

STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

HOUSE BILL NO. 1513

BY: WILLIAMS

AS INTRODUCED

AN ACT RELATING TO PUBLIC FINANCE; PROVIDING MAXIMUM RATE OF INTEREST FOR CERTAIN BONDS; PROVIDING MINIMUM SALES PRICE; PROVIDING CERTAIN ISSUANCE PROCEDURES; PROVIDING SALES PROCEDURES; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 800 of Title 62, unless there is created a duplication in numbering, reads as follows:

Bonds authorized to be issued pursuant to Section 35 of Article X of the Oklahoma Constitution by municipalities and counties shall:

1. Bear interest at not to exceed fourteen percent (14%) per annum;
2. Be sold for not less than ninety-eight percent (98%) of par with accrued interest added, and any and all commission allowed any firm, person or corporation for the sale of such bonds must, after being deducted from the sum total for which said bonds are sold, leave in the treasury the sum equal to the par value and accrued interest thereof; and
3. Be made to mature in installments such that the annual maturing principal plus interest shall be as nearly equal as

practicable throughout the term of the issue, with principal beginning to mature not less than two (2) nor more than five (5) years after their date and the final maturity thereof shall be no later than thirty (30) years after their date. The denomination of said bonds shall be One Hundred Dollars (\$100.00) or multiples thereof.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 801 of Title 62, unless there is created a duplication in numbering, reads as follows:

Whenever bonds authorized to be issued pursuant to Section 35 of Article X of the Oklahoma Constitution shall be made or ordered by any county, city or town, the proper officers, before selling such bonds, shall cause at least ten (10) days' notice to be given of the time and place when and where bids therefor will be received. The notice shall be signed by the county clerk if issued by a county, and by the clerk of any city or town as the case may be, and shall be published once a week for two (2) consecutive weeks in a legally-qualified newspaper published in such political subdivision and if there is no such newspaper then in a legally-qualified newspaper of general circulation in such political subdivision; provided that the date mentioned in such notice for the sale of such bonds shall not be less than ten (10) days after the first publication thereof. The bonds shall be sold to the bidder who will pay therefor at least ninety-eight percent (98%) of par plus accrued interest and who stipulates in the bid the lowest rate of interest which such bonds shall bear determined by calculating the total amount of interest to be paid over the life of the issue and adding thereto the difference between the amount bid and par if the bid is for less than par and sustaining therefrom said difference if that bid is for more than par. Upon the acceptance of such bid, the bonds shall be issued in accordance therewith and shall be delivered to said purchaser upon payment of the purchase price thereof; provided, that each bidder

shall submit with the bid a sum in cash or its equivalent, equal to two percent (2%) of the bid, and upon the acceptance of any bid, such deposit shall become the property of the county or municipality selling said bonds, and shall be credited on the purchase price thereof, upon the understanding that if the purchaser shall fail for five (5) days after tender of the bonds to pay the balance of the purchase price, the sale is annulled and the deposit is retained by the governing body of such county or municipality and credited to the account for which such bonds are being issued and shall be used accordingly. No tender of the bonds shall be valid until after the expiration of the period of contestability, as now provided by law. All other deposits shall be returned. The governing body selling such bonds shall have the right to reject all bids and readvertise the bonds for sale.

SECTION 3. This act shall become effective September 1, 1991.

43-1-5437

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