

STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

SENATE BILL NO. 439

BY: CAPPS

AS INTRODUCED

AN ACT RELATING TO PUBLIC FINANCE AND STATE

GOVERNMENT; AMENDING SECTION 14, CHAPTER 374,
O.S.L. 1989, AS AMENDED BY SECTION 5, CHAPTER 342,
O.S.L. 1990 (62 O.S. SUPP. 1990, SECTION 695.11A),
WHICH RELATES TO THE BOND OVERSIGHT COMMISSIONS;
CONFIRMING, RATIFYING, VALIDATING AND DEEMING
INCONTESTABLE CERTAIN ACTIONS OF BOND OVERSIGHT
COMMISSIONS; DECLARING CERTAIN DETERMINATION SHALL
NOT NULLIFY CERTAIN OBLIGATIONS; DECLARING IF
CERTAIN DETERMINATION IS MADE SUCH OBLIGATIONS ARE
CONFIRMED, RATIFIED, VALIDATED AND DEEMED
INCONTESTABLE; PROVIDING FOR DEBT SERVICE RESERVE
FOR CERTAIN BONDS AND AUTHORIZING THE OKLAHOMA
DEVELOPMENT FINANCE AUTHORITY AND THE OKLAHOMA
STATE BOND ADVISER TO TAKE CERTAIN ACTIONS;
LIMITING AMOUNT OF CERTAIN INCREASES; REPEALING
SECTION 90, CHAPTER 222, O.S.L. 1987 (74 O.S. SUPP.
1990, SECTION 5063.20), WHICH RELATES TO RIGHTS
ARISING UNDER THE CREDIT ENHANCEMENT RESERVE FUND
ACT; PROVIDING FOR CODIFICATION; AND DECLARING AN
EMERGENCY.

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

SECTION 1. AMENDATORY Section 14, Chapter 374, O.S.L. 1989, as amended by Section 5, Chapter 342, O.S.L. 1990 (62 O.S. Supp. 1990, Section 695.11A), is amended to read as follows:

Section 695.11A A. All joint or individual actions, approvals and disapprovals of the Executive and Legislative Bond Oversight Commissions prior to the effective date of this act are hereby confirmed, ratified, validated and deemed incontestable. In the event either the Executive or Legislative Bond Oversight Commissions is found unconstitutional by a final, unappealed order of a court of competent jurisdiction, all of the powers, duties and responsibilities of the Commissions shall devolve upon the Council of Bond Oversight, ~~and previous joint or individual actions, approvals and disapprovals of the Executive and Legislative Bond Oversight Commissions~~ In the event the Executive and Legislative Bond Oversight Commissions and the Council of Bond Oversight are found unconstitutional by a final, unappealed order of a court of competent jurisdiction, such determination shall not nullify any obligations entered into by the Oklahoma Development Finance Authority pursuant to provisions of the Oklahoma Development Finance Authority Act and the Credit Enhancement Reserve Fund Act with approval by the Executive and Legislative Bond Oversight Commissions or the Council of Bond Oversight, and such obligations are hereby confirmed, ratified, validated and deemed incontestable.

B. The Council shall consist of five (5) nonlegislative members. One member shall be appointed by the Speaker of the House of Representatives, one member shall be appointed by the President Pro Tempore of the Senate, two members shall be appointed by the Governor with the advice and consent of the Senate and one member shall be the Director of State Finance. Three members of the

Council shall constitute a quorum. The affirmative vote of three members present and voting shall be necessary for any action taken by the Council. Appointed members shall serve a term of two (2) years and may be removed for cause by the appointing authority. Members may be appointed for additional terms.

C. A vacancy on the Council shall be filled in a like manner as the original appointment, but only for the remainder of the term. The Council shall elect one of its members chairman and may elect such other officers as it deems necessary. No vacancy in the membership of the Council shall impair the right of the Council to exercise all rights and duties of the Council.

D. If the powers, duties and responsibilities of the Commissions devolve upon the Council pursuant to this section, the person serving as the Oklahoma State Bond Advisor on the date of such devolution shall continue to serve in that position until the Governor appoints a new Oklahoma State Bond Advisor from a list of candidates provided by the Council and said appointee has been confirmed by the Senate. Thereafter, and in the case of a vacancy, the Oklahoma State Bond Advisor shall be appointed, subject to the advice and consent of the Senate, by the Governor from a list of candidates provided by the Council and shall serve a term of office coterminous with that of the appointing Governor. The Oklahoma State Bond Advisor may be removed by the Council for cause, after a public hearing.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5063.4h of Title 74, unless there is created a duplication in numbering, reads as follows:

To establish a debt-service reserve for those revenue bonds approved for Credit Enhancement Reserve Fund insurance by the Bond Oversight Commissions prior to June 9, 1990, the Oklahoma Development Finance Authority is hereby authorized to increase the amounts of the insurance commitment, the revenue bonds and the

underlying loans in an amount sufficient to provide debt service reserves equal to six-months' principal and interest on the underlying loan, plus a rounding factor if necessary; provided the total amount of any such increase shall not exceed ten percent (10%) of said revenue bonds. In addition the Oklahoma State Bond Advisor may increase the insurance commitment in an amount not to exceed two-hundred-forty-days' accrued interest on said revenue bonds.

SECTION 3. REPEALER Section 90, Chapter 222, O.S.L. 1987 (74 O.S. Supp. 1990, Section 5063.20), is hereby repealed.

SECTION 4. 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.

43-1-352

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