ENROLLED HOUSE
BILL NO. 1629

By: Benson, Hilliard, Dunegan, Tyler, Smith (Dale), Stites, Bastin, Steidley, Adair, Roberts, Adkins, Bryant, Cox, Culver, Dank, Erwin, Ferguson, Fields, Glover, Hastings, Hefner, Hiett, Kirby, Langmacher, Miller, Morgan, Perry, Phillips, Satterfield, Seikel, Stanley, Thornbrugh, Webb, Weese and Wilt of the House

and

Taylor and Roberts of the Senate

An Act relating to roads, bridges and ferries; providing legislative findings; establishing legislative intent; providing for funding and legislative appropriation; authorizing Oklahoma Capitol Improvement Authority to issue certain bonds or other evidence of indebtedness; providing for certain percentage of funding to be distributed to transportation districts; declaring that certain highway projects be eligible for funding; providing for additional funding based on certain circumstances; providing for certain approval and authorization to issue certain bonds or other evidences of indebtedness; authorizing certain appropriation; providing for distribution of funds; requiring approval of certain highway projects; amending 69 O.S. 1991, Section 1511, which relates to encumbering matching funds; providing certain exception; providing that certain highway projects subject to certain allocation; authorizing Oklahoma Department of Transportation to construct, maintain, and repair certain highway and bridge projects; providing that certain highway projects may be expanded if certain monies available; permitting Oklahoma Department of Transportation to utilize certain funds to obtain additional federal monies; amending 73 O.S. 1991, Sections 151, 152 and 161, as amended by Section 6, Chapter 344, O.S.L. 1995 (73 O.S. Supp. 1996, Section 161), which relate to the Oklahoma Capitol Improvement Authority; modifying purpose, authority, and powers of Oklahoma Capitol Improvement Authority; authorizing Oklahoma Capitol Improvement Authority to issue evidence of indebtedness or bonds in certain amount for certain purposes; requiring obligations to be repaid within certain time

period; providing for repayment of obligations and providing procedure therefor; providing for certain agreements between the Oklahoma Capitol Improvement Authority and the Oklahoma Department of Transportation; providing legislative intent to appropriate certain monies; prohibiting certain monies from being used for other purposes; providing that bonds are not debt of state; requiring bonds to contain certain statement; permitting the payment of certain fees and costs; providing for issuance of obligations; permitting Oklahoma Capitol Improvement Authority to hire certain professionals; providing certain procedure for sale of obligations; providing for interest earnings; providing for exemption from taxation; providing for investment of certain monies; authorizing issuance of additional bonds or evidences of indebtedness in certain circumstances; 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 2001 of Title 69, unless there is created a duplication in numbering, reads as follows:

A. The Legislature finds that the highway infrastructure in this state is vital to the health, safety, and welfare of the traveling public and to the economic development in this state. The Legislature also finds that the highway infrastructure should be continually improved and expanded in order to meet the general public's desire for a safe and convenient highway system. Based on these findings, it is the intent of the Legislature to expend and equitably distribute approximately Seven Hundred Million Dollars ($700,000,000.00), plus any additional expenditures approved pursuant to subsection F of this section, to construct new highways and improve existing highways over a five-year period as set forth in this act.

B. To properly fund the construction and improvement of the highway system in this state, it is the intent of the Legislature to appropriate Fifty Million Dollars ($50,000,000.00) from the Constitutional Reserve Fund each year for the first two (2) years and Fifty-two Million Five Hundred Fifty Thousand Dollars ($52,550,000.00) from the Constitutional Reserve Fund each year for the next two (2) years for the purposes of highway construction and improvement subject to the declaration of an emergency pursuant to the provisions of Section 23 of Article X of the Constitution of the State of Oklahoma. In addition to the appropriation of Fifty Million Dollars ($50,000,000.00) from the Constitutional Reserve Fund in the second year of this program, it is the intent of the Legislature to appropriate an additional Ten Million Dollars ($10,000,000.00) in the second year of this program from the Constitutional Reserve Fund to be divided equally between Oklahoma and Tulsa Counties to further fund highway construction and improvement projects as set forth in this act.

C. In addition to the funding specified in subsection A of this section, the Legislature shall appropriate Thirty-four Million Nine

Hundred Thousand Dollars ($34,900,000.00) in the first year and Forty Million Dollars ($40,000,000.00) in each of the next four (4) years, and other sufficient monies to the Oklahoma Department of Transportation to be deposited in the State Highway Construction and Maintenance Fund for the construction and improvement of the highway system in this state.

D. In addition to the funding specified in subsections B and C of this section, the Oklahoma Capitol Improvement Authority shall be authorized to issue bonds, other negotiable instruments or other evidences of indebtedness in the principal amount sufficient to generate Three Hundred Million Dollars ($300,000,000.00) in proceeds available to fund the construction and improvements to the highway system as set forth in this act.

E. For purposes of this act, and despite any provision to the contrary as set forth in Section 1511 of Title 69 of the Oklahoma Statutes, each State Transportation Commission district in this state shall receive equitable funding as follows:

1. Not more than twenty percent (20%) of the funding pursuant to this act shall be allocated to each of State Transportation Commission Districts 4 and 8. The percentage reflected in this paragraph shall not include the additional Ten Million Dollars ($10,000,000.00) appropriated from the Constitutional Reserve Fund as set forth in subsection B of this section; and

2. Not less than ten percent (10%) of the total funding pursuant to this act shall be allocated to each of the remaining six (6) transportation districts.

Only those highway projects set forth in Section 3 of this act shall be eligible for funding pursuant to this act. Any excess funds from a particular highway project shall only be expended for other highway projects within the same transportation district. It is the intent of the Legislature that highway projects listed on the five-year plan for transportation facilities developed to meet present and future needs of this state shall continue to be funded as provided by current law. In addition, the Department of Transportation shall be required to construct, improve, maintain, and repair all highway projects listed on the five-year plan as such plan exists on May 28, 1997, except for normal highway programming adjustments, to the extent possible consistent with the funds provided by law for such highway projects.

F. 1. In addition to the provisions of this section, it is the intent of the Legislature to reexamine in fiscal year 2000 the status of the highway infrastructure as well as the highway construction and improvement projects as set forth in Section 3 of this act. Based on such reexamination, it is the intent of the Legislature to expend additional monies, amounting to approximately Three Hundred Million Dollars ($300,000,000.00) to continue the construction of new highways and improve existing highways as set forth in this subsection.

2. In order for any additional monies to be expended as provided in this subsection, the Contingency Review Board as created pursuant to Section 3605 of Title 74 of the Oklahoma Statutes shall determine for fiscal years 1998 and 1999 that the state exhibits qualitative and quantitative growth after a review of such indicators of economic conditions as are utilized by professional economists and for fiscal year 2000 that the certified economic estimates, actuals, and projections forecast a positive growth for the economy and General Revenue Fund. The Contingency Review Board shall also determine that there is positive growth in the General Revenue Fund for fiscal years 1998 and 1999, and estimated or projected positive growth in the General Revenue Fund in fiscal year

2000. If such conditions exist, the Contingency Review Board may, by unanimous vote, authorize the Oklahoma Capitol Improvement Authority to issue bonds, other negotiable instruments or other evidences of indebtedness in a principal amount sufficient to generate One Hundred Fifty Million Dollars ($150,000,000.00) in proceeds available to fund the construction and improvement of the highway system as set forth in this act. However, if such conditions are determined by the Contingency Review Board not to exist, the Legislature may, by a majority vote on a joint resolution for such purpose, authorize the Oklahoma Capitol Improvement Authority to issue bonds, other negotiable instruments, or other evidences of indebtedness in the amount set forth in this paragraph. The terms and conditions of such issue shall be in accordance with the provisions of Section 7 of this act.

3. In addition to the funding specified in paragraph 2 of this subsection, the Legislature shall authorize an appropriation in an amount not to exceed One Hundred Fifty Million Dollars ($150,000,000.00) from the Constitutional Reserve Fund, subject to the declaration of an emergency pursuant to the provisions of Section 23 of Article X of the Constitution of the State of Oklahoma, the General Revenue Fund, or the State Transportation Fund, or a combination of each.

4. For purposes of this subsection, each State Transportation Commission district in this state shall receive equitable funding as follows:

a. not more than eighteen percent (18%) of the funding pursuant to this subsection shall be allocated to each of State Transportation Commission Districts 4 and 8,

b. not less than nine percent (9%) of the funding pursuant to this subsection shall be allocated to each of the remaining six (6) transportation districts, and

c. any excess funds from a particular highway improvement or highway improvements shall only be expended for other highway improvements within the same transportation district.

5. The remaining Thirty Million Dollars ($30,000,000.00) of the funds shall be used by the Department of Transportation for the completion of existing highway projects set forth in Section 3 of this act, highway projects to be approved as set forth in paragraph 6 of this subsection, or highway projects determined by the State Transportation Commission to be vital to the health, safety, and welfare of the traveling public and to the economic development in this state.

6. The additional funding as allocated by subparagraphs a and b of paragraph 4 of this subsection may be used for the completion of existing highway projects as set forth in Section 3 of this act or any other highway improvements within such transportation districts to which the funds were allocated as approved by unanimous vote of the Contingency Review Board.

G. Of the total funding allocated under this section to State Transportation Commission District 4, sixty-seven percent (67%) of such funds are allocated exclusively to Oklahoma County. Of the total funding allocated under this section to State Transportation Commission District 8, fifty-eight and eight-tenths percent (58.8%) of such funds are allocated exclusively to Tulsa County.

SECTION 2. AMENDATORY 69 O.S. 1991, Section 1511, is amended to read as follows:

Section 1511. ~~Of~~ Except for the highway funding program set forth in this act, of the monies accruing to the State Highway Construction and Maintenance Fund and dedicated for matching federal

funds and for state-aid project contracts, not less than six percent (6%) shall be allocated and encumbered in any one commissioner's district. All highway projects listed on the five-year plan for transportation facilities developed to meet present and future needs of this state shall be subject to the allocation set forth in this section.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2002 of Title 69, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Department of Transportation, in accordance with Section 1 of this act and based on the funding as set forth in Sections 1 and 7 of this act, is hereby authorized to construct, improve, maintain, and repair all or any part of the following highway and bridge projects to the greatest extent possible consistent with the allocation of funds provided by this act as apportioned to each transportation district pursuant to this act:

1. In State Transportation Commission District 1:
   a. highway improvement for U.S. Highway 59 between Westville and Watts,
   b. bridge improvement for 14 Mile Creek Bridge on State Highway 82,
   c. highway improvement for State Highway 82 from the vicinity of Tahlequah extending north to the vicinity of Locust Grove,
   d. highway improvement for U.S. Highway 64 from the vicinity of Warner extending north in the vicinity of Muskogee,
   e. intersection modifications and highway improvement for U.S. Highway 62 and Country Club Road and U.S. Highway 62 and State Highway 16,
   f. highway improvement for ramps in the vicinity of State Highway 165 and Hancock-Peak,
   g. highway improvement for State Highway 10 in the vicinity of Braggs Mountain,
   h. highway improvement for State Highway 80 between South Street and Poplar Street in the City of Ft. Gibson,
   i. intersection improvement at intersection of Country Club Road and Chandler in the City of Muskogee,
   j. highway improvement for State Highway 9 extending east of Stigler,
   k. highway improvement for U.S. Highway 59 extending north to the vicinity of State Highway 141, including a bridge improvement over the Arkansas River,
   l. highway improvement for State Highway 51 from the vicinity of Wagoner extending west to the vicinity of Muskogee Turnpike, including a bridge improvement over the Verdigris River,
   m. highway improvement for U.S. Highway 75 from the vicinity of Okmulgee County 6th Street extending north to the vicinity of State Highway 56 Loop,
   n. highway improvement for U.S. Highway 266 from the vicinity of U.S. Highway 75 extending east to vicinity of Dewar, and
   o. highway improvement for State Highway 51 for the Northwest Tahlequah Bypass;
2. In State Transportation Commission District 2:
   a. reconstruct approximately eight (8) miles of U.S. Highway 270 from the vicinity of Panola to the vicinity of Red Oak in Latimer County,

b. highway improvement on State Highway 1/63 in Latimer County,
c. highway improvement on U.S. Highway 70 from the vicinity of Idabel to the junction with State Highway 98 in McCurtain County,
d. highway improvement for approximately three (3) miles on State Highway 31 from the vicinity of U.S. Highway 270 to the vicinity of the Indian Nation Turnpike in Pittsburg County,
e. bridge improvement at Sandy Creek on U.S. Highway 270 in Pittsburg County,
f. highway improvement on U.S. Highway 70 in Choctaw County from the vicinity of the Bryan County line to the junction of U.S. Highway 271,
g. highway improvement covering approximately three (3) miles on State Highway 144 in Pushmataha County,
h. highway improvement covering approximately ten (10) miles on U.S. Highway 70 from the vicinity of Lake Texoma to the vicinity of Durant in Bryan County,
i. highway improvement covering approximately seven (7) miles on State Highway 3 from the vicinity of Atoka east to the vicinity of Lane in Atoka County,
j. highway improvement on U.S. Highway 70 from the vicinity of Madill to the Bryan County line in Marshall County, and
k. highway improvement for the Poteau Bypass;

3. In State Transportation Commission District 3:
a. highway improvement covering approximately one (1) mile on Chautauqua street in the City of Norman from State Highway 9 to one (1) mile north,
b. highway improvement on Tecumseh Road in the City of Norman from U.S. Highway 77 east to East 24th Avenue, covering approximately four (4) miles,
c. highway improvement on State Highway 99 covering approximately nineteen (19) miles from the vicinity of Prague to the vicinity of Stroud,
d. highway improvement on State Highway 3W, for approximately fifteen (15) miles from the vicinity of Ada to the vicinity of Asher,
e. highway improvement on State Highway 19 for approximately one (1) mile west of State Highway 3W,
f. highway improvement for approximately one (1) mile of Federal Street in the City of Shawnee,
g. highway improvement for approximately one (1) mile in the vicinity of Shawnee Mall,
h. signal improvement at the intersection of Union and MacArthur in the City of Shawnee,
i. signal improvement at the intersection of 10th Street and Harrison in the City of Shawnee,
j. highway improvement for approximately two (2) miles of State Highway 18 from State Highway 9 to the vicinity of Benson Park,
k. highway improvement for approximately three (3) miles of State Highway 102 from the vicinity of Interstate 40 to the vicinity of McLoud,
l. highway improvement for approximately six (6) miles of State Highway 59B from U.S. Highway 177 to State Highway 102,

m. highway improvement for approximately ten (10) miles of State Highway 27 from State Highway 9 to the vicinity of Okemah,
n. highway improvement for approximately eight (8) miles of U.S. Highway 75 from the vicinity of Horntown to the vicinity of Wetumka,
o. highway improvement for approximately nine (9) miles of State Highway 19 from the vicinity of U.S. Highway 177 west to the vicinity of State Highway 133,
p. highway improvement for approximately ten (10) miles of State Highway 19 from the vicinity of Lindsay to the vicinity of Maysville,
q. highway improvement for approximately twelve (12) miles of State Highway 1/7 from the vicinity of Mill Creek to the vicinity of Ravia,
r. highway improvement for approximately one (1) mile of State Highway 56 from the vicinity of U.S. Highway 270 to the vicinity of State Highway 59,
s. highway improvement for approximately one (1) mile of State Highway 56 from the vicinity of State Highway 59 to the vicinity of U.S. Highway 270B, and
t. highway improvement for U.S. Highway 270 for ramps to State Highway 59;

4. In State Transportation Commission District 4:
a. highway improvement on U.S. Highway 270 from the vicinity of Harrah to the vicinity of South East 29th Street,
b. highway improvement to open a south access road on Interstate 40 between the vicinity of Vickie Road and the vicinity of Sooner Road,
c. highway improvement for Interstate 235 between 36th Street and Interstate 235 and Interstate 44 junction,
d. highway improvement for exit ramp on Interstate 40 westbound in the vicinity of Rose State College Communication Center,
e. highway improvement to extend State Highway 3 west from the vicinity of Kingfisher,
f. reconstruction of 23rd Street interchange with Interstate 35 and highway improvement to 23rd Street from Interstate 35 east to Sooner Road,
g. reconstruction of Interstate 44 from the vicinity of Interstate 240 to the vicinity of Southwest 44th Street,
h. highway improvement for U.S. Highway 177 from the vicinity of Interstate 35 to the vicinity of the Kansas state line,
i. interchange improvements at junction of State Highway 11 and Interstate 35,
j. highway improvement for U.S. Highway 177 from the vicinity of Ponca City to the vicinity of the Cimarron Turnpike,
k. highway improvement for Interstate 35 access road for west side Interstate 35 from the vicinity of State Highway 164 north to vicinity of U.S. Highway 64 in Noble County,
l. highway improvement for State Highway 33 from the vicinity of Interstate 35 to the vicinity of Coyle,
m. highway improvement for State Highway 51 from vicinity of Stillwater extending east to the vicinity of State Highway 108 in Payne County,

n. highway improvement for U.S. Highway 77, also known as the Broadway Extension, from the vicinity of Northwest 63rd Street extending north to the vicinity of the City of Edmond,
o. highway improvement for State Highway 74 from the vicinity of the Logan County line to the vicinity of Edmond Road, and
p. highway improvement for the Interstate 40 and Czech Hall Road interchange in Canadian County;

5. In State Transportation Commission District 5:
a. highway improvement on U.S. Highway 183 from approximately one (1) mile south of the Washita County line extending approximately four (4) miles to the vicinity of Interstate 40,
b. highway improvement for approximately two (2) miles on the Interstate 40 north frontage road in vicinity of Weatherford from Washington Street to the vicinity of Lyle Road,
c. highway improvement project on U.S. Highway 183 from vicinity of Cordell extending north approximately ten (10) miles to approximately one (1) mile south of the Custer County line,
d. highway improvement project on State Highway 6 in the vicinity of Blair north approximately ten (10) miles to approximately three (3) miles north of U.S. Highway 283,
e. highway improvement project on State Highway 6 from junction of State Highway 6 and State Highway 152 extending south approximately six (6) miles to the vicinity of State Highway 55,
f. highway improvement project on State Highway 51A from the junction of State Highway 8 and State Highway 8A extending northwest approximately five (5) miles to the junction of State Highway 8 and State Highway 51A,
g. bridge improvements on State Highway 33 between Watonga and the Kingfisher County line,
h. highway improvement project on U.S. Highway 183 from the vicinity of Manitou extending north approximately nine (9) miles to the vicinity of U.S. Highway 62, and
i. highway improvement project on U.S. Highway 183 from the vicinity of Manitou extending approximately to the vicinity of Frederick;

6. In State Transportation Commission District 6:
a. highway improvement for U.S. Highway 60 and State Highway 51 within the city limits of Arnett,
b. highway improvement for approximately twenty-five (25) miles of U.S. Highway 412 from the vicinity of U.S. Highway 281 to the vicinity of U.S. Highway 60,
c. highway improvement for approximately twenty (20) miles of U.S. Highway 54 from the vicinity of Texhoma to the vicinity of Guymon,
d. highway improvement for U.S. Highway 54 from the vicinity of Optima to approximately four (4) miles north of Optima, and
e. right-of-way purchases for future improvement to U.S. Highway 270/183 from the vicinity of Woodward to approximately ten (10) miles south of Woodward;

7. In State Transportation Commission District 7:
a. highway improvement on 6-Mile Line from the vicinity of State Highway 37 extending south approximately five

(5) miles to the vicinity of Interstate 44 in Grady County,

b. highway improvement on State Highway 19 in the vicinity of Chickasha extending east approximately ten (10) miles,

c. highway improvement on State Highway 9 in the vicinity of Carnegie extending east approximately eight (8) miles to the vicinity of Fort Cobb in Caddo County,

d. city street and intersection improvement at junction of U.S. Highway 62 and Petri Road within the city limits of Anadarko,

e. highway improvement on U.S. Highway 277 from the vicinity of Cyril extending east approximately four (4) miles to the vicinity of Cement,

f. highway improvement on U.S. Highway 62 from junction of State Highway 17 and Porter Hill south to the vicinity of junction of U.S. Highway 62 and Interstate 44,

g. highway improvement on the Duncan Bypass, beginning at State Highway 7, approximately two (2) miles west of U.S. Highway 81 and extending south to connect with State Highway 7 East junction in the vicinity of Duncan together with connecting roads,

h. highway improvement on U.S. Highway 70 from the vicinity of Ardmore extending east approximately ten (10) miles to the vicinity of the Marshall County line,

i. highway improvement on U.S. Highway 177 from State Highway 7 East junction in the City of Sulphur extending north approximately ten (10) miles to the vicinity of State Highway 29,

j. highway improvement on U.S. Highway 70 from the vicinity of Waurika to the vicinity of Ringling,

k. street improvement in vicinity of 2600 block of Southwest Lee Boulevard within the City of Lawton, and

l. highway improvement on U.S. Highway 70 within the City of Lone Grove; and

8. In State Transportation Commission District 8:

a. highway improvement project on U.S. Highway 169 from the vicinity of Rogers County line extending north approximately eight (8) miles to the vicinity of the junction of U.S. Highway 60 and U.S. Highway 169,

b. highway improvement project on State Highway 88 from the vicinity of the junction of State Highway 66 and State Highway 88 to the vicinity of Rogers University,

c. highway improvement on State Highway 266 from the vicinity of the junction of State Highway 66 and State Highway 266 to the vicinity of Will Rogers Turnpike,

d. highway improvement on Gilcrease Expressway from the vicinity of the Osage Expressway extending to the vicinity of U.S. Highway 75,

e. highway improvement on State Highway 48 from State Highway 16 extending south approximately seven (7) miles,

f. highway improvement on U.S. Highway 169 from the vicinity of Interstate 44 south approximately eight (8) miles to the vicinity of 91st Street,

g. right of way and relocation on Gilcrease Expressway from the vicinity of Interstate 44 to the vicinity of Osage Expressway,

h. highway improvement on State Highway 66 from the vicinity of Chelsea extending south approximately five (5) miles,
i. intersection modification at the junction of State Highway 2 and Hospital Road in the City of Vinita,
j. highway improvement on State Highway 2 to approximately two (2) miles north of Vinita,
k. highway improvement on approximately two (2) miles of U.S. Highway 59 in the vicinity of the City of Jay and the junction of State Highway 20 and U.S. Highway 59,
l. highway improvement on U.S. Highway 59 from the vicinity of Grove extending south approximately ten (10) miles to the vicinity of Jay,
m. highway improvement on U.S. Highway 60 from the vicinity of Bartlesville extending east approximately four (4) miles to the vicinity of Nowata County line,
n. highway improvement on U.S. Highway 60 from the vicinity of Bartlesville extending west approximately five (5) miles,
o. highway improvement on U.S. Highway 64 from the vicinity of Cleveland extending west approximately two (2) miles to the vicinity of Tarlton Road,
p. highway improvement on U.S. Highway 69 for approximately two (2) miles in the vicinity of the junction of State Highway 69 and State Highway 20,
q. highway improvement on State Highway 125 from the vicinity of Miami extending south approximately ten (10) miles to the vicinity of Fairland,
r. highway improvement for approximately two (2) miles on State Highway 67 from the vicinity of Kiefer to the vicinity of U.S. Highway 75,
s. intersection modification on State Highway 66 at the junction of State Highway 66 and Frankhoma Road,
t. highway improvement on the Broken Arrow Expressway,
u. bridge construction on State Highway 11 on Bird Creek bridge in the vicinity of Barnsdall, and
v. highway improvement for State Highway 75 from the vicinity of Interstate 44 extending south for approximately five (5) miles.

B. Any project listed in this section may be expanded if federal monies become available for such project. The Oklahoma Department of Transportation may utilize any funds dedicated for a particular project pursuant to this act to obtain additional federal funds for such project.

SECTION 4. AMENDATORY 73 O.S. 1991, Section 151, is amended to read as follows:

Section 151. The purpose of this act is to provide adequate and suitable space for offices and other necessary uses for all departments and agencies of the state, particularly the ones now paying or which hereafter may be required to pay rent, and for the purpose of increasing the efficiency of the operation of state departments and agencies, and to eventually cause the State of Oklahoma to receive all the benefit of the rents now being paid by state departments and agencies. <u>It shall also be the purpose of this act to provide an improved and expanded highway infrastructure for the health, safety, and welfare of the traveling public in this state and for the continued economic development of this state.</u>

SECTION 5. AMENDATORY 73 O.S. 1991, Section 152, is amended to read as follows:

Section 152. A. There is hereby created a body corporate and politic to be known as the "Oklahoma Capitol Improvement Authority" and by that name the Authority may sue and be sued and plead and be impleaded. The Authority is hereby constituted an instrumentality of the state and the exercise by the Authority of the powers conferred by Sections 151 through 214 of this title, in the construction, equipping, operation, and maintenance of the state building or buildings hereinafter referred to as the "building", and in the construction, improvement, repair, and maintenance of the highway infrastructure in this state, shall be deemed and shall be held to be an essential governmental function of the state.

B. The Authority shall consist of ~~seven (7)~~ eight (8) members, including the Governor of the state, who shall be Chairman of the Authority, the State Treasurer, the Lieutenant Governor, who shall be Vice Chairman of the Authority, the Director of ~~Public Affairs~~ Central Services, the Director of Human Services, the Vice Chairman of the Oklahoma Tax Commission, ~~and~~ the Director of the Oklahoma Department of Tourism and Recreation, and the Director of Oklahoma Department of Transportation.

C. The Authority shall elect one of its members as Secretary. Four members of the Authority shall constitute a quorum and the vote of four members shall be necessary for any action taken by the Authority. No vacancy in the membership of the Authority shall impair the rights of a quorum to exercise and perform all of the rights and duties of the Authority. The members of the Authority shall not be entitled to compensation for their services, but each member shall be reimbursed for ~~his~~ actual expenses necessarily incurred in the performance of ~~his~~ official duties.

D. Before the issuance of any revenue bonds pursuant to the provisions of Sections 151 through 214 of this title, each member of the Authority shall execute a surety bond in the sum of Twenty-five Thousand Dollars ($25,000.00), each such bond to be conditioned upon the faithful performance of the duties of ~~his~~ the office, as such member, to be executed by a surety company authorized to transact business in the State of Oklahoma, as surety, and to be approved by the Governor and filed in the office of the Secretary of State.

SECTION 6. AMENDATORY 73 O.S. 1991, Section 161, as amended by Section 6, Chapter 334, O.S.L. 1995 (73 O.S. Supp. 1996, Section 161), is amended to read as follows:

Section 161. In addition to all other powers expressly conferred, the Authority is hereby authorized and empowered:

1. To adopt bylaws for the regulation of its affairs and the conduct of its business;

2. To adopt an official seal and alter the same at pleasure;

3. To fix and revise from time to time rent for the use of any Authority building; provided that the rents when so fixed, plus revenues derived from other sources, shall produce sufficient revenue:

a. to pay the annual cost of the operation, maintenance, and repair of such building,

b. to pay as and when due the principal and interest on the bonds issued to pay for such building, and

c. to accumulate and maintain reserves for such purposes;

4. To acquire, hold and dispose of real and personal property in the exercise of its powers and the performance of its duties under this act;

5. To acquire by purchase or otherwise, on such terms and conditions and in such manner as it may deem proper, or by the exercise of the power of condemnation in the manner hereinafter provided, such public or private property and interests therein as

it may deem necessary for carrying out the provisions of this act. The exercise of the power of condemnation shall be in accordance with and subject to the provisions of any and all existing laws and statutes applicable to the exercise of the power of condemnation of property for public use. In any condemnation proceedings the court having jurisdiction of the suit, action or proceeding may make such orders as may be just to the Authority and to the owners of the property to be condemned and may require an undertaking or other security to secure such owners against any loss or damage by reason of the failure of the Authority to accept and pay for the property, but neither such undertaking or security nor any act or obligation of the Authority shall impose any liability upon the state or the Authority except such as may be paid from the funds provided under the provisions of the act;

6. To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this act, and particularly to make and enter into contracts and agreements with the departments and agencies of the State of Oklahoma and/or federal government relating to the rent, amortization of cost and use of the building by such departments and agencies, or relating to the construction, improvement, repair, and maintenance of the highway infrastructure in this state;

7. To employ employees and agents as may be necessary in its judgment, including but not limited to legal counsel and such other professionals as may be needed for the issuance and administration of bonds issued under the provisions of this title and to fix their compensation; provided, that all such expenses shall be payable solely from the proceeds of bonds issued under this act or from revenues derived from the building;

8. To receive and accept from any federal agency grants or payments for or in aid of the construction of any project, and to receive and accept aid or contributions from any source of either money, property, labor or other things of value to be held, used and applied only for the purposes for which such grants and contributions may be made;

9. To do any and all things necessary to comply with rules, regulations or requirements of any state or federal agency administering any law enacted by the Congress of the United States to aid or encourage the construction or use of such building; and

10. To do all things necessary or convenient to carry out the powers expressly granted in this act.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 168.6 of Title 73, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Capitol Improvement Authority is hereby authorized to issue bonds or other negotiable instruments or evidences of indebtedness in the principal amount sufficient to generate Three Hundred Million Dollars ($300,000,000.00) in proceeds available to fund the construction and improvement of the highway system in this state as set forth in this act.

B. The proceeds from the sale of obligations authorized in subsection A of this section shall only be used by the Authority to fund the construction, improvement, maintenance, and repair of roads, highways and bridges to be designed and constructed by the Oklahoma Department of Transportation as designated in Section 3 of this act or to fund other costs associated with the issuance of such obligations.

C. The obligations issued pursuant to authority of subsection A of this section shall be repaid in full within ten (10) years from the date of issuance.

D. The obligations issued pursuant to authority of subsection A of this section shall be retired by payments made to the Oklahoma Capitol Improvement Authority from the Oklahoma Department of Transportation. The Oklahoma Capitol Improvement Authority and the Oklahoma Department of Transportation shall be authorized to enter into leases and agreements with respect to the use of roads, highways and bridges, as applicable, the construction, improvement, maintenance, or repair of which is financed with any proceeds from the issuance of obligations authorized in subsection A of this section.

E. The Oklahoma Department of Transportation shall make payments to the Oklahoma Capitol Improvement Authority for the use of any roads, highways or bridges financed from any proceeds of the obligations authorized in subsection A of this section pursuant to the agreement. The Oklahoma Department of Transportation shall make the payments from the State Highway Construction and Maintenance Fund in the manner specified by the agreement and subject to receiving an annual appropriation for that purpose. It is the intent of the Legislature to appropriate to the Oklahoma Department of Transportation State Transportation Fund sufficient monies to make payments to the Authority for purposes of retiring the debt created pursuant to this section.

F. The bond indenture or other instrument pursuant to which the Oklahoma Capitol Improvement Authority becomes obligated for the repayment of principal and interest of the proceeds from the sale of obligations authorized in subsection A of this section shall provide that all obligations are to be repaid from the source of revenue specified in this section.

G. The Oklahoma Department of Transportation shall make payments from the State Transportation Fund to pay obligations incurred pursuant to agreements with the Oklahoma Capitol Improvement Authority for the use of roads, highways and bridges the construction, improvement, maintenance, or repair of which is financed with any proceeds from the issuance of obligations authorized pursuant to subsection A of this section. No payment from the State Transportation Fund using the monies appropriated pursuant to this act shall be made for any other purpose.

H. It is the intent of the Oklahoma Legislature to maintain the funding level of the State Transportation Fund as required in order for the Department of Transportation to fully pay any and all obligations incurred by the Department of Transportation with respect to agreements entered into by the Department of Transportation and the Oklahoma Capitol Improvement Authority pursuant to subsection D of this section.

I. The bonds or other obligations issued pursuant to this section shall not at any time be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any such political subdivision.

J. Such bonds or other obligations shall contain on the face thereof a statement that neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged, or may hereafter be pledged, to the payment of the principal of or the interest on such bonds.

K. To the extent funds are available from the proceeds of the borrowing authorized by this section, the Oklahoma Capitol Improvement Authority shall provide for the payment of professional fees and associated costs approved by the Oklahoma Department of

Transportation. 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.

L. 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 ten (10) years from the first principal maturity date.

M. 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.

N. 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.

O. 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.

P. The Oklahoma Capitol Improvement Authority is hereby authorized to issue bonds or other negotiable instruments or evidences of indebtedness in the principal amount sufficient to generate One Hundred Fifty Million Dollars ($150,000,000.00) in proceeds available to fund the construction and improvement to the highway system in this state as set forth in this act and subject to the approval and authorization as set forth in subsection F of Section 1 of this act. If such bonds or other negotiable instruments or evidences of indebtedness are authorized for issuance, they shall be subject to the same terms and conditions as set forth in this section.

SECTION 8. This act shall become effective July 1, 1997.

SECTION 9. 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.

Passed the House of Representatives the 29th day of May, 1997.

Speaker of the House of Representatives

Passed the Senate the 30th day of May, 1997.

President of the Senate