

1 **SENATE FLOOR VERSION**

2 February 16, 2023

3 SENATE BILL NO. 416

By: Pemberton of the Senate

4 and

5 Moore of the House

6
7
8 An Act relating to public buildings and public works;
9 amending 61 O.S. 2021, Section 327, as amended by
10 Section 47, Chapter 238, O.S.L. 2022 (61 O.S. Supp.
11 2022, Section 327), which relates to procedures for
12 disposal or lease of certain real property; modifying
13 list of exemptions; and providing an effective date.

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

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

18 Section 327. A. Unless procedures for state agency real
19 property transactions are otherwise specifically provided for by
20 law, no state agency shall sell, lease, exchange, or otherwise
21 dispose of such real property subject to its jurisdiction, or lease,
22 purchase or otherwise acquire real property subject to its
23 jurisdiction, except as authorized by subsection L of this section
24 and as otherwise provided for in this section. As used in this

1 section, "state agency" means any department, board, commission,
2 institution, agency or entity of state government.

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

5 a. legislative authorization,

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

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

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

15 a. for properties with an estimated value of greater than
16 Twenty-five Thousand Dollars (\$25,000.00), obtain at

17 least one complete appraisal made by a person
18 certified by the Real Estate Appraiser Board of the
19 Oklahoma Insurance Department, who shall ascertain:

20 (1) the present fair value of the property,

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

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

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

1 the last publication of the notice. The property
2 shall be sold to the highest bidder. The Office of
3 Management and Enterprise Services shall not accept a
4 bid of less than ninety percent (90%) of the average
5 appraised fair value of the property and the
6 improvements on such property,

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

16 e. if the property has an estimated value of less than
17 Twenty-five Thousand Dollars (\$25,000.00), the Office
18 of Management and Enterprise Services may establish
19 the value through market comparison and may dispose of
20 the property based on estimated value without
21 obtaining a certified appraisal; provided, however,
22 the sale shall comply with all other requirements of
23 statute, and
24

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

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

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

20 C. Unless otherwise provided by law, the Office of Management
21 and Enterprise Services shall review and approve state agency real
22 property transactions. A state agency shall not lease or acquire
23 real property, or lease, dispose of or transfer state-owned real
24 property until the Office provides notice of transaction approval to

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

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

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

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

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

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

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

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

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

21 I. The Oklahoma Ordnance Works Authority and its lands, and the
22 Northeast Oklahoma Public Facilities Authority, the Oklahoma
23 Historical Society, the Oklahoma Department of Transportation, the
24 Oklahoma Turnpike Authority, institutions comprising The Oklahoma

1 State System of Higher Education, and the Department of Wildlife
2 managed lands shall be exempt from the application of this section.
3 The Grand River Dam Authority and its lands shall be exempt from the
4 application of this section for any real property disposed of prior
5 to November 1, 2006.

6 J. Unless otherwise provided for by law, the procedures
7 established pursuant to this section for the sale or exchange of
8 real estate or personal property as authorized pursuant to Sections
9 2222 and 2223 of Title 74 of the Oklahoma Statutes shall be followed
10 unless the sale is to an entity of state government.

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

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

1 Commissioners of the Land Office or designee a twenty-calendar-day
2 period to provide a proposal for the acquisition or disposal of
3 applicable real property.

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

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

12 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT
13 February 16, 2023 - DO PASS
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