

STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

SENATE BILL NO. 199

BY: HERBERT

AS INTRODUCED

AN ACT RELATING TO PUBLIC FINANCE; REQUIRING ALL STATE AND LOCAL BONDS AND OTHER CERTIFICATES OF INDEBTEDNESS, CERTIFICATES OF PARTICIPATION AND OTHER FORMS OF INDEBTEDNESS BE SOLD BY PUBLIC SALE; REQUIRING NOTICE AND SPECIFYING CONTENTS OF NOTICE; REQUIRING AWARD TO CERTAIN LOWEST BIDDER; PROVIDING FOR COMPUTATION OF LOWEST NET INTEREST COST; AUTHORIZING AGENCY TO REJECT BIDS AND READVERTISE SALE; ALLOWING AGENCY TO SELL BONDS, OTHER CERTIFICATES OF INDEBTEDNESS, CERTIFICATES OF PARTICIPATION AND OTHER FORMS OF INDEBTEDNESS BY DIRECT OR PRIVATE PLACEMENT UNDER CERTAIN CIRCUMSTANCES AND CONDITIONS; PROVIDING FOR CODIFICATION; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

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 17 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. Notwithstanding any other provision of law, in each instance of the issuance of general obligation or revenue bonds or any other certificates of indebtedness, certificates of participation or any other forms of indebtedness which are issued on or after the effective date of this act by the State of Oklahoma or any political subdivision thereof, or any trust, authority or other agency on behalf of any such entity, the bonds, other certificates of indebtedness, certificates of participation or other forms of indebtedness shall be sold only by public sale on sealed bids. Notice of such sale shall be published at least twenty (20) days prior to the date fixed for the sale. The notice shall be published for at least two (2) consecutive weeks in a newspaper having general circulation in this state and at least once in a financial periodical or newspaper known to have general circulation among bond dealers and purchasers. The notice shall state the time and place when and where the agency will receive written bids for the purchase of the bonds or other certificates of indebtedness, certificates of participation or other forms of indebtedness. The notice may contain such other conditions, information and details as the agency deems appropriate and desirable to secure understanding of the offer and to ensure maximum competition among bidders.

B. The agency shall award the sale, if any, to the bidder offering to purchase the bonds or other certificates of indebtedness, certificates of participation or other forms of indebtedness at a price which results in the lowest net interest cost as determined by computing the total interest cost from date to maturity, and deducting therefrom any premium bid and adding thereto the amount of any discount bid. The agency shall reserve the right to reject all bids submitted and to readvertise the bonds or other

certificates of indebtedness, certificates of participation or other forms of indebtedness for sale.

C. If no bids are received or, after readvertising the sale, if in the judgment of the agency, after reviewing all bids received, lower costs would be incurred if the bonds or other certificates of indebtedness, certificates of participation or other forms of indebtedness were sold by negotiation, the agency may sell the bonds or other certificates of indebtedness, certificates of participation or other forms of indebtedness by direct or private placement sale. Provided, the negotiation of direct or private placement shall be on the same terms as the published request for competitive bid.

SECTION 2. This act shall become effective July 1, 1991.

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

43-1-401

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