination; repealing  
20 63 O.S. 2021, Section 3287, which relates to the  
21 Oklahoma State University Medical Authority;  
22 providing for codification; and providing an  
23 effective date.

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 3275, is  
amended to read as follows:

Section 3275. A. There is hereby created the Oklahoma State  
University Medical Authority, an agency of the State of Oklahoma, a  
body corporate and politic, with powers of government and with the

1 authority to exercise the rights, privileges and functions as  
2 specified in the Oklahoma State University Medical Authority Act.  
3 The Oklahoma State University Medical Authority is covered by the  
4 Governmental Tort Claims Act.

5 B. The Authority shall consist of ~~seven (7)~~ eight (8) members  
6 as follows:

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

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

11 3. One member shall be appointed by the Speaker of the Oklahoma  
12 House of Representatives;

13 4. One member shall be the Chief Executive Officer of the  
14 Oklahoma Health Care Authority, or a designee;

15 5. One member shall be the President of the Oklahoma State  
16 University Center for Health Sciences;

17 6. One member ~~to~~ shall be appointed by the President of  
18 Oklahoma State University ~~who shall be the Chief Executive Officer~~  
19 ~~of any entity, other than the Oklahoma State University Medical~~  
20 ~~Trust, with whom the Oklahoma State University College of~~  
21 ~~Osteopathic Medicine has entered into an Academic Affiliation~~  
22 ~~Agreement to serve as the primary site of practice and teaching~~  
23 ~~hospital for medical residency programs, or a designee; and;~~

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1       7. One member shall be a member of the Board of Regents for the  
2 Oklahoma Agricultural and Mechanical Colleges, or his or her  
3 designee, as selected by the chair of the Board of Regents; and

4       8. One member shall be the Chief Executive Officer of the  
5 Oklahoma State University Medical Authority who shall be an ex  
6 officio, nonvoting member.

7       C. ~~All appointed members shall be appointed by June 1, 2006.~~  
8 ~~Of the members of the Authority initially appointed, the member~~  
9 ~~appointed by the President Pro Tempore of the Senate shall serve a~~  
10 ~~term of three (3) years; the member appointed by the Speaker of the~~  
11 ~~House of Representatives shall serve a term of two (2) years; and~~  
12 ~~the member appointed by the Governor shall serve a term of one (1)~~  
13 ~~year. Successors Members shall be appointed for terms of three (3)~~  
14 ~~years.~~

15       D. Each member of the Authority, prior to appointment, shall be  
16 a resident of the state and a qualified elector.

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

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

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

5 H. A quorum of the Authority shall be four (4) voting members.  
6 The Authority shall elect a chair and vice chair from among its  
7 members. The chair must be an appointed member of the Authority.

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

1 SECTION 2. AMENDATORY 63 O.S. 2021, Section 3276, is  
2 amended to read as follows:

3 Section 3276. A. ~~On and after July 1, 2006, the~~ The Oklahoma  
4 State University Medical Authority shall have the power and duty to:

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

7 2. Adopt an official seal;

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

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

12 5. Enter into cooperative agreements with the Board of Regents  
13 for the Oklahoma Agricultural and Mechanical Colleges for  
14 educational programs, professional staffing, research and other  
15 medical activities;

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

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

23 8. Acquire by purchase, lease, gift, or by any other manner,  
24 and to maintain, use and operate or to contract for the maintenance,

1 use and operation of or lease of any and all property of any kind,  
2 real, personal, or mixed or any interest therein unless otherwise  
3 provided by the Oklahoma State University Medical Authority Act;

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

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

12 11. Make and issue bonds and to pledge revenues of the  
13 Authority subject to the Oklahoma Bond Oversight and Reform Act.  
14 Nothing in the Oklahoma State University Medical Authority Act shall  
15 authorize the issuance of any bonds of the Authority payable other  
16 than from revenues of the Authority. Funds appropriated to the  
17 Authority shall not be used for issuance of bonds. Authority  
18 revenue bonds issued under the provisions of this act shall not at  
19 any time be deemed to constitute a debt of the state or of any  
20 political subdivision thereof or a pledge of the faith and credit of  
21 the state or of any political subdivision, but such bonds shall be  
22 payable solely from the funds herein provided. Such revenue bonds  
23 shall contain on the face thereof a statement to the effect that  
24 neither the state nor the Authority shall be obligated to pay the

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

12 12. Provide for complete financial audits on all accounts of  
13 the Oklahoma State University Medical Authority and to authorize  
14 periodic audits by an independent external auditing agency. Such  
15 audits shall be performed annually in a format approved by the State  
16 Auditor and Inspector, and all such audits shall be submitted to the  
17 State Auditor and Inspector for review. Such audits shall be made  
18 in accordance with generally accepted auditing standards and  
19 government auditing standards. Financial statements shall be  
20 prepared in accordance with generally accepted accounting  
21 principles. In addition to said audits, whenever the State Auditor  
22 and Inspector deems it appropriate, and at least once each five (5)  
23 years, or upon receipt of a request to do so from the Governor, the  
24 Attorney General, the President Pro Tempore of the Oklahoma State



1 Senate, the Speaker of the Oklahoma House of Representatives or the  
2 Authority, the State Auditor and Inspector shall conduct a special  
3 audit of the Authority;

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

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

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

11 16. Provide funding to other entities for purposes related to  
12 public health, teaching, research, and the purposes of the Oklahoma  
13 State University Medical Authority Act when provided funding for  
14 such purposes by the Legislature;

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

17 ~~17.~~ 18. Waive, by such means as the Authority deems  
18 appropriate, the exemption from federal income taxation of interest  
19 on the Authority's bonds provided by the Internal Revenue Code of  
20 1986, as amended, or any other federal statute providing a similar  
21 exemption;

22 ~~18.~~ 19. Arrange for guaranties or insurance of its bonds by the  
23 federal government or by any private insurer, and to pay any  
24 premiums therefor; and

1       ~~19.~~ 20. Make a declaration of necessity as provided in Section  
2 3273 of this title. The Authority may, in its exclusive judgment,  
3 make a declaration of necessity when such a declaration is deemed  
4 necessary to effectuate the purposes of the Oklahoma State  
5 University Medical Authority Act.

6       B. The Oklahoma State University Medical Authority shall be  
7 subject to the Oklahoma Budget Law of 1947.

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

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

17       SECTION 3.       AMENDATORY       63 O.S. 2021, Section 3290, is  
18 amended to read as follows:

19       Section 3290. A. The State of Oklahoma expressly approves the  
20 creation of a public trust to be named the "Oklahoma State  
21 University Medical Trust", of which the State of Oklahoma shall be  
22 the beneficiary, provided such approval shall be contingent upon  
23 satisfaction of the following conditions:

- 24       1. Finalizing of the declaration of trust;

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

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

6        4. The approved declaration of trust shall:

7            a. clearly state that the principal purpose of the  
8 Oklahoma State University Medical Trust is to  
9 effectuate the purposes of the Oklahoma State  
10 University Medical Authority as established in the

11 Oklahoma State University Medical Authority Act,

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

20            c. provide that any indebtedness incurred by the Oklahoma  
21 State University Medical Trust or the trustees of the  
22 Trust shall not be secured with or create a lien upon  
23 real property to which title is held by the Oklahoma  
24 State University Medical Authority and shall not

1           involve the bonding capacity of the Oklahoma State  
2           University Medical Authority,

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

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

12          f.    provide that any lease or contractual agreement  
13          involving use of the real property to which title is  
14          held by the Oklahoma State University Medical  
15          Authority and any improvements thereto shall contain a  
16          provision and covenants requiring the proper  
17          maintenance and upkeep of the real property and  
18          improvements,

19          g.    provide that the trustees of the Oklahoma State  
20          University Medical Trust shall be the acting members  
21          of the Oklahoma State University Medical Authority as  
22          provided in the Oklahoma State University Medical  
23          Authority Act, and

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

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

20                1.  The inclusion of all the members of the Trust, except the  
21          Chief Executive Officer of the Oklahoma Health Care Authority, as  
22          five of the six members representing the State of Oklahoma in a  
23          governing committee, and the sixth member of the governing committee  
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1 representing the State of Oklahoma to be designated by the President  
2 of Oklahoma State University;

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

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

- 12 a. approval of the operating and capital budgets,
- 13 b. sale or disposition of assets over ~~Two Hundred Fifty~~  
14 ~~Thousand Dollars (\$250,000.00)~~ Five Hundred Thousand  
15 Dollars (\$500,000.00),
- 16 c. the termination or transfer or material addition or  
17 material diminution of medical services at the  
18 Oklahoma State University Medical Center related to  
19 and part of a teaching program of the Oklahoma State  
20 University Center for Health Sciences, and
- 21 d. other major decisions as may be agreed upon by the  
22 Trust and the private entity.

23 C. To the extent it is determined by legislative enactment that  
24 the Trust has expended funds in contravention of its mission as set

1 forth in this section, the Trust shall remit, upon thirty (30) days'  
2 written notice from the Oklahoma State University Medical Authority,  
3 such sum or sums to the Oklahoma State University Medical Authority.

4 D. In the event the Trust enters into a joint venture or  
5 acquires an interest in a not-for-profit entity to effectuate the  
6 administration of the mission of the Trust, that entity shall not be  
7 subject to the Oklahoma Open Meeting Act and the Oklahoma Open  
8 Records Act. Any information submitted to or compiled by the Trust  
9 with respect to marketing plans, financial statements, trade  
10 secrets, research concepts, methods or products or any other  
11 proprietary information submitted to or compiled by the Trust,  
12 persons, firms, associations, partnerships, agencies, corporations,  
13 institutions of higher education, nonprofit research institutions or  
14 other entities shall be confidential, except to the extent that the  
15 person or entity which provided such information or which is the  
16 subject of such information consents to disclosure. Executive  
17 sessions may be held to discuss such materials if deemed necessary  
18 by the Trust. The provisions of this subsection shall not apply to  
19 budgetary information related to appropriations or the  
20 appropriations process.

21 SECTION 4. REPEALER 63 O.S. 2021, Section 3287, is  
22 hereby repealed.

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SECTION 5. This act shall become effective November 1, 2023.

59-1-8317 TJ 04/25/23