



1 and accomplishment of any authorized and proper public function or  
2 purpose of the state or of any county or municipality or any and all  
3 combinations thereof, in real or personal property, or either or  
4 both, or in any estate or interest in either or both, with the  
5 state, or any county or municipality or any and all combinations  
6 thereof, as the beneficiary thereof by:

7 1. The express approval of the Legislature and the Governor if  
8 the State of Oklahoma is the beneficiary;

9 2. The express approval of two-thirds (2/3) of the membership  
10 of the governing body of the beneficiary if a county is a  
11 beneficiary;

12 3. The express approval of two-thirds (2/3) of the membership  
13 of the governing body of the beneficiary if a municipality is a  
14 beneficiary; or

15 4. The express approval of two-thirds (2/3) of the membership  
16 of the governing body of each beneficiary in the event a trust has  
17 more than one beneficiary; provided, that no funds of a beneficiary  
18 derived from sources other than the trust property, or the operation  
19 thereof, shall be charged with or expended for the execution of the  
20 trust, except by express action of the legislative authority of the  
21 beneficiary prior to the charging or expending of the funds. The  
22 officers or any other governmental agencies or authorities having  
23 the custody, management, or control of any property, real or  
24 personal or mixed, of the beneficiary of the trust, or of a proposed

1 trust, which property shall be needful for the execution of the  
2 trust purposes, are authorized and empowered to lease the property  
3 for those purposes, after the acceptance of the beneficial interest  
4 therein by the beneficiary as hereinafter provided.

5 B. A municipality may convey title to real property which is  
6 used for an airport to the trustees of an industrial development  
7 authority trust whose beneficiary is the municipality. The  
8 industrial development authority trust must already have the  
9 custody, management, or control of the real property. The  
10 conveyance must be approved by a majority of the governing body of  
11 the municipality. A conveyance pursuant to this section may be made  
12 only for the sole purpose of allowing the authority to sell the  
13 property for fair market value when the property is to be used for  
14 industrial development purposes. Conveyances made pursuant to this  
15 subsection shall be made subject to any existing reversionary  
16 interest or other restrictions burdening the property and subject to  
17 any reversionary interest or other restriction considered prudent by  
18 the municipality.

19 C. The trustees of a public trust having the State of Oklahoma  
20 as beneficiary shall make and adopt bylaws for the due and orderly  
21 administration and regulation of the affairs of the public trust.  
22 All bylaws of a public trust having the State of Oklahoma as  
23 beneficiary shall be submitted in writing to the Governor of the  
24

1 State of Oklahoma. The Governor must approve the proposed bylaws  
2 before they take effect.

3 D. No public trust in which the State of Oklahoma is the  
4 beneficiary may be amended without a two-thirds (2/3) vote of  
5 approval of the trustees of the trust; provided, that any amendment  
6 is subject to the approval of the Governor of the State of Oklahoma.  
7 Any amendments shall be sent to the Governor within fifteen (15)  
8 days of their adoption.

9 E. No trust in which a county or municipality is the  
10 beneficiary shall hereafter create an indebtedness or obligation  
11 until the indebtedness or obligation has been approved by a two-  
12 thirds (2/3) vote of the governing body of the beneficiary. In the  
13 event a trust has more than one beneficiary, as authorized by this  
14 section, the trust shall not incur an indebtedness or obligation  
15 until the indebtedness or obligation has been approved by a two-  
16 thirds (2/3) vote of the governing body of two-thirds (2/3) of the  
17 beneficiaries of the trust.

18 F. All bonds described in subsection E of this section, after  
19 December 1, 1976, except bonds sold to the federal government or any  
20 agency thereof or to any agency of the State of Oklahoma, shall be  
21 awarded to the lowest and best bidder based upon open competitive  
22 public offering, advertised at least once a week for two (2)  
23 successive weeks in a newspaper of general circulation in the county  
24 where the principal office of the trust is located prior to the date

1 on which bids are received and opened; provided, competitive bidding  
2 may be waived on bond issues with the approval of three-fourths  
3 (3/4) of the trustees, and a three-fourths (3/4) vote of the  
4 governing body of the beneficiary, unless the beneficiary is a  
5 county in which case a two-thirds (2/3) vote of the members of the  
6 governing body shall be required, or three-fourths (3/4) vote of the  
7 governing bodies of each of the beneficiaries of the trust, unless  
8 one of the beneficiaries is a county in which case a two-thirds  
9 (2/3) vote of the members of the governing body of such county shall  
10 be required. No bonds shall be sold for less than par value, except  
11 upon approval of three-fourths (3/4) of the trustees, unless the  
12 beneficiary is a county in which case a two-thirds (2/3) vote of the  
13 members of the governing body shall be required. In no event shall  
14 bonds be sold for less than sixty-five percent (65%) of par value;  
15 provided, however, in no event shall the original purchaser from the  
16 issuer of any bonds issued by any public trust for any purpose  
17 receive directly or indirectly any fees, compensation, or other  
18 remuneration in excess of four percent (4%) of the price paid for  
19 the bonds by the purchaser of the bonds from the original purchaser;  
20 and further provided, that the average coupon rate thereon shall in  
21 no event exceed fourteen percent (14%) per annum. No public trust  
22 shall sell bonds for less than ninety-six percent (96%) of par value  
23 until the public trust has received from the underwriter or  
24 financial advisor or, in the absence of an underwriter or financial

1 advisor, the initial purchaser of the bonds, an estimated  
2 alternative financing structure or structures showing the estimated  
3 total interest and principal cost of each alternative. At least one  
4 alternative financing structure shall include bonds sold to the  
5 public at par. Any estimates shall be considered a public record of  
6 the public trust. Bonds, notes or other evidences of indebtedness  
7 issued by any public trust shall be eligible for purchase by any  
8 state banking association or corporation subject to such limitations  
9 as to investment quality as may be imposed by regulations, rules or  
10 rulings of the State Banking Commissioner.

11 G. Public trusts created pursuant to this section shall file  
12 annually, with their respective beneficiaries, copies of financial  
13 documents and reports sufficient to demonstrate the fiscal activity  
14 of such trust, including, but not limited to, budgets, financial  
15 reports, bond indentures, and audits. Amendments to the adopted  
16 budget shall be approved by the trustees of the public trust and  
17 recorded as such in the official minutes of such trust.

18 H. Contracts for construction, labor, equipment, material or  
19 repairs in excess of Fifty Thousand Dollars (\$50,000.00) shall be  
20 awarded by public trusts to the lowest and best competitive bidder,  
21 pursuant to public invitation to bid, which shall be published in  
22 the manner provided in ~~the preceding section hereof~~ subsection F of  
23 this section; the advertisements shall appear in the county where  
24 the work, or the major part of it, is to be done, or the equipment

1 or materials are to be delivered, or the services are to be  
2 rendered; provided, however, should the trustee or the trustees find  
3 that an immediate emergency exists, which findings shall be entered  
4 in the journal of the trust proceedings, by reason of which an  
5 immediate outlay of trust funds in an amount exceeding Fifty  
6 Thousand Dollars (\$50,000.00) is necessary in order to avoid loss of  
7 life, substantial damage to property, or damage to the public peace  
8 or safety, then the contracts may be made and entered into without  
9 public notice or competitive bids; provided that the provisions of  
10 this subsection shall not apply to contracts of industrial and  
11 cultural trusts. Notwithstanding the provisions of this subsection,  
12 equipment or materials may be purchased by a public trust directly  
13 from any contract duly awarded by this state or any state agency  
14 under the Oklahoma Central Purchasing Act, or from any contract duly  
15 awarded by a governmental entity which is the beneficiary of the  
16 public trust. Furthermore, any construction contract issued under  
17 this section may provide for a local bid preference of not more than  
18 five percent (5%) of the bid price if the public trust governing  
19 body determines that there is an economic benefit to the local area  
20 or economy. Provided, however, the local bidder or contractor must  
21 agree to perform the contract for the same price and terms as the  
22 bid proposed by the nonlocal bidder or contractor. Any bid  
23 preference granted hereunder must be in accordance with an  
24 established policy adopted by the governing body of the trust to

1 clearly demonstrate the economic benefit to the local area or  
2 economy. Provided, further, no local bid preference shall be  
3 granted unless the local bidding entity is the second lowest  
4 qualified bid on the contract. The bid specifications shall clearly  
5 state that the bid is subject to a local bidder preference law.

6 I. Any public trust created pursuant to the provisions of this  
7 section shall have the power to acquire lands by use of eminent  
8 domain in the same manner and according to the procedures provided  
9 for in Sections 51 through 65 of Title 66 of the Oklahoma Statutes.  
10 Any exercise of the power of eminent domain by a public trust  
11 pursuant to the provisions of this section shall be limited to the  
12 furtherance of public purpose projects involving revenue-producing  
13 utility projects of which the public trust retains ownership;  
14 provided, for public trusts in which the State of Oklahoma is the  
15 beneficiary the exercise of the power of eminent domain may also be  
16 used for public purpose projects involving air transportation.  
17 Revenue-producing utility projects shall be limited to projects for  
18 the transportation, delivery, treatment, or furnishing of water for  
19 domestic purposes or for power, including, but not limited to, the  
20 construction of lakes, pipelines, and water treatment plants or for  
21 projects for rail transportation. Any public trust formed pursuant  
22 to this section which has a county as its beneficiary shall have the  
23 power to acquire, by use of eminent domain, any lands located either

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1 inside the county, or contiguous to the county pursuant to the  
2 limitations imposed pursuant to this section.

3 J. Provisions of this section shall not apply to entities  
4 created under Sections 1324.1 through 1324.26 of Title 82 of the  
5 Oklahoma Statutes.

6 K. Any trust created under ~~this act~~ Section 176 et seq. of this  
7 title, in whole or in part, to operate, administer or oversee any  
8 county jail facility shall consist of not less than five members and  
9 include a county commissioner and the county sheriff, or their  
10 designee, and one member appointed by each of the county  
11 commissioners. The appointed members shall not be elected  
12 officials.

13 SECTION 2. AMENDATORY 61 O.S. 2011, Section 103, as last  
14 amended by Section 2, Chapter 186, O.S.L. 2013 (61 O.S. Supp. 2014,  
15 Section 103), is amended to read as follows:

16 Section 103. A. Unless otherwise provided by law, all public  
17 construction contracts exceeding Fifty Thousand Dollars (\$50,000.00)  
18 shall be let and awarded to the lowest responsible bidder, by open  
19 competitive bidding after solicitation for sealed bids, in  
20 accordance with the provisions of the Public Competitive Bidding Act  
21 of 1974. No work shall be commenced until a written contract is  
22 executed and all required bonds and insurance have been provided by  
23 the contractor to the awarding public agency.

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1       B. Notwithstanding subsection A of this section, in awarding  
2 public construction contracts exceeding Fifty Thousand Dollars  
3 (\$50,000.00), counties, cities, other local units of government, and  
4 any public trust with county or a municipality as its sole  
5 beneficiary may provide for a local bid preference of not more than  
6 five percent (5%) of the bid price if the awarding public agency  
7 determines that there is an economic benefit to the local area or  
8 economy. Provided, however, the local bidder or contractor must  
9 agree to perform the contract for the same price and terms as the  
10 bid proposed by the nonlocal bidder or contractor. Any bid  
11 preference granted hereunder must be in accordance with an  
12 established policy adopted by the governing body of the awarding  
13 public agency to clearly demonstrate the economic benefit to the  
14 local area or economy. Provided, further, no local bid preference  
15 shall be granted unless the local bidding entity is the second  
16 lowest qualified bid on the contract. The bid specifications shall  
17 clearly state that the bid is subject to a local bidder preference  
18 law.

19       C. Except as provided in subsection ~~D~~ E of this section, other  
20 construction contracts for the purpose of making any public  
21 improvements or constructing any public building or making repairs  
22 to the same for Fifty Thousand Dollars (\$50,000.00) or less shall be  
23 let and awarded to the lowest responsible bidder by receipt of  
24 written bids or awarded on the basis of competitive quotes to the

1 lowest responsible qualified contractor. Work may be commenced in  
2 accordance with the purchasing policies of the public agency.

3 ~~C.~~ D. Except as provided in subsection ~~D~~ E of this section,  
4 other construction contracts for less than Five Thousand Dollars  
5 (\$5,000.00) may be negotiated with a qualified contractor. Work may  
6 be commenced in accordance with the purchasing policies of the  
7 public agency.

8 ~~D.~~ E. The provisions of this subsection shall apply to public  
9 construction for minor maintenance or minor repair work to public  
10 school district property. Other construction contracts for less  
11 than Twenty-five Thousand Dollars (\$25,000.00) may be negotiated  
12 with a qualified contractor. Construction contracts equal to or  
13 greater than Twenty-five Thousand Dollars (\$25,000.00) but less than  
14 Fifty Thousand Dollars (\$50,000.00) shall be let and awarded to the  
15 lowest responsible bidder by receipt of written bids. No work shall  
16 be commenced on any construction contract until a written contract  
17 is executed and proof of insurance has been provided by the  
18 contractor to the awarding public agency.

19 ~~E.~~ F. The Construction and Properties Division of the Office of  
20 Management and Enterprise Services may award contracts using best  
21 value competitive proposals. As used in this subsection, "best  
22 value" means an optional contract award system which can evaluate  
23 and rank submitted competitive performance proposals to identify the  
24 proposal with the greatest value to the state. The Office of

1 Management and Enterprise Services, pursuant to the Administrative  
2 Procedures Act, shall promulgate rules necessary to implement the  
3 provisions of this subsection.

4 ~~F.~~ G. 1. A public agency shall not let or award a public  
5 construction contract exceeding Fifty Thousand Dollars (\$50,000.00)  
6 to any contractor affiliated with a purchasing cooperative unless  
7 the purchasing cooperative and the contractor have complied with all  
8 of the provisions of the Competitive Bidding Act of 1974, including  
9 but not limited to open competitive bidding after solicitation for  
10 sealed bids. A public agency shall not let or award a public  
11 construction contract exceeding Five Thousand Dollars (\$5,000.00) up  
12 to Fifty Thousand Dollars (\$50,000.00) to any contractor affiliated  
13 with a purchasing cooperative unless the purchasing cooperative and  
14 the contractor have complied with all of the provisions of the  
15 Public Competitive Bidding Act of 1974, including submission of a  
16 written bid upon notice of competitive bidding.

17 2. A purchasing cooperative and its affiliated contractors  
18 shall not be allowed to bid on any public construction contract  
19 exceeding Fifty Thousand Dollars (\$50,000.00) unless the purchasing  
20 cooperative and its affiliated contractors have complied with all of  
21 the provisions of the Public Competitive Bidding Act of 1974,  
22 including but not limited to open competitive bidding after  
23 solicitation for sealed bids. A purchasing cooperative and its  
24 affiliated contractors shall not be allowed to bid on any public

1 construction contract exceeding Two Thousand Five Hundred Dollars  
2 (\$2,500.00) unless the purchasing cooperative and its affiliated  
3 contractors have complied with all of the provisions of the Public  
4 Competitive Bidding Act of 1974, including submission of a written  
5 bid upon notice of open competitive bidding.

6 SECTION 3. It being immediately necessary for the preservation  
7 of the public peace, health and safety, an emergency is hereby  
8 declared to exist, by reason whereof this act shall take effect and  
9 be in full force from and after its passage and approval.

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11 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
12 03/26/2015 - DO PASS.

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