

1 **SENATE FLOOR VERSION**

2 February 21, 2024

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 1399

By: Hall of the Senate

and

Wallace of the House

6  
7  
8  
9 [ state fiscal affairs - investment - guidelines -  
10 fund - report - funds - membership - reimbursement -  
Commission - plans - rules - performance audit -  
11 apportionment - codification - effective date -  
emergency ]

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

14 SECTION 1. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 34.602 of Title 62, unless there  
16 is created a duplication in numbering, reads as follows:

17 A. There is hereby created in the State Treasury a fund to be  
18 known and designated as the "Oklahoma Long-Range Capital Planning  
19 Legacy Fund". The fund shall be a continuing fund, not subject to  
20 fiscal year limitations, and shall consist of surplus monies and  
21 savings appropriated by the Legislature and all apportionments.

22 B. The State Treasurer shall appoint qualified investment  
23 managers to provide for the investment of the monies of the fund.  
24 The investments shall be consistent with the manner in which state

1 retirement funds are invested. The risk of large losses shall be  
2 minimized by diversifying the investments in the fund, including the  
3 length of time of the investment, unless, under the circumstances,  
4 it is clearly prudent not to do so. The investment managers may  
5 sell investments and realize losses if such action is considered  
6 advantageous to longer-term return maximization.

7 C. The fund principal shall consist of monies which are  
8 deposited to the fund. Notwithstanding any other provisions of law,  
9 income and investment return on fund principal shall accrue to the  
10 fund.

11 D. For each fiscal year, the Treasurer shall make available a  
12 report on its website detailing the present value of the investments  
13 and assets in the Oklahoma Long-Range Capital Planning Legacy Fund  
14 and the increase in value from the previous fiscal year.

15 E. Except as provided for in subsection F of this section, upon  
16 a determination by the Treasurer, through the report provided  
17 pursuant to subsection D of this section, of the increase in the  
18 value of the Oklahoma Long-Range Capital Planning Legacy Fund, the  
19 State Asset Legacy Commission, created pursuant to Section 2 of this  
20 act, may make a request for transfer of up to forty percent (40%) of  
21 the increase in value of the fund, not including any appropriations  
22 or apportionments to the fund, as determined by the Treasurer, not  
23 to exceed Seventy-five Million Dollars (\$75,000,000.00), to the  
24 State Asset Legacy Fund created pursuant to Section 2 of this act.

1 For fiscal year 2025 and subsequent fiscal years, subject to the  
2 availability of funds, the State Asset Legacy Commission may request  
3 an additional amount not to exceed Fifty Million Dollars  
4 (\$50,000,000.00) for transfer to the State Asset Legacy Fund.

5 F. Investment managers appointed pursuant to subsection B of  
6 this section shall maintain a reasonable proportion of liquid assets  
7 in the Oklahoma Long-Range Capital Planning Legacy Fund in order to  
8 facilitate any expected transfers requested pursuant to subsection E  
9 of this section. In the event the balance of the Oklahoma Long-  
10 Range Capital Planning Legacy Fund is insufficient or the cash  
11 available in the fund is insufficient due to lack of liquid assets  
12 to make the transfers required pursuant to subsection E of this  
13 section, the entire balance available for transfer shall be  
14 transferred to the fund.

15 SECTION 2. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 909 of Title 62, unless there is  
17 created a duplication in numbering, reads as follows:

18 A. There is hereby created the State Asset Legacy Fund. The  
19 fund shall be a continuing fund, not subject to fiscal year  
20 limitations, and shall consist of monies designated for deposit from  
21 the Oklahoma Long-Range Capital Planning Legacy Fund created  
22 pursuant to Section 1 of this act. All monies accruing to the  
23 credit of the fund are hereby appropriated and may be expended  
24 exclusively for maintaining and repairing state-owned properties and

1 buildings pursuant to the procedures set forth in subsection C of  
2 this section. Expenditures from the fund shall be made upon  
3 warrants issued by the State Treasurer against claims filed as  
4 prescribed by law with the Director of the Office of Management and  
5 Enterprise Services for approval and payment. Expenditures from the  
6 State Asset Legacy Fund shall be detailed in a data feed and made  
7 available through the data.ok.gov web portal.

8 B. There is hereby created the State Asset Legacy Commission to  
9 develop plans for expenditures from the State Asset Legacy Fund.  
10 The Commission shall consist of eleven (11) members as follows:

- 11 1. The members appointed to the Long-Range Capital Planning  
12 Commission created pursuant to Section 901 of Title 62 of the  
13 Oklahoma Statutes;
- 14 2. The Chancellor of Higher Education or a designee; and
- 15 3. The Executive Director of the Oklahoma Tourism and  
16 Recreation Department or a designee.

17 A chair of the Commission shall be elected from its membership.  
18 Six members of the Commission shall constitute a quorum. Members of  
19 the Commission shall serve without compensation, but shall be  
20 entitled to reimbursement, pursuant to the State Travel  
21 Reimbursement Act, for expenses incurred in the performance of their  
22 duties.

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1 C. The Commission shall develop three distinct five-year plans  
2 to provide for expenditures from the State Asset Legacy Fund as  
3 follows:

4 1. For the maintaining and repairing of state-owned properties  
5 and buildings of public institutions of higher learning. Twenty-  
6 five percent (25%) of deposits to the State Asset Legacy Fund shall  
7 be expended pursuant to this plan, which shall be subject to the  
8 following limitations:

9 a. thirty percent (30%) of the planned expenditures shall  
10 be for public research universities, and

11 b. seventy percent (70%) of the planned expenditures  
12 shall be for all other public institutions of higher  
13 learning;

14 2. For the maintaining and repairing of properties and  
15 buildings of state parks operated by the Oklahoma Tourism and  
16 Recreation Department. Fifteen percent (15%) of deposits to the  
17 State Asset Legacy Fund shall be expended pursuant to this plan; and

18 3. For the maintaining and repairing of all other state-owned  
19 properties and buildings. Sixty percent (60%) of deposits to the  
20 State Asset Legacy Fund shall be expended pursuant to this plan.

21 D. The plans created by the Commission pursuant to subsection C  
22 of this section shall supplement the existing plans created by the  
23 Long-Range Capital Planning Commission pursuant to Section 901 of  
24 Title 62 of the Oklahoma Statutes. The Commission shall biennially

1 update each five-year plan. Upon the creation of the plans and upon  
2 each update to the plans, the plans shall be submitted by electronic  
3 means to the Governor, the President Pro Tempore of the Senate, and  
4 the Speaker of the House of Representatives.

5 E. The Commission shall have the authority to promulgate rules  
6 and regulations necessary to implement the provisions of this act.

7 F. The Office of Management and Enterprise Services, with the  
8 advice and assistance of the Deputy Treasurer for Debt Management,  
9 shall provide staffing for the Commission and other such assistance  
10 as the Commission may require.

11 G. The five-year plans created pursuant to this section shall  
12 be subject to performance audits by the Legislative Office of Fiscal  
13 Transparency upon request by the oversight committee created  
14 pursuant to Section 8013 of Title 62 of the Oklahoma Statutes.

15 SECTION 3. AMENDATORY 68 O.S. 2021, Section 1353, as  
16 last amended by Section 2, Chapter 290, O.S.L. 2023 (68 O.S. Supp.  
17 2023, Section 1353), is amended to read as follows:

18 Section 1353. A. It is hereby declared to be the purpose of  
19 the Oklahoma Sales Tax Code to provide funds for the financing of  
20 the program provided for by the Oklahoma Social Security Act and to  
21 provide revenues for the support of the functions of the state  
22 government of Oklahoma, and for this purpose it is hereby expressly  
23 provided that, revenues derived pursuant to the provisions of the  
24 Oklahoma Sales Tax Code, subject to the apportionment requirements

1 for the Oklahoma Tax Commission and Office of Management and  
2 Enterprise Services Joint Computer Enhancement Fund provided by  
3 Section 265 of this title, shall be apportioned as follows:

4 1. Except as provided in ~~subsection~~ subsections C and D of this  
5 section, the following amounts shall be paid to the State Treasurer  
6 to be placed to the credit of the General Revenue Fund to be paid  
7 out pursuant to direct appropriation by the Legislature:

8 Fiscal Year	Amount
9 FY 2003 and FY 2004	86.04%
10 FY 2005	85.83%
11 FY 2006	85.54%
12 FY 2007	85.04%
13 FY 2008 through FY 2022	83.61%
14 FY 2023 through FY 2027	83.36%
15 FY 2028 and each fiscal year thereafter	83.61%;

16 2. The following amounts shall be paid to the State Treasurer  
17 to be placed to the credit of the Education Reform Revolving Fund of  
18 the State Department of Education:

- 19 a. for FY 2003, FY 2004 and FY 2005, ten and forty-two  
20 one-hundredths percent (10.42%),
- 21 b. for FY 2006 through FY 2020, ten and forty-six one-  
22 hundredths percent (10.46%),
- 23 c. for FY 2021:

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1 (1) for the month beginning July 1, 2020, through the  
2 month ending August 31, 2020, ten and forty-six  
3 one-hundredths percent (10.46%), and

4 (2) for the month beginning September 1, 2020,  
5 through the month ending June 30, 2021, eleven  
6 and ninety-six one-hundredths percent (11.96%),  
7 and

8 d. for FY 2022 and each fiscal year thereafter, ten and  
9 forty-six one-hundredths percent (10.46%);

10 3. The following amounts shall be paid to the State Treasurer  
11 to be placed to the credit of the Teachers' Retirement System  
12 Dedicated Revenue Revolving Fund:

13 Fiscal Year	Amount
14 FY 2003 and FY 2004	3.54%
15 FY 2005	3.75%
16 FY 2006	4.0%
17 FY 2007	4.5%
18 FY 2008 through FY 2020	5.0%
19 FY 2021:	

20 a. for the month beginning July  
21 1, 2020, through the month  
22 ending August 31, 2020 5.0%

23 b. for the month beginning  
24 September 1, 2020, through



1	the month ending June 30,	
2	2021	3.5%
3	FY 2022	5.0%
4	FY 2023 through FY 2027	5.25%
5	FY 2028 and each fiscal year thereafter	5.0%;

6 4. a. ~~except~~ Except as otherwise provided in subparagraph b  
7 of this paragraph, for the fiscal year beginning July  
8 1, 2022, and for each fiscal year thereafter, eighty-  
9 seven one-hundredths percent (0.87%) shall be paid to  
10 the State Treasurer to be further apportioned as  
11 follows:

12 (1) twenty-four percent (24%) shall be placed to the  
13 credit of the Oklahoma Tourism Promotion  
14 Revolving Fund, but in no event shall such  
15 apportionment exceed Five Million Dollars  
16 (\$5,000,000.00) in any fiscal year,

17 (2) forty-four percent (44%) shall be placed to the  
18 credit of the Oklahoma Tourism Capital  
19 Improvement Revolving Fund, but in no event shall  
20 such apportionment exceed Nine Million Dollars  
21 (\$9,000,000.00) in any fiscal year, and

22 (3) thirty-two percent (32%) shall be placed to the  
23 credit of the Oklahoma Route 66 Commission  
24 Revolving Fund, but in no event shall such

1                   apportionment exceed Six Million Six Hundred  
2                   Thousand Dollars (\$6,600,000.00) in any fiscal  
3                   year, and

4           b.   ~~any~~ Any amounts which exceed the limitations of  
5                   subparagraph a of this paragraph shall be placed to  
6                   the credit of the General Revenue Fund; and

7           5.   For the fiscal year beginning July 1, 2015, and for each  
8           fiscal year thereafter, six one-hundredths percent (0.06%) shall be  
9           placed to the credit of the Oklahoma Historical Society Capital  
10           Improvement and Operations Revolving Fund, but in no event shall  
11           such apportionment exceed the total amount apportioned pursuant to  
12           this paragraph for the fiscal year ending on June 30, 2015. Any  
13           amounts which exceed the limitations of this paragraph shall be  
14           placed to the credit of the General Revenue Fund.

15           B.   Provided, for the fiscal year beginning July 1, 2007, and  
16           every fiscal year thereafter, an amount of revenue shall be  
17           apportioned to each municipality or county which levies a sales tax  
18           subject to the provisions of Section 1357.10 of this title and  
19           subsection F of Section 2701 of this title equal to the amount of  
20           sales tax revenue of such municipality or county exempted by the  
21           provisions of Section 1357.10 of this title and subsection F of  
22           Section 2701 of this title. The Oklahoma Tax Commission shall  
23           promulgate and adopt rules necessary to implement the provisions of  
24           this subsection.

1 C. From the monies that would otherwise be apportioned to the  
2 General Revenue Fund pursuant to subsection A of this section, there  
3 shall be apportioned the following amounts:

4 1. For the month ending August 31, 2019:

5 a. Nine Million Six Hundred Thousand Dollars  
6 (\$9,600,000.00) to the credit of the State Highway  
7 Construction and Maintenance Fund created in Section  
8 1501 of Title 69 of the Oklahoma Statutes, and

9 b. Two Million Dollars (\$2,000,000.00) to the credit of  
10 the Oklahoma Railroad Maintenance Revolving Fund  
11 created in Section 309 of Title 66 of the Oklahoma  
12 Statutes;

13 2. For the month ending September 30, 2019:

14 a. Twenty Million Dollars (\$20,000,000.00) to the credit  
15 of the State Highway Construction and Maintenance Fund  
16 created in Section 1501 of Title 69 of the Oklahoma  
17 Statutes, and

18 b. Two Million Dollars (\$2,000,000.00) to the credit of  
19 the Oklahoma Railroad Maintenance Revolving Fund  
20 created in Section 309 of Title 66 of the Oklahoma  
21 Statutes;

22 3. For the month ending October 31, 2019:

23 a. Twenty Million Dollars (\$20,000,000.00) to the credit  
24 of the State Highway Construction and Maintenance Fund

1 created in Section 1501 of Title 69 of the Oklahoma  
2 Statutes, and

3 b. Two Million Dollars (\$2,000,000.00) to the credit of  
4 the Oklahoma Railroad Maintenance Revolving Fund  
5 created in Section 309 of Title 66 of the Oklahoma  
6 Statutes;

7 4. For the month ending November 30, 2019:

8 a. Twenty Million Dollars (\$20,000,000.00) to the credit  
9 of the State Highway Construction and Maintenance Fund  
10 created in Section 1501 of Title 69 of the Oklahoma  
11 Statutes, and

12 b. Two Million Dollars (\$2,000,000.00) to the credit of  
13 the Oklahoma Railroad Maintenance Revolving Fund  
14 created in Section 309 of Title 66 of the Oklahoma  
15 Statutes; and

16 5. For the month ending December 31, 2019:

17 a. Twenty Million Dollars (\$20,000,000.00) to the credit  
18 of the State Highway Construction and Maintenance Fund  
19 created in Section 1501 of Title 69 of the Oklahoma  
20 Statutes, and

21 b. Two Million Dollars (\$2,000,000.00) to the credit of  
22 the Oklahoma Railroad Maintenance Revolving Fund  
23 created in Section 309 of Title 66 of the Oklahoma  
24 Statutes.

1        D. For fiscal year 2029 and subsequent fiscal years, before any  
2 other apportionment otherwise required by this section is made to  
3 the General Revenue Fund, there shall be apportioned to the Oklahoma  
4 Long-Range Capital Planning Legacy Fund created pursuant to Section  
5 1 of this act the amount of Fifty Million Dollars (\$50,000,000.00).

6        SECTION 4. This act shall become effective July 1, 2024.

7        SECTION 5. It being immediately necessary for the preservation  
8 of the public peace, health or safety, an emergency is hereby  
9 declared to exist, by reason whereof this act shall take effect and  
10 be in full force from and after its passage and approval.

11 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
12 February 21, 2024 - DO PASS AS AMENDED  
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