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April 8, 2025

ENGROSSED HOUSE
BILL NO. 1420

By: West (Josh) of the House

and

Bergstrom of the Senate

An Act relating to state government; amending 74 O.S. 2021, Section 61.8, which relates to reduction of property owned and leased by the state; modifying exemption from section; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2021, Section 61.8, is amended to read as follows:

Section 61.8. A. The Long-Range Capital Planning Commission shall work to decrease the amount of property owned by Oklahoma state government, return state-owned property to private sector ownership, better maintain and utilize the state's needed capital assets and, whenever possible, eliminate the practice of state agencies leasing real property not owned by the state.

B. Each year, the Director of the Office of Management and Enterprise Services at the direction of the Long-Range Capital Planning Commission, shall take action to approve the privatization

1 of state-owned real property as identified pursuant to the Oklahoma
2 State Government Asset Reduction and Cost Savings Program. Proceeds
3 from the liquidation of real properties shall be deposited into the
4 Maintenance of State Buildings Revolving Fund.

5 C. Prior to entering into or renewing a lease for real
6 property, each state agency, board, commission, and public trust
7 having the State of Oklahoma as a beneficiary shall receive approval
8 for entering into the lease from the Office of Management and
9 Enterprise Services.

10 D. Prior to making a purchase of real property or constructing
11 a building, each state agency, board, commission, and public trust
12 having the State of Oklahoma as a beneficiary shall receive approval
13 for the purchase or construction from the Director of the Office of
14 Management and Enterprise Services; provided, if such purchase or
15 construction is deemed by the Director of the Office of Management
16 and Enterprise Services to be within the authority of the Long-Range
17 Capital Planning Commission, the Director shall not approve the
18 purchase or construction and shall refer the request to the
19 Commission for action.

20 E. Prior to approval or referral pursuant to subsection C or D
21 of this section, the Office of Management and Enterprise Services
22 shall determine if the applicant entity can utilize already existing
23 state-owned real property as an alternative to leasing non-state-
24 owned real property or purchasing or constructing new real property.

1 If such existing state-owned real property is owned by the Oklahoma
2 Historical Society, is listed on the National Register of Historic
3 Places or with the National Trust for Historic Preservation, or is
4 potentially of historical significance, the Office of Management and
5 Enterprise Services shall notify the Oklahoma Historical Society and
6 obtain its approval prior to approving an application for its reuse.

7 F. No state agency, board, commission or public trust having
8 the state as its beneficiary shall transfer any real property owned
9 by the agency, board, commission or trust to any other state agency,
10 board, commission, state beneficiary trust or any public or private
11 entity unless the transfer is first approved by the Long-Range
12 Capital Planning Commission. Any transfer made without the prior
13 approval of the Long-Range Capital Planning Commission as required
14 by this subsection may be reversed by the Long-Range Capital
15 Planning Commission and if a transfer is reversed the agency, board,
16 commission, state beneficiary trust or other state government entity
17 to which the real property has been impermissibly transferred shall
18 take such actions to convey the subject property to the entity from
19 which the asset was acquired not later than thirty (30) days from
20 the date an order for such transfer is entered by the Long-Range
21 Capital Planning Commission. The Commission shall not approve any
22 transfer unless proceeds from the sale shall be deposited within the
23 Maintenance of State Buildings Revolving Fund as established by
24 Section 908 of Title 62 of the Oklahoma Statutes.

1 G. By February 1 of each year, the Office of Management and
2 Enterprise Services shall publish a report for the preceding
3 calendar year listing the parcels of previously state-owned property
4 sold, detailing the reduction in the amount of space leased by the
5 state, describing the source of funds and expenditures from the
6 Maintenance of State Buildings Revolving Fund and showing the manner
7 in which deferred maintenance needs are being met. The report shall
8 be provided to the Governor, Speaker of the House of
9 Representatives, President Pro Tempore of the Senate and placed on
10 the documents.ok.gov web portal.

11 H. This section shall not be applicable to the following or
12 their lands, properties, buildings, funds or revenue:

- 13 1. The Oklahoma Ordnance Works Authority;
- 14 2. The Commissioners of the Land Office;
- 15 3. The Oklahoma Department of Transportation; ~~and~~
- 16 4. The Oklahoma Turnpike Authority; and
- 17 5. The Grand River Dam Authority.

18 I. The Director of the Office of Management and Enterprise
19 Services may make recommendations to the Long-Range Capital Planning
20 Commission for liquidation of underutilized properties that have
21 environmental issues, create a liability for the state, or create
22 expenses that make the continued ownership of the underutilized
23 property undesirable and the property has been offered through two
24 public auctions or sealed bids and no viable bids were received. If

1 the Long-Range Capital Planning Commission approves the liquidation
2 of the property, the Office of Management and Enterprise Services
3 may accept a bid of less than ninety percent (90%) of the appraised
4 value in accordance with Section 327 of Title 61 of the Oklahoma
5 Statutes.

6 SECTION 2. This act shall become effective November 1, 2025.

7 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND GOVERNMENT
8 RESOURCES
9 April 8, 2025 - DO PASS
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