

COMMITTEE 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

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

PROPOSED
COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 704

By: Haste of the Senate

and

Roe of the House

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma State University Medical Authority; amending 63 O.S. 2021, Section 3275, which relates to members; modifying qualifications; adding member; removing obsolete language; authorizing virtual meetings under certain conditions; amending 63 O.S. 2021, Section 3276, which relates to powers and duties of the Authority; adding certain power and duty; amending 63 O.S. 2021, Section 3283, which relates to revenue bonds; specifying allowed payment sources for bonds; amending 63 O.S. 2021, Section 3290, which relates to the Oklahoma State University Medical Trust; increasing certain asset limit for purpose of certain determination; authorizing virtual meetings under certain conditions; repealing 63 O.S. 2021, Sections 3287 and 3291, which relate to the Oklahoma State University Medical Authority; providing for codification; and providing an effective date.

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:

1 Section 3275. A. There is hereby created the Oklahoma State
2 University Medical Authority, an agency of the State of Oklahoma, a
3 body corporate and politic, with powers of government and with the
4 authority to exercise the rights, privileges and functions as
5 specified in the Oklahoma State University Medical Authority Act.
6 The Oklahoma State University Medical Authority is covered by the
7 Governmental Tort Claims Act.

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

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

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

14 3. One member shall be appointed by the Speaker of the Oklahoma
15 House of Representatives;

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

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

20 6. One member ~~to~~ shall be appointed by the President of
21 Oklahoma State University ~~who shall be the Chief Executive Officer~~
22 ~~of any entity, other than the Oklahoma State University Medical~~
23 ~~Trust, with whom the Oklahoma State University College of~~
24 ~~Osteopathic Medicine has entered into an Academic Affiliation~~

1 ~~Agreement to serve as the primary site of practice and teaching~~
2 ~~hospital for medical residency programs, or a designee; and;~~

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

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

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

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

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

22 F. The members of the Authority shall serve without
23 compensation but may be reimbursed for all actual and necessary
24 travel expenses incurred in performance of their duties in

1 accordance with the provisions of the State Travel Reimbursement
2 Act.

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

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

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

1 sessions may be held to discuss such materials if deemed necessary
2 by the Authority.

3 J. The Authority may hold meetings by videoconference where
4 each member of the Authority is visible and audible to each other
5 and the public through a video monitor at the designated meeting
6 site and online website, subject to the following:

7 1. Each public meeting held by videoconference shall be
8 recorded either by written, electronic, or other means;

9 2. The meeting notice and agenda prepared in advance of the
10 meeting, as required by law, shall indicate at least one
11 videoconferencing location and shall state the location, address,
12 and telephone number of each available videoconference site and
13 provide the online website address to view the meeting; and

14 3. The meeting agenda prepared in advance of the meeting, as
15 required by law, shall indicate which members of the Authority will
16 appear by video conference and which will be present at the
17 designated meeting site.

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

20 Section 3276. A. ~~On and after July 1, 2006, the~~ The Authority
21 shall have the power and duty to:

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

24 2. Adopt an official seal;

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

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

5 5. Enter into cooperative agreements with the Board of Regents
6 for the Oklahoma Agricultural and Mechanical Colleges for
7 educational programs, professional staffing, research and other
8 medical activities;

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

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

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

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

24

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

6 11. Make and issue bonds and to pledge revenues of the
7 Authority subject to the Oklahoma Bond Oversight and Reform Act.
8 Nothing in the Oklahoma State University Medical Authority Act shall
9 authorize the issuance of any bonds of the Authority payable other
10 than from revenues of the Authority. Funds appropriated to the
11 Authority shall not be used for issuance of bonds. Authority
12 revenue bonds issued under the provisions of this act shall not at
13 any time be deemed to constitute a debt of the state or of any
14 political subdivision thereof or a pledge of the faith and credit of
15 the state or of any political subdivision, but such bonds shall be
16 payable solely from the funds herein provided. Such revenue bonds
17 shall contain on the face thereof a statement to the effect that
18 neither the state nor the Authority shall be obligated to pay the
19 same or the interest thereon except from the revenues of the project
20 or projects for which they are issued and that neither the faith and
21 credit nor the taxing power of the state or any political
22 subdivision thereof is pledged, or may hereafter be pledged, to the
23 payment of the principal of or the interest on such bonds. The
24 maximum amount of outstanding bonds at any time shall not exceed

1 Fifty Million Dollars (\$50,000,000.00) unless a greater amount is
2 expressly approved by the Legislature by a concurrent resolution
3 adopted prior to commencing any action in anticipation of issuance
4 of revenue bonds of the Oklahoma State University Medical Authority
5 for the greater amount;

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

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

24

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

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

6 16. Provide funding to other entities for purposes related to
7 public health, teaching, research, and the purposes of the Oklahoma
8 State University Medical Authority Act when provided funding for
9 such purposes by the Legislature;

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

12 ~~17.~~ 18. Waive, by such means as the Authority deems
13 appropriate, the exemption from federal income taxation of interest
14 on the Authority's bonds provided by the Internal Revenue Code of
15 1986, as amended, or any other federal statute providing a similar
16 exemption;

17 ~~18.~~ 19. Arrange for guaranties or insurance of its bonds by the
18 federal government or by any private insurer, and to pay any
19 premiums therefor; and

20 ~~19.~~ 20. Make a declaration of necessity as provided in Section
21 3273 of this title. The Authority may, in its exclusive judgment,
22 make a declaration of necessity when such a declaration is deemed
23 necessary to effectuate the purposes of the Oklahoma State
24 University Medical Authority Act.

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

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

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

12 SECTION 3. AMENDATORY 63 O.S. 2021, Section 3283, is
13 amended to read as follows:

14 Section 3283. Revenue bonds of the Oklahoma State University
15 Medical Authority issued pursuant to the provisions of the Oklahoma
16 State University Medical Authority shall not constitute a debt of
17 the state or of any political subdivision thereof, or a pledge of
18 the full faith and credit of the state, or of any political
19 subdivision thereof, but such bonds shall be payable solely from the
20 funds provided therefor from the Authority's revenues or
21 appropriated by the Legislature. The forms of the bonds so issued
22 shall contain on the face thereof a statement to the effect that
23 neither the state nor the Authority shall be obligated to pay the
24 same or the interest thereon except from the revenues of the

1 Authority pledged to the payment of such bonds and that neither the
2 faith and credit nor the taxing power of the state or any political
3 subdivision thereof is pledged, or may hereafter be pledged, to the
4 payment of the principal of or interest on such bonds. The bonds so
5 issued shall be exempt from taxation by the State of Oklahoma and
6 any political subdivision thereof, including the income therefrom,
7 and any gain from the sale thereof.

8 SECTION 4. AMENDATORY 63 O.S. 2021, Section 3290, is
9 amended to read as follows:

10 Section 3290. A. The State of Oklahoma expressly approves the
11 creation of a public trust to be named the "Oklahoma State
12 University Medical Trust", of which the State of Oklahoma shall be
13 the beneficiary, provided such approval shall be contingent upon
14 satisfaction of the following conditions:

15 1. Finalizing of the declaration of trust;

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

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

21 4. The approved declaration of trust shall:

22 a. clearly state that the principal purpose of the
23 Oklahoma State University Medical Trust is to
24 effectuate the purposes of the Oklahoma State

1 University Medical Authority as established in the
2 Oklahoma State University Medical Authority Act,

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

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

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

22 e. clearly state that the creation of the Oklahoma State
23 University Medical Trust shall not in any way reduce,
24 limit or interfere with the power granted to the

Oklahoma State University Medical Authority in the
Oklahoma State University Medical 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 Medical
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 Medical Trust shall be the acting members
of the Oklahoma State University Medical Authority as
provided in the Oklahoma State University Medical
Authority Act, and

h. provide that the trustees of the Oklahoma State
University Medical Trust shall have the duty to submit
an annual report to the Governor, the President Pro
Tempore of the Senate and the Speaker of the House of
Representatives. The report shall be submitted by
January 1 of each year and shall include an account of
all operations, actions of the Trust, 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

1 function of effectuating the purposes of the Oklahoma
2 State University Medical Authority, as established in
3 the Oklahoma State University Medical Authority Act.

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

9 1. The inclusion of all the members of the Trust, except the
10 Chief Executive Officer of the Oklahoma Health Care Authority, as
11 five of the six members representing the State of Oklahoma in a
12 governing committee, and the sixth member of the governing committee
13 representing the State of Oklahoma to be designated by the President
14 of Oklahoma State University;

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

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

24 a. approval of the operating and capital budgets,

1 b. sale or disposition of assets over ~~Two Hundred Fifty~~
2 ~~Thousand Dollars (\$250,000.00)~~ Five Hundred Thousand
3 Dollars (\$500,000.00),

4 c. the termination or transfer or material addition or
5 material diminution of medical services at the
6 Oklahoma State University Medical Center related to
7 and part of a teaching program of the Oklahoma State
8 University Center for Health Sciences, and

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

11 C. To the extent it is determined by legislative enactment that
12 the Trust has expended funds in contravention of its mission as set
13 forth in this section, the Trust shall remit, upon thirty (30) days'
14 written notice from the Oklahoma State University Medical Authority,
15 such sum or sums to the Oklahoma State University Medical Authority.

16 D. In the event the Trust enters into a joint venture or
17 acquires an interest in a not-for-profit entity to effectuate the
18 administration of the mission of the Trust, that entity shall not be
19 subject to the Oklahoma Open Meeting Act and the Oklahoma Open
20 Records Act. Any information submitted to or compiled by the Trust
21 with respect to marketing plans, financial statements, trade
22 secrets, research concepts, methods or products or any other
23 proprietary information submitted to or compiled by the Trust,
24 persons, firms, associations, partnerships, agencies, corporations,

1 institutions of higher education, nonprofit research institutions or
2 other entities shall be confidential, except to the extent that the
3 person or entity which provided such information or which is the
4 subject of such information consents to disclosure. Executive
5 sessions may be held to discuss such materials if deemed necessary
6 by the Trust. The provisions of this subsection shall not apply to
7 budgetary information related to appropriations or the
8 appropriations process.

9 E. The Trust may hold meetings by videoconference where each
10 member of the Trust is visible and audible to each other and the
11 public through a video monitor at the designated meeting site and
12 online website, subject to the following:

13 1. Each public meeting held by videoconference shall be
14 recorded either by written, electronic, or other means;

15 2. The meeting notice and agenda prepared in advance of the
16 meeting, as required by law, shall indicate at least one
17 videoconferencing location and shall state the location, address,
18 and telephone number of each available videoconference site and
19 provide the online website address to view the meeting; and

20 3. The meeting agenda prepared in advance of the meeting, as
21 required by law, shall indicate which members of the Trust will
22 appear by video conference and which will be present at the
23 designated meeting site.

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1 SECTION 5. REPEALER 63 O.S. 2021, Sections 3287 and
2 3291, are hereby repealed.

3 SECTION 6. This act shall become effective November 1, 2023.
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5 59-1-8167 TJ 04/10/23
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