

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 SENATE BILL NO. 797

By: David of the Senate

and

6 Watson of the House

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9 COMMITTEE SUBSTITUTE

10 An Act relating to the Grand River Dam Authority;
11 amending 82 O.S. 2011, Section 874, which relates to
12 disposal of property; authorizing the district to
13 sell property to certain entities upon approval by
14 the Board; and providing an effective date.

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

16 SECTION 1. AMENDATORY 82 O.S. 2011, Section 874, is
17 amended to read as follows:

18 Section 874. A. Nothing in Sections 861 through 890 of this
19 title shall be construed as authorizing the district and it shall
20 not be authorized to mortgage or otherwise encumber any of its
21 property of any kind, real, personal or mixed, or any interest
22 therein, or to acquire any property or interest subject to a
23 mortgage or conditional sale, provided that this section shall not
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1 be construed as preventing the pledging of the revenues of the
2 district as herein authorized.

3 B. Nothing in Sections 861 through 890 of this title shall be
4 construed as authorizing the sale, lease or other disposition of any
5 property or interest of the district by the district or any receiver
6 of any of its properties or through any court proceeding or
7 otherwise.

8 C. 1. The district may sell for cash, subject to competitive
9 bidding as provided by the Board of Directors of the Grand River Dam
10 Authority, any property or interest in an aggregate value not
11 exceeding the sum of Five Hundred Thousand Dollars (\$500,000.00) in
12 any one (1) year, except that the district may sell any or all
13 surplus property that the district may have acquired without regard
14 to the limitations herein, if the Board, by the affirmative vote of
15 five or more of the members, shall have determined that the same is
16 not necessary to the business of the district and shall have
17 approved the terms of any sale.

18 2. Notwithstanding any other provision of law, the district may
19 sell real and personal property directly used for ~~an electrical~~
20 ~~substation, transformer station, switch station, or similar purpose~~
21 ~~to a rural electric cooperative corporation which has an ownership~~
22 ~~interest in an electricity generating station in which the district~~
23 ~~also has an ownership interest~~ the generation, transmission or
24 distribution of electricity to any corporation, limited liability

1 company, association, cooperative, municipal corporation or a
2 beneficial trust thereof engaged in the furnishing of wholesale or
3 retail electric if the Board approves by a vote of five (5) or more
4 members that the property is not necessary to the business of the
5 district. Sales pursuant to this paragraph shall be exempt from the
6 requirements and limitations of paragraph 1 of this subsection and
7 from the requirements of Section 129.4 of Title 74 of the Oklahoma
8 Statutes.

9 D. The district may lease any of its lands if the Board, by the
10 affirmative vote of five or more of the members, shall have
11 determined that the same can be leased without injury to or without
12 interference with the operations of the project, and shall have
13 approved the terms of any lease. Except as otherwise provided, no
14 shorelands (lands lying between the low and high water marks) shall
15 be leased for a term longer than two (2) years and not more than
16 one-fourth (1/4) mile of the lake front shall be leased to any one
17 person, firm or corporation. The district may lease shorelands for
18 a term longer than two (2) years and more than one-fourth (1/4) mile
19 of lake front may be leased to any one person, firm, or corporation
20 without regard to the limitations herein, if the Board, by the
21 affirmative vote of a majority of the members, determines that the
22 lease is necessary or beneficial to the business of the district.
23 The district may lease shorelands to political subdivisions,
24 agencies of the State of Oklahoma, or tax-exempt public trusts, for

1 any public purpose, on such terms as are mutually satisfactory to
2 the parties, notwithstanding the limitations herein. No lease shall
3 deprive the owner of any land adjacent to the shorelands or lake
4 front, or abutting thereon, of ingress or egress to and from the
5 water of the lakes and shall not deprive the owner of any wharf,
6 dock or boat anchorage privileges that would belong to the owner if
7 the shorelands or lake front were not leased.

8 E. It is the intention of Sections 861 through 890 of this
9 title that, except by sale, lease or agreement as expressly
10 authorized in Sections 861 through 890 of this title, no property or
11 interest of the district shall ever come into the ownership or
12 control, directly or indirectly, of any person, firm or corporation
13 other than a public authority created under the laws of the State of
14 Oklahoma.

15 F. Nothing in this section shall be construed as preventing the
16 district from contracting with the United States or any agency
17 thereof for the temporary possession, control and use of properties
18 by the United States or any agency thereof for the safety and
19 defense of the United States in time of a national emergency or in
20 anticipation thereof.

21 G. All property of the district shall be at all times exempted
22 from forced sale, and nothing contained in Sections 861 through 890
23 of this title shall authorize the sale of any of the property of the
24 district under any judgment rendered in any suit, and such sales are

1 hereby prohibited and forbidden. The provisions of this subsection
2 shall not apply to any property constructed on a lease or the
3 interest in a lease of shoreland that has been entered into by the
4 district pursuant to subsection B of this section for a term of
5 longer than two (2) years, provided the provisions of the lease
6 authorizing the mortgage and forced sale of the property or lease
7 interest has been approved by an affirmative vote of a majority of
8 the members of the Board.

9 H. The provisions of this section shall not apply to any sale
10 agreement, lease agreement or other agreement entered into by the
11 district pursuant to paragraphs (f) or (g) of Section 862 of this
12 title, provided that the agreement is in compliance with any
13 applicable provision restricting the sale or leasing of property by
14 the district contained in any resolution of the district providing
15 for the issuance of revenue bonds.

16 SECTION 2. This act shall become effective November 1, 2015.

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18 55-1-7373 JM 04/09/15
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