

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 1577

By: Hamilton (James),
Langmacher, Glover and
Ferguson of the House

and

Williams (Don) of the
Senate

COMMITTEE SUBSTITUTE

An Act relating to schools; providing for issuance of certain school bonds in certain situations; defining terms; providing for guarantee; prohibiting certain approval; providing for application procedures; requiring certain agreements; providing for review of application; providing for approval process; requiring certain notification; requiring certain transfers, payments and bond cancellations; providing for certain interagency agreements; providing for nonacceleration of certain bonds subject to certain limitations; providing for certain requirements for application and utilization; authorizing certain collection procedures; providing for deficiency payments; providing for promulgation of rules; providing for approval and effect of act; 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 15-201 of Title 70, unless there is created a duplication in numbering, reads as follows:

For the purposes of this act:

1. "School bonds" means bonds issued pursuant to the provisions of Sections 15-101 through 15-109 of Title 70 of the Oklahoma Statutes;
2. "Commissioners" means Commissioners of the Land Office of the State of Oklahoma; and
3. "Fund" means permanent school fund for the support of common schools of the State of Oklahoma.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15-202 of Title 70, unless there is created a duplication in numbering, reads as follows:

Upon approval by the Commissioners, bonds issued pursuant to Sections 15-101 through 15-109 of Title 70 of Oklahoma Statutes may be guaranteed by the corpus of the permanent school fund for the support of common schools.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15-203 of Title 70, unless there is created a duplication in numbering, reads as follows:

The Commissioners shall not approve bonds for guarantee if the approval would result in the total amount of outstanding guaranteed bonds to exceed an amount equal to twice the cost value or twice the market value of the assets of the permanent school fund, whichever is lower, exclusive of real estate as calculated by the annual audit of the Commissioners of the Land Office.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15-204 of Title 70, unless there is created a duplication in numbering, reads as follows:

A school district seeking the guarantee of eligible bonds shall apply to the Commissioners on an application which shall include:

1. The name of the school district and the principal amount of the bonds to be issued;
2. The maturity schedule, estimated interest rate and date of the bonds; and
3. Any other information as deemed necessary and appropriate by the Commissioners of the Land Office.

The application must be accompanied by a fee set by the Commissioners in an amount to cover costs of administering the guarantee program. The Commissioners and the State Bond Advisor shall enter into an interagency agreement in order to administer their responsibilities pursuant to the provisions of this act.

From the fees collected, the Commissioners shall enter into a cooperative agreement with the State Bond Advisor to defray any

administrative costs of his office in carrying out the provisions of this act.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15-205 of Title 70, unless there is created a duplication in numbering, reads as follows:

It shall be the duty of the State Bond Advisor to review the bond applications and to advise the Commissioners as to the guarantee application.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15-206 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Any district applying to utilize the provisions of this act for its bonded indebtedness shall:

1. Be accredited without warnings or probation by the State Board of Education; and

2. Fully comply with all provisions of the rules promulgated by the Commissioners pursuant to this act.

B. No guarantee of bonds shall be effective unless approved by a majority of the Commissioners and shall not exceed any guarantee limitation as provided by law.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15-207 of Title 70, unless there is created a duplication in numbering, reads as follows:

Immediately following a determination that a school district will be or is unable to pay maturing or matured principal or interest on a guaranteed bond, but not later than the fifth day before the maturity date, the district treasurer shall notify the State Bond Advisor and the Commissioners of the Land Office.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15-208 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Immediately following receipt of notice, the Commissioners shall cause to be transferred from the permanent school fund the amount necessary to pay the maturing or matured principal or interest.

B. Immediately following receipt of the funds from the Commissioners for payment of the principal or interest, the district treasurer shall pay the amount due and forward the canceled bond or coupon to the State Treasurer who shall hold the canceled bond or coupon on behalf of the fund.

C. Following full reimbursement to the fund with interest, the State Treasurer shall further cancel the bond or coupon and forward it to the school district for which the payment was made.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15-209 of Title 70, unless there is created a duplication in numbering, reads as follows:

If a school district fails to pay principal or interest on a bond guaranteed by the fund when it matures, other amounts not yet mature shall not be accelerated and do not become due by virtue of the payment by the Commissioners on behalf of the district.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15-210 of Title 70, unless there is created a duplication in numbering, reads as follows:

If the Commissioners make payment from the fund on behalf of a school district, the Commissioners shall notify the Attorney General and the Attorney General shall proceed to collect on behalf of the State Treasurer the deficient payments plus interest and reasonable attorney fees as provided by law. Monies collected from said school district by the State Treasurer for deficient payments shall be forwarded to the Commissioners within thirty (30) days of collection.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15-211 of Title 70, unless there is created a duplication in numbering, reads as follows:

The Commissioners of the Land Office shall adopt rules necessary to implement the provisions of this act.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15-212 of Title 70,

unless there is created a duplication in numbering, reads as follows:

This act shall become effective only if the state approves a constitutional amendment authorizing and implementing this act of the Legislature.

SECTION 13. This act shall become effective September 1, 1993.

44-1-0982

REJ