

An Act

ENROLLED SENATE
BILL NO. 1049

By: Thompson and Rader of the
Senate

and

Wallace and Hilbert of the
House

An Act relating to public health and safety; amending 63 O.S. 2011, Sections 3202, 3203, 3204, 3207, 3208, as amended by Section 513, Chapter 304, O.S.L. 2012, 3210, 3221 and 3224, as amended by Section 1, Chapter 387, O.S.L. 2016 (63 O.S. Supp. 2018, Sections 3208 and 3224), which relate to the University Hospitals Authority and University Hospitals Trust; defining terms; modifying mission and purpose of University Hospitals; deleting provisions relating to transfer of University Hospitals; deleting obsolete language; modifying membership of University Hospital Authority; providing that members serve at pleasure of appointing authority; subjecting certain persons to Rules of Ethics Commission; modifying powers of University Hospitals Authority; clarifying application of Oklahoma State Finance Act; modifying requirement to submit certain monthly report; modifying provisions relating to selection of vendors and contractors; empowering Authority to authorize certain building demolition; modifying revenues to be deposited to University Hospitals Authority Disbursing Fund; granting certain powers and authority to University Hospitals Trust; amending 61 O.S. 2011, Section 207.2, as amended by Section 323, Chapter 304, O.S.L. 2012 (61 O.S. Supp. 2018, Section 207.2), which relates to public buildings and public works; exempting Authority and Trust from certain provisions; amending 74 O.S. 2011, Section 62.3, as last amended by Section 3, Chapter 309, O.S.L. 2016 (74 O.S. Supp. 2018, Section 62.3), which relates to

Oklahoma Surplus Property Act; exempting Authority and Trust from Act; repealing 63 O.S. 2011, Sections 3211 and 3212, as amended by Sections 514 and 515, Chapter 304, O.S.L. 2012, 3213.2, 3221.1 and 3223, as amended by Sections 516 and 517, Chapter 304, O.S.L. 2012, 3227, 3227.1, as amended by Section 518, Chapter 304, O.S.L. 2012 and 3228 (63 O.S. Supp. 2018, Sections 3211, 3212, 3221.1, 3223 and 3227.1), which relate to the University Hospitals Authority Act; and providing an effective date.

SUBJECT: Public health and safety

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

SECTION 1. AMENDATORY 63 O.S. 2011, Section 3202, is amended to read as follows:

Section 3202. As used in the University Hospitals Authority Act:

1. "University Hospitals" include the Oklahoma Memorial Hospital, which shall be renamed University Hospital; the Children's Hospital of Oklahoma; the Child Study Center; and the O'Donoghue Rehabilitation Institute;

2. "Authority" means the University Hospitals Authority;

3. "Department" means the Department of Human Services; ~~and~~

4. "Commission" means the Commission for Human Services or the Oklahoma Public Welfare Commission;

5. "University Hospital" means Everett Tower and the North Pavilion, which have been renamed as Children's Hospital at the University of Oklahoma Medical Center; and

6. "Children's Hospital of Oklahoma" means the Bielstein, Garrison, Nicholson and MRI towers which are no longer being used as hospitals.

SECTION 2. AMENDATORY 63 O.S. 2011, Section 3203, is amended to read as follows:

Section 3203. A. The purposes of the University Hospitals Authority Act are to provide for an effective and efficient administration, to ensure a dependable source of funding, and to effectuate the mission and purposes of the University Hospitals Authority. The mission and purposes of the University Hospitals are to serve as general hospitals, to serve as teaching and training facilities for students enrolled at the University of Oklahoma, to serve as a site for conducting ~~medical and biomedical~~ research by faculty members of the University of Oklahoma ~~Health Sciences Center~~ and to provide care for the medically indigent. The University Hospitals shall maintain a close affiliation with the University of Oklahoma Health Sciences Center and shall coordinate their operations and activities in a cooperative manner. In addition, the University Hospitals Authority shall provide indigent and nonindigent patient care, as more fully described herein.

B. The Legislature finds that the needs of the citizens of this state and the needs of the University of Oklahoma Health Sciences Center will be best served if the University Hospitals are operated by a separate Authority charged with the mission of operating or leasing the operations of the teaching hospitals for the benefit of the colleges of the University of Oklahoma Health Sciences Center and providing care for the medically indigent.

C. The University Hospitals Authority, by receiving the assets and operating obligations, shall ensure that the costs of delivering medically indigent care continue to be subsidized in excess of the state reimbursement for the medically indigent, consistent with the teaching hospitals' past policy and performance and that of the University of Oklahoma Health Sciences Center. The Authority shall make or cause to be made every reasonable effort to continue the hospitals' historic commitment to the provision of uncompensated care and that the allocation and investment of resources shall be made with a view to maximizing the hospitals' long-term ability to provide uncompensated care, except as may be modified by changes in

federal or state law. The University Hospitals Authority shall ensure that indigent care provided by the Oklahoma Medical Center during a fiscal year shall be equal to or exceed one hundred twenty percent (120%) of the annual appropriation to the University Hospitals Authority for indigent care. The level of indigent care provided shall be based on Medicare costs as determined by the most recent report filed by any operating entity of the University Hospitals with the federal Health Care Finance Administration.

D. As used in this section, "indigent care" means charity care, Medicaid contractual allowances, all debt arising from accounts for which there is no third-party coverage including services provided to the Department of Corrections and Department of Mental Health and Substance Abuse Services as otherwise required by law. For purposes of this subsection, third-party coverage shall not include Medicaid coverage.

E. The Board of Regents of the University of Oklahoma shall retain full power to govern the personnel, curriculum and facilities of the University of Oklahoma.

SECTION 3. AMENDATORY 63 O.S. 2011, Section 3204, is amended to read as follows:

Section 3204. A. Until July 1, 1993, the University Hospitals shall be under the jurisdiction, supervision, management and control of the Department of Human Services and the Commission for Human Services.

B. Effective July 1, 1993, the University Hospitals are hereby transferred from the Department of Human Services and the Commission for Human Services to the University Hospitals Authority.

C. The transfer shall include:

1. All powers, duties, responsibilities, properties, assets, fund balances, encumbrances, obligations, records, personnel and liabilities, including, but not limited to, liability for all University Hospital employees' sick leave, annual leave, holidays, unemployment benefits and workers' compensation benefits accruing to employees prior to July 1, 1993, which are attributable to the University Hospitals; provided, however, that any claims arising

under the Governmental Tort Claims Act and filed prior to July 1, 1993, and from any other actions filed prior to July 1, 1993, shall remain the responsibility of the Department of Human Services and the Commission for Human Services. All claims arising prior to July 1, 1993 and for which no action has been filed shall be paid by the Risk Management Program;

~~2. The attorney employed by the Department of Human Services who provides legal representation for the University Hospitals Authority facilities. The Authority shall make such attorney available, at the request of the Department, for purposes of resolving and terminating any claims arising from alleged medical malpractice and other actions filed prior to July 1, 1993. The Authority and the Department of Human Services shall enter into an interagency agreement for the purpose of assisting the Department in resolving claims and other actions;~~

~~3.~~ Children's Hospital of Oklahoma and all buildings and appurtenances located on land which is described as follows: Blocks B, 3, 4, 12 and 13, and the North 30 feet of Block 14; and Lots 6 through 15, Block 21, CULBERTSON HEIGHTS ADDITION less and except the West 7 feet of Lot 5 and all of Lots 6 through 19, and the East 5 feet of Lot 20 and the North 59.5 feet of Lots 21 through 26, and the North 59.5 feet of the West 49.5 feet of Lot 27, all in Block 13, CULBERTSON HEIGHTS ADDITION to the City of Oklahoma City, Oklahoma, and also less and except the West 106 feet of the vacated Northeast 12th Street abutting said Block 13; and a part of Block 20, CULBERTSON HEIGHTS ADDITION and a part of the alleys adjacent thereto, and a part of the SW 1/4, Section 26, T12N, R3W, I.M., and a part of the SE 1/4, Sec. 27, T12N, R3W, I.M., Oklahoma County, Oklahoma, and a part of vacated Kelley Avenue adjacent thereto, more particularly described as follows: Commencing at the NE corner of Block 20, CULBERTSON HEIGHTS ADDITION, Oklahoma City, Oklahoma, thence S. 0 degrees 03' 34" E. and along the East line of said Block 20 and along the West Right-of-Way line of Stonewall Avenue a distance of 10 ft. to the point or place of beginning; thence continuing S. 0 degrees 03' 34" E. and along the East line of said Block 20 and along the West Right-of-Way line of Stonewall Avenue a distance of 341.27 ft., thence N. 89 degrees 54' 35" W. a distance of 520.10 ft., thence N. 0 degrees 11' 08" E. a distance of 18.0 ft.; thence N. 89 degrees 48' 52" W. a distance of 12.0 ft.; thence N. 0 degrees 11' 08" E. a distance of 6 ft.; thence N. 89 degrees

48' 52" W. a distance of 21.5 ft., thence N. 0 degrees 11' 08" E. a distance of 22.5 ft., thence N. 89 degrees 48' 52" W. a distance of 286.5 ft., thence N. 89 degrees 48' 52" W. a distance of 27.00 feet; thence N. 0 degrees 12' 03" E. a distance of 72.50 feet; thence N. 89 degrees 48' 51" W. a distance of 25.65 feet; thence N. 23 degrees 29' 12" W. a distance of 250.50 feet to a point on the South Right-of-Way line of N.E. 13th Street; thence S. 89 degrees 48' 51" E. and along the South Right-of-Way line of N.E. 13th Street a distance of 649.76 feet; to a point in the East line of said SE 1/4 of Section 27, T12N, R3W, thence S. 0 degrees 06' 23" W. along the East line of said Section 27, a distance of 10.0 ft., thence N. 89 degrees 33' 42" E. and parallel to and 10 ft., South of the North line of said Block 20 of said CULBERTSON HEIGHTS ADDITION a distance of 342.10 ft. to the point or place of beginning; and

4.

3. a. Oklahoma Memorial Hospital and all buildings and appurtenances located on land which is described as follows: A part of the South Half of the Southeast Quarter of Section 27, T12N, R3W of the Indian Meridian AND a part of the North Half of the Northeast Quarter of Section 34, T12N, R3W, of the Indian Meridian, all in Oklahoma County, Oklahoma, more particularly described as follows: Beginning at the Southwest corner of Block 13, HOWE'S CAPITOL ADDITION; thence N. 0 degrees 10' 36" E. along the East line of Phillips Avenue a distance of 674.64 feet to a point on the Southline of Northeast 13th Street; thence S. 89 degrees 48' 51" E. along the South line of said Northeast 13th Street a distance of 620.30 feet; thence S. 23 degrees 29' 12" E. a distance of 250.50 feet; thence S. 89 degrees 48' 51" E. a distance of 25.65 feet; thence S. 0 degrees 12' 03" W. a distance of 72.50 feet; thence S. 89 degrees 48' 51" E. a distance of 27.00 feet; thence S. 00 degrees 12' 03" W. a distance of 443.57 feet; thence S. 89 degrees 43' 03" E. a distance of 32.95 feet; thence S. 00 degrees 14' 28" W. along the East line of a retaining wall a distance of 733.66 feet to a point on the South line of Block 1 of OAK PARK ADDITION; thence S. 89 degrees 52' 55" W. along the South line of Blocks 1 and 7 of

OAK PARK ADDITION a distance of 810.11 feet to the Southwest corner of said Block 7; thence N. 00 degrees 10' 36" E. along the West line of said Block 7, OAK PARK ADDITION a distance of 213.87 feet; thence N. 89 degrees 49' 24" W. a distance of 3.40 feet; thence N. 00 degrees 10' 36" E. along the West line of Block 24, HOWE'S CAPITOL ADDITION a distance of 190.00 feet; thence S. 89 degrees 49' 24" E. a distance of 8.10 feet; thence N. 00 degrees 10' 36" E. along the West line of Block 18, HOWE'S CAPITOL ADDITION a distance of 405.00 feet to the Point of Beginning and containing 1,146,572 Square Feet or 26.32 Acres more or less;

- b. That portion of the property described in subparagraph a known as the Research Building shall be transferred to the Authority, but shall be leased to the University of Oklahoma for a term of not less than forty (40) years from the date thereof; and
- c. All of Blocks 1 and 2 of Culbertson Heights Addition, and all of Block 3 and Lots 3 through 20 and the North 50 feet of Lots 21 through 38 of Block 12, Oak Park Addition to the City of Oklahoma City, Oklahoma, including the encompassed and abutting portions of the vacated Northeast 11th Street, Park Place and Northeast 10th Street, and the abutting portion of Everest Avenue and the alley way in Block 12 of the said Oak Park Addition.

D. Properties to be retained by the Department of Human Services include:

1. The Service Center Building and land located on: The South 100 feet of Block 12 and all of Block 17, Oak Park Addition to the City of Oklahoma City, Oklahoma, including the encompassed or abutting portions of vacated Everest Avenue and Northeast 9th Street. (219,300 sq. ft., 5.03 acres); and

2. The Management Information Division Building and land located on: The West 7 feet of Lot 5 and all of Lots 6 through 19, and the East 5 feet of Lot 20 and the North 59.5 feet of Lots 21

through 26, and the North 59.5 feet of the West 49.5 feet of Lot 27, all in Block 13, Culbertson Heights Addition to the City of Oklahoma City, Oklahoma, and also including the West 106 feet of the vacated Northeast 12th Street abutting said Block 13. (82,199 sq. ft., 1.89 acres).

E. Appropriate conveyances shall be executed to effectuate the transfers specified by subsections B, C and D of this section.

SECTION 4. AMENDATORY 63 O.S. 2011, Section 3207, is amended to read as follows:

Section 3207. A. There is hereby created the University Hospitals Authority, an agency of the State of Oklahoma, a body corporate and politic, with powers of government and with the authority to exercise the rights, privileges and functions as specified in the University Hospitals Authority Act. The University Hospitals Authority is an agency of the State of Oklahoma covered by the Governmental Tort Claims Act.

B. The Authority shall consist of six (6) members as follows:

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

2. One member shall be appointed by the President Pro Tempore of the Senate;

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

4. One member shall be the ~~Director for Human Services or the director of the successor organization responsible for Medicaid Administrator of the Oklahoma Health Care Authority~~, or his or her designee;

5. One member shall be the Provost of the University of Oklahoma Health Sciences Center; and

6. The Chief Executive Officer of the University Hospitals Authority who shall be an ex officio, nonvoting member.

~~C. All members shall be appointed by June 1, 1993. Of the members of the Authority initially appointed, the member appointed by the President Pro Tempore of the Senate shall serve a term of one (1) year; the member appointed by the Speaker of the House of Representatives shall serve a term of two (2) years; and the member appointed by the Governor shall serve a term of three (3) years. Successors shall be appointed for terms of three (3) years.~~

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

~~E. Members~~ D. Each appointed member shall ~~be removable only for cause by the~~ serve at the pleasure of his or her appointing authority and be removed or replaced without cause. Members serving on November 1, 2019, shall continue serving unless and until another appointment is made by the appointing authority. Any vacancy occurring on the Authority shall be filled by the original appointing authority.

~~F.~~ E. The members of the Authority shall serve without compensation but may be reimbursed for all actual and necessary travel expenses incurred in performance of their duties in accordance with the provisions of the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

~~G.~~ F. All members of the Authority and administrative personnel of the Authority shall be subject to the Rules of the Ethics Commission and the provisions of the Oklahoma Ethics Commission Act, Section 4200 et seq. of Title 74 of the Oklahoma Statutes.

~~H.~~ G. A quorum of the Authority shall be three (3) voting members. Members shall elect a chair and vice chair for the Authority from among its members. The chair must be an appointed member of the Authority.

~~I.~~ H. The Authority shall be subject to the Open Meeting Act, Section 301 et seq. of Title 25 of the Oklahoma Statutes, and the Open Records Act, Section 24A.1 et seq. of Title 51 of the Oklahoma Statutes, except as otherwise provided by this act. Any information submitted to or compiled by the Authority except for budgetary information related to appropriations or the appropriations process with respect to the marketing plans, financial statements, trade

secrets, research concepts, methods or products, or any other proprietary information of the Authority, persons, firms, associations, partnerships, agencies, corporations, institutions of higher education, nonprofit research institutions or other entities shall be confidential, except to the extent that the person or entity which provided such information or which is the subject of such information consents to disclosure. Executive sessions may be held to discuss such materials if deemed necessary by the Authority.

SECTION 5. AMENDATORY 63 O.S. 2011, Section 3208, as amended by Section 513, Chapter 304, O.S.L. 2012 (63 O.S. Supp. 2018, Section 3208), is amended to read as follows:

~~Section 3208. A. On and after June 1, 1993, and until July 1, 1993, in order to effectuate the transfer of the University Hospitals from the Commission for Human Services and the Department of Human Services to the University Hospitals Authority, the Authority shall have the powers and duties to:~~

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

~~2. Adopt an official seal;~~

~~3. Maintain an office at the University Hospitals;~~

~~4. Make and enter into all contracts necessary or incidental to the performance of its duties and the execution of its powers pursuant to the University Hospitals Authority Act;~~

~~5. Appoint such officers, agents and employees, including but not limited to attorneys, as it deems necessary to implement the provisions of this subsection to prescribe their duties and to fix their compensation; and~~

~~6. Establish petty cash funds and provide for appropriate accounting procedures and controls.~~

~~B. On and after July 1, 1993, the The Authority shall have the power and duty to:~~

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

2. Adopt an official seal;

3. Maintain an office at the University Hospitals;

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

5. Establish rates of payment for hospital and clinical services, which shall provide for exceptions and adjustments in cases where the recipients of services are unable to pay and for whom no third party source of payment is available, and to establish different rates of payment for indigent and nonindigent care;

6. Enter into cooperative agreements with the Board of Regents of the University of Oklahoma for educational programs, professional staffing, research and other medical activities and to pass through funds appropriated by the Legislature consistent with past practice;

7. Make and enter into all contracts necessary or incidental to the performance of its duties and the execution of its powers pursuant to the University Hospitals Authority Act;

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

9. Acquire by purchase, lease, gift, or by any other manner, and to maintain, use and operate or to contract for the maintenance, use and operation of or lease of any and all property of any kind, real, personal, or mixed or any interest therein unless otherwise provided by the University Hospitals Authority Act;

10. Appoint such officers, agents and employees, including but not limited to attorneys, architects and construction managers, as it deems necessary to operate and maintain the University Hospitals and to prescribe their duties and to fix their compensation. ~~The Authority shall employ and fix the duties and compensation of an administrator of the hospitals.;~~

11. Accept grants from the United States of America, or from any corporation or agency created or ~~designed~~ designated by the United States of America, and, in connection with any such grant, to enter into such agreements as the United States of America or such corporation or agency may require;

12. Make and issue bonds and to pledge revenues of the Authority subject to the Oklahoma Bond Oversight and Reform Act. Nothing in the University Hospitals Authority Act shall authorize the issuance of any bonds of the Authority payable other than from revenues of the University Hospitals. Funds appropriated to the University Hospitals shall not be used for issuance of bonds. Authority revenue bonds issued under the provisions of ~~this act~~ the University Hospitals Authority Act shall not at any time be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any political subdivision, but such bonds shall be payable solely from the funds herein provided. Such revenue bonds shall contain on the face thereof a statement to the effect that neither the state nor the Authority shall be obligated to pay the same or the interest thereon except from the revenues of the project or projects for which they are issued and that neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged, or may hereafter be pledged, to the payment of the principal of or the interest on such bonds. The maximum amount of outstanding bonds at any time shall not exceed Fifty Million Dollars (\$50,000,000.00) unless a greater amount is expressly approved by the Legislature by a concurrent resolution adopted prior to commencing any action in anticipation of issuance of revenue bonds of the University Hospitals Authority for the greater amount;

13. Provide for complete financial audits on all accounts of the University Hospitals Authority and to authorize periodic audits by an independent external auditing agency. Such audits to be performed annually in a format approved by the State Auditor and Inspector and all such audits shall be submitted to the State Auditor and Inspector for review. Such audits shall be made in accordance with generally accepted auditing standards and government auditing standards. Financial statements shall be prepared in accordance with generally accepted accounting ~~principals~~ principles. In addition to said audits, the State Auditor and Inspector,

whenever he or she deems it appropriate, and at least once each five (5) years, or upon receipt of a request to do so from the Governor, the Attorney General, the President Pro Tempore of the Senate, the Speaker of the House of Representatives or the Authority shall conduct a special audit of the Authority and the University Hospitals;

14. Engage in long-term planning for the operation and management of the University Hospitals;

15. Establish petty cash funds and provide for appropriate accounting procedures and controls;

16. Contract with national manufacturers, wholesalers and distributors of equipment, drugs and medical supplies when appropriate to carry out the purposes of ~~this act~~ the University Hospitals Authority Act;

17. Do all other things necessary and proper to implement the provisions of the University Hospitals Authority Act;

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

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

20. Adopt policies for the disposal of surplus property.

~~C. B.~~ The University Hospitals Authority ~~and the University Hospitals~~ shall be subject to the Oklahoma State Finance Act, Section 34 et seq. of Title 62 of the Oklahoma Statutes.

~~D. C.~~ The Authority shall prepare monthly a "budget vs. actual" report which shows by budget activity the monthly and year-to-date revenues and expenditures compared to budgeted revenues and expenditures. Such report shall be submitted upon request to the Office of Management and Enterprise Services and to the Directors of

the House of Representatives Fiscal Division and the Senate Fiscal Division.

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

~~F.~~ ~~The Department of Human Services Institutional Maintenance and Construction Unit and the Architecture and Engineering Planning Unit should be given first priority to be vendor for the University Hospitals Authority for construction and remodeling projects which fall within their scope of services.~~

E. The Authority may enter into contracts for construction and remodeling projects ~~with another contractor only after compliance with all other in accordance with~~ applicable statutes and ~~after making a specific finding that another contractor is more competitive~~ its own administrative rules. The Authority shall have the power to authorize the demolition of any building owned by the Authority upon a finding that the building is no longer suitable for the purposes for which it was intended and that a renovation of the building is not economically justifiable.

~~G.~~ F. The Authority ~~shall continue to~~ may provide space, utilities and janitorial services to the Department of Human Services Institutional Maintenance and Construction Architecture and Engineering Planning Unit.

SECTION 6. AMENDATORY 63 O.S. 2011, Section 3210, is amended to read as follows:

Section 3210. A. ~~Effective July 1, 1993, the University Hospitals, subject to the direction of the~~ The University Hospitals Authority, shall have the authority to:

1. Enter into agreements and cooperative ventures with other health care providers to share services or to provide a benefit to the hospitals;

2. Make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers pursuant to the University Hospitals Authority Act;

3. Join or sponsor ~~membership in~~ organizations or associations intended to benefit the hospitals;

4. Have members of its governing body or its officers or administrators serve without pay as directors or officers of any organization, association or cooperative ventures authorized pursuant to the University Hospitals Authority Act; and

5. Offer, directly or indirectly, products and services of the hospitals, any cooperative venture or organization to the general public.

B. All agreements and obligations undertaken, as permitted under this section, by the University Hospitals Authority shall be for a public purpose. In addition to any other limitations, conditions or restrictions provided by law, the following conditions shall apply to contractual agreements entered into pursuant to this section:

1. Private and public funds shall be accounted for separately; and

2. The state does not assume any liability for private entities.

SECTION 7. AMENDATORY 63 O.S. 2011, Section 3221, is amended to read as follows:

Section 3221. A. There is hereby created in the State Treasury a revolving fund for the University Hospitals Authority, to be designated the "University Hospitals Authority Disbursing Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of appropriated revenues, revenues earned by the Authority, donations and federal entitlements. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the University Hospitals Authority.

B. Following the execution of a lease of real properties under the jurisdiction of the University Hospitals Authority to the University Hospitals Trust pursuant to Section 3226 of this title,

monies from the fund may be expended by the Authority for the fiscal year ending June 30, 1998, for the operations of the Authority after the execution of the lease to the University Hospitals Trust for payment of any costs to the Authority associated with the transfer of operations of facilities under the jurisdiction of the Authority, and legal obligations of the Authority. After July 1, 1998, the operation of the Authority may be funded from the interest earned by the fund.

C. After July 1, 2010, the principal and interest earned on the fund may be expended by the Authority for the operation of the Authority and for the completion of the mission of the Authority.

D. It is the intent of the Legislature to restore the fund to the June 30, 2010, balance in the event that the state resumes operations of any of the facilities operated by the Authority prior to a lease being executed.

SECTION 8. AMENDATORY 63 O.S. 2011, Section 3224, as amended by Section 1, Chapter 387, O.S.L. 2016 (63 O.S. Supp. 2018, Section 3224), is amended to read as follows:

Section 3224. A. The State of Oklahoma expressly approves the creation of a public trust to be denominated the "University Hospitals Trust", of which the State of Oklahoma shall be the beneficiary, provided such approval shall be contingent upon the following conditions being satisfied:

1. Finalizing of the Declaration of Trust;
2. Adoption of the Declaration of Trust by an official action of the trustees of the Trust;
3. Submission of the Trust for acceptance of the beneficial interest and approval as required by Section 177 of Title 60 of the Oklahoma Statutes; and
4. The approved Declaration of Trust shall:
 - a. clearly state that the principal purpose of the University Hospitals Trust is to effectuate the

purposes of the University Hospitals Authority as established in the University Hospitals Authority Act,

- b. except as otherwise provided by law, provide that the fee simple title to real property held by the University Hospitals Authority shall not be transferred, conveyed, or assigned to the University Hospitals Trust without the express consent of the Legislature as the governing entity of the beneficiary pursuant to Section 176 of Title 60 of the Oklahoma Statutes,
- c. provide that any indebtedness incurred by the University Hospitals Trust or the trustees of the Trust shall not be secured with or create a lien upon real property to which title is held by the University Hospitals Authority and shall not involve the bonding capacity of the University Hospitals Authority,
- d. provide that the trust estate of the University Hospitals Trust shall not include fee simple title to real property owned by the University Hospitals Authority,
- e. clearly state that the creation of the University Hospitals Trust shall not in any way reduce, limit or interfere with the power granted to the University Hospitals Authority in the University Hospitals Authority Act,
- f. provide that any lease or contractual agreement involving use of the real property to which title is held by the University Hospitals 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 University Hospitals Trust shall be the acting members of the University Hospitals Authority as provided in the University Hospitals Authority Act, and

- h. provide that the trustees of the University Hospitals 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 function of effectuating the purposes of the University Hospitals Authority, as established in the University Hospitals Authority Act.

B. The University Hospitals Trust shall require any agreements which it enters into with any entity pursuant to Section 3226 of this title for the operations of facilities leased by the University Hospitals Authority to the Trust to include, but not be limited to:

1. The inclusion of four of the five members of the Trust as four of the five members representing the State of Oklahoma as state appointees to the governing committee created pursuant to a proposed agreement;

2. Binding arbitration shall not be involved in such agreements for resolving issues under consideration by the governing committee; and

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

- a. approval of the annual operating and capital budgets,
- b. sale or disposition of assets that individually have a fair market value over Two Hundred Fifty Thousand Dollars (\$250,000.00),

- c. the termination or transfer or material addition or material diminution of medical services at the Oklahoma Medical Center related to and part of a teaching program of the University of Oklahoma Health Sciences Center, and
- d. other major decisions as may be agreed upon by the Trust and the private entity.

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

D. In the event the Trust enters into a joint venture or acquires an interest in a not-for-profit entity to effectuate the administration of the mission of the Trust, that entity shall not be subject to the Oklahoma Open Meeting Act and the Oklahoma Open Records Act. Any information submitted to or compiled by the Trust with respect to marketing plans, financial statements, trade secrets, research concepts, methods or products or any other proprietary information submitted to or compiled by the Trust, persons, firms, associations, partnerships, agencies, corporations, institutions of higher education, nonprofit research institutions or other entities shall be confidential, except to the extent that the person or entity which provided such information or which is the subject of such information consents to disclosure. Executive sessions may be held to discuss such materials if deemed necessary by the Trust. The provisions of this subsection shall not apply to budgetary information related to appropriations or the appropriations process.

E. In addition to the powers and exemptions granted to state beneficiary public trusts organized under Section 176 et seq. of Title 60 of the Oklahoma Statutes, the Trust shall possess all the statutory powers and exemptions provided to the University Hospitals Authority.

F. The Trust shall have the authority or may contract with a joint operator or with a foundation supporting the programs of Children's Hospital to sell naming rights to property owned or

leased by the Trust, provided proceeds from the sale of naming rights are used to effectuate the purposes of the University Hospitals Authority as established in the University Hospitals Authority Act and are specifically approved by the Trust, which shall have absolute discretion in granting or denying naming rights. Naming rights shall not include any interest in the property by the purchaser other than the naming rights.

SECTION 9. AMENDATORY 61 O.S. 2011, Section 207.2, as amended by Section 323, Chapter 304, O.S.L. 2012 (61 O.S. Supp. 2018, Section 207.2), is amended to read as follows:

Section 207.2. A. Except as provided by subsection B of this section, no state agency shall employ, either temporary or full-time, any person engaged in the practice of architecture, engineering or land surveying for the purpose of planning or performing any construction upon any real property belonging to the agency or to the state, or upon any real property of which this state will assume possession or ownership by contract, option to purchase agreement, lease, or otherwise. The term "practice of architecture" shall be defined as those activities of an architect as provided for in Section 46.3 of Title 59 of the Oklahoma Statutes. The terms "practice of engineering" or the "practice of land surveying" shall be defined as such terms are defined by Section 475.2 of Title 59 of the Oklahoma Statutes.

B. The provisions of subsection A of this section shall not apply to:

1. The Department of Human Services;
2. The Oklahoma Tourism and Recreation Department;
3. The State Department of Health insofar as the monitoring of permitted health care facility construction for licensing purposes;
4. The Oklahoma Historical Society insofar as the monitoring of historical site preservation and authenticity;
5. The Office of Management and Enterprise Services;

6. The State Department of Education and the public schools subject to its jurisdiction;

7. The Department of Transportation;

8. The Oklahoma State System of Higher Education;

9. The Military Department of the State of Oklahoma;

10. The Oklahoma Municipal Power Authority;

11. The Department of Public Safety gun range; ~~and~~

12. CompSource Oklahoma if CompSource Oklahoma is operating pursuant to a pilot program authorized by Sections 3316 and 3317 of Title 74 of the Oklahoma Statutes; and

13. The University Hospitals Authority and University Hospitals Trust.

SECTION 10. AMENDATORY 74 O.S. 2011, Section 62.3, as last amended by Section 3, Chapter 309, O.S.L. 2016 (74 O.S. Supp. 2018, Section 62.3), is amended to read as follows:

Section 62.3. A. The Director of the Office of Management and Enterprise Services shall promulgate rules for use by state agencies and the Office of Management and Enterprise Services to dispose of surplus property. The rules shall include standards for recordkeeping, methods for removal or disposal of surplus property, and acquisition by state agencies and authorized entities of surplus property, and for Office management of surplus property programs.

B. A state agency selling, trading, redistributing or otherwise disposing of surplus property shall comply with the rules promulgated by the Director.

C. The Office shall make surplus property available to state agencies and authorized entities, which shall include political subdivisions, school districts, and nonprofit entities of this state.

D. The provisions of the Oklahoma Surplus Property Act shall not apply to institutions of higher education in this state, the Oklahoma Historical Society, the University Hospitals Authority or University Hospitals Trust or the Northeast Oklahoma Public Facilities Authority. The Grand River Dam Authority shall be exempt from the provisions of the Oklahoma Surplus Property Act for any surplus property disposed of prior to November 1, 2006. CompSource Oklahoma shall be exempt from the provisions of the Oklahoma Surplus Property Act if CompSource Oklahoma is operating pursuant to a pilot program authorized by Sections 3316 and 3317 of this title.

E. Notwithstanding the provisions of the Oklahoma Surplus Property Act, the Oklahoma State Bureau of Investigation may, pursuant to rules promulgated by the Oklahoma State Bureau of Investigation Commission for that purpose, donate any surplus property, as defined in Section 62.2 of this title, to any law enforcement agency of any political subdivision of the State of Oklahoma. The use of such donated equipment shall be limited to valid and authorized law enforcement efforts by the receiving agency.

SECTION 11. REPEALER 63 O.S. 2011, Sections 3211 and 3212, as amended by Sections 514 and 515, Chapter 304, O.S.L. 2012, 3213.2, 3221.1 and 3223, as amended by Sections 516 and 517, Chapter 304, O.S.L. 2012, 3227, 3227.1, as amended by Section 518, Chapter 304, O.S.L. 2012 and 3228 (63 O.S. Supp. 2018, Sections 3211, 3212, 3221.1, 3223 and 3227.1), are hereby repealed.

SECTION 12. This act shall become effective November 1, 2019.

Passed the Senate the 20th day of May, 2019.

Presiding Officer of the Senate

Passed the House of Representatives the 22nd day of May, 2019.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____