

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

CONFERENCE COMMITTEE SUBSTITUTE

FOR ENGROSSED

HOUSE BILL NO. 3066

By: Hamilton and Settle of
the House

and

Haney and Hobson of the
Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to state finance; authorizing the Oklahoma Capitol Improvement Authority to acquire and construct certain property; authorizing Authority to provide funding for certain repairs, refurbishments, improvements and projects; providing enumeration of agencies, projects, and amounts authorized; requiring transfer of property upon occurrence of certain event; authorizing borrowing of certain amount of money for certain purposes; authorizing issuance of certain obligations; authorizing Department of Central Services to make certain payments; stating legislative intent; limiting costs for certain projects; providing for payment of certain fees and costs; prescribing procedures for issuance of certain obligations; authorizing certain agreements; providing for use of interest earnings; exempting certain obligations, transfers and interest from taxation; authorizing investment of funds; prescribing procedures for investment; providing legislative intent to authorize additional projects and setting monetary limit; exempting certain expenditures from budgetary limits; requiring submission of certain plan; providing date for plan; exempting certain entity from requirement of plan; making an appropriation to the Department of Central Services; requiring transfer; re-creating State Facility Capital Needs Committee; providing for membership; providing for duties of Committee; providing for appointment of co-chairs; providing for quorum; requiring quorum for official action; providing for staff support; providing for reimbursement of expenses; providing for codification; providing for noncodification; 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 301 of Title 73, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Capitol Improvement Authority is authorized to acquire real property, together with improvements located thereon, and personal property, to construct buildings and other improvements to real property and to provide funding for repairs, refurbishments and improvements to real and personal property and for funding for the following capital projects in the following amounts:

1. Capital projects at institutions of higher education which are part of The Oklahoma State System of Higher Education in a total amount not to exceed Forty-five Million Dollars (\$45,000,000.00) with debt retirement payments to be made by the Oklahoma State Regents for Higher Education;

2. Construction of a History Center for the Oklahoma Historical Society in a total amount not to exceed Thirty-two Million Dollars (\$32,000,000.00) with debt retirement payments to be made by the Oklahoma Historical Society;

3. Renovation of the Wiley Post Historical Building for occupancy by appellate courts in a total amount not to exceed Ten Million Dollars (\$10,000,000.00) with debt retirement payments to be made by the Oklahoma Supreme Court;

4. Land acquisition, demolition, landscaping, environmental remediation and other costs associated with the Lincoln Boulevard Renaissance Project in a total amount not to exceed Thirteen Million Eight Hundred Thousand Dollars (\$13,800,000.00) with debt retirement payments to be made by the Department of Central Services;

5. Construction of a new building for the J.D. McCarty Center for Children with Developmental Disabilities in a total amount not to exceed Ten Million Three Hundred Thousand Dollars (\$10,300,000.00) with debt retirement payments to be made by the J.D. McCarty Center for Children with Developmental Disabilities;

6. Funding for capital costs of a Technology Incubator Program for the University Hospitals Authority in a total amount

not to exceed Two Million Dollars (\$2,000,000.00) with debt retirement payments to be made by the University Hospitals Authority;

7. Funding for capital costs for the Native American Cultural and Educational Authority of Oklahoma in a total amount not to exceed Five Million Dollars (\$5,000,000.00) with debt retirement payments to be made by the Native American Cultural and Educational Authority of Oklahoma;

8. Funding for capital costs for systemwide equipment for the Oklahoma Department of Vocational and Technical Education in a total amount not to exceed Five Million Dollars (\$5,000,000.00) with debt retirement payments to be made by the Oklahoma Department of Vocational and Technical Education;

9. Capital projects for the Oklahoma School for the Deaf in a total amount not to exceed Six Million Three Hundred Thousand Dollars (\$6,300,000.00) with debt retirement payments to be made by the State Department of Rehabilitation Services;

10. Capital projects for the Oklahoma School for the Blind in a total amount not to exceed Seven Million Two Hundred Thousand Dollars (\$7,200,000.00) with debt retirement payments to be made by the State Department of Rehabilitation Services;

11. Construction of a new Veterans Center in Lawton, Oklahoma, in a total amount not to exceed Twelve Million Dollars (\$12,000,000.00) with debt retirement payments to be made by the Oklahoma Department of Veterans Affairs;

12. Capital costs for financial management information systems in a total amount not to exceed One Million Dollars (\$1,000,000.00) with debt retirement payments to be made by the Office of State Finance;

13. Funding for the purchase of computer hardware and software for the Central Purchasing Division of the Department of Central Services in a total amount not to exceed Two Million Dollars (\$2,000,000.00) with debt retirement payments to be made by the Department of Central Services;

14. Funding for implementation of the Boll Weevil Eradication Act in a total amount not to exceed Three Million Dollars

(\$3,000,000.00) with debt retirement payments to be made by the State Department of Agriculture;

15. Funding for construction and other capital costs at Quartz Mountain Lodge and Arts and Conference Center in a total amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000.00) with debt retirement payments to be made by the Oklahoma Tourism and Recreation Department; and

16. Such other capital projects as may be specifically authorized by the Oklahoma Legislature to be funded by the obligations authorized herein.

The Authority may hold title to the real and personal property and improvements until such time as any obligations issued for this purpose are retired or defeated and may lease the real property and improvements to the agencies indicated herein. Upon final redemption or defeasance of the obligations created pursuant to this section, title to the real and personal property and improvements shall be transferred from the Oklahoma Capitol Improvement Authority, to the agencies indicated herein.

B. For the purpose of paying the costs for acquisition and construction of the real property and improvements and personal property and making the repairs, refurbishments, and improvements to real and personal property, and providing funding for the projects authorized in subsection A of this section, and for the purpose authorized in subsection C of this section, the Authority is hereby authorized to borrow monies on the credit of the income and revenues to be derived from the leasing of such real and personal property and improvements and, in anticipation of the collection of such income and revenues, to issue negotiable obligations in a total amount not to exceed Three Hundred Twenty Million Dollars (\$320,000,000.00) whether issued in one or more series. The Department of Central Services is authorized and directed to expend funds from the Capital Improvement Revolving Fund in amounts sufficient to make required payments pursuant to such obligations during the fiscal year ending June 30, 1999. For subsequent fiscal years, it is the intent of the Legislature to appropriate to the indicated state agencies sufficient monies to

make rental payments for the purposes of retiring the obligations created pursuant to this section. The costs for acquisition and construction of the real and personal property and improvements and repairs, refurbishments and funding for the projects authorized in subsection A of this section shall not exceed Three Hundred Fifteen Million Dollars (\$315,000,000.00).

C. To the extent funds are available from the proceeds of the borrowing authorized by subsection B of this section, the Oklahoma Capitol Improvement Authority shall provide for the payment of professional fees and associated costs related to the projects authorized in subsection A of this section.

D. The Authority may issue obligations in one or more series and in conjunction with other issues of the Authority. The Authority is authorized to hire bond counsel, financial consultants, and such other professionals as it may deem necessary to provide for the efficient sale of the obligations and may utilize a portion of the proceeds of any borrowing to create such reserves as may be deemed necessary and to pay costs associated with the issuance and administration of such obligations.

E. The obligations authorized under this section may be sold at either competitive or negotiated sale, as determined by the Authority, and in such form and at such prices as may be authorized by the Authority. The Authority may enter into agreements with such credit enhancers and liquidity providers as may be determined necessary to efficiently market the obligations. The obligations may mature and have such provisions for redemption as shall be determined by the Authority, but in no event shall the final maturity of such obligations occur later than thirty (30) years from the first principal maturity date.

F. Any interest earnings on funds or accounts created for the purposes of this section may be utilized as partial payment of the annual debt service or for the purposes directed by the Authority.

G. The obligations issued under this section, the transfer thereof and the interest earned on such obligations, including any profit derived from the sale thereof, shall not be subject to

taxation of any kind by the State of Oklahoma, or by any county, municipality or political subdivision therein.

H. The Authority may direct the investment of all monies in any funds or accounts created in connection with the offering of the obligations authorized under this section. Such investments shall be made in a manner consistent with the investment guidelines of the State Treasurer. The Authority may place additional restrictions on the investment of such monies if necessary to enhance the marketability of the obligations.

I. It is the intent of the Legislature to authorize specific capital projects in the 1st Session of the 47th Oklahoma Legislature to be funded by the negotiable obligations authorized in this section. Such capital projects shall not exceed One Hundred Fifty-six Million Nine Hundred Thousand Dollars (\$156,900,000.00).

SECTION 2. Budgetary limits otherwise imposed upon agencies by law shall not apply to expenditures by state agencies made for the purposes provided for in Section 1 of this act.

SECTION 3. Each agency for which one or more projects is authorized pursuant to Section 1 of this act shall submit a plan for the recurring operations of such projects. The plan shall be submitted to the Office of State Finance, the President Pro Tempore of the Senate and the Speaker of the House of Representatives no later than February 1, 1999. The plan shall show the amount of increase in annual state-funded expenditures which is required for recurring operations of the project. The Oklahoma State Regents for Higher Education shall be exempt from the requirements of this section.

SECTION 4. There is hereby appropriated to the Department of Central Services from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1999, the sum of Seven Million Dollars (\$7,000,000.00) for transfer to the Capital Improvement Revolving Fund.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 310 of Title 73, unless there is created a duplication in numbering, reads as follows:

A. There is hereby re-created the State Facility Capital Needs Committee to consist of those persons appointed to the State Facility Capital Needs Committee pursuant to Section 6 of Enrolled Senate Bill No. 175 of the 1st Session of the 46th Oklahoma Legislature.

B. The Committee shall:

1. Establish a plan for meeting maintenance needs of state facilities;

2. Review recommendations of the Long-Range Capital Planning Commission;

3. Identify capital projects that will enhance the functioning of state government and the use of state facilities and will be prudent investments by the state;

4. Make recommendations of funding for maintenance needs and capital projects in a report to the Legislature and the Governor; and

5. Determine funding allocations to address the capital needs for the agencies under the purview of the subcommittees of the General Conference Committee on Appropriations.

C. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall appoint a member of the Senate and a member of the House of Representatives, respectively, to serve as co-chairs of the Committee. A majority of the members of the Committee shall constitute a quorum. A quorum shall be required for official action of the Committee.

D. The Committee shall be subject to the Oklahoma Open Meeting Act and the Oklahoma Open Records Act.

E. The Department of Central Services and the State Bond Advisor shall provide staff support for the Committee.

F. Legislators serving on the Committee shall be reimbursed pursuant to the provisions of Section 456 of Title 74 of the Oklahoma Statutes. Other members of the Committee shall be

reimbursed pursuant to the provisions of the State Travel Reimbursement Act by the appointing authority.

SECTION 6. Sections 2 and 3 of this act shall not be codified in the Oklahoma Statutes.

SECTION 7. This act shall become effective September 1, 1998.

46-2-10403 JB