

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

HOUSE BILL NO. 1115

By: Hutchison

AS INTRODUCED

An Act relating to tourism; amending 74 O.S. 1991, Section 1861, as amended by Section 1, Chapter 240, O.S.L. 1993 (74 O.S. Supp. 1996, Section 1861), which relates to tourism bonds; clarifying language; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 1991, Section 1861, as amended by Section 1, Chapter 240, O.S.L. 1993 (74 O.S. Supp. 1996, Section 1861), is amended to read as follows:

Section 1861. A. The Oklahoma Tourism and Recreation Commission shall have the power and is authorized to issue negotiable bonds in anticipation of the collection of all or any part of its revenues, not to exceed Five Million Dollars (\$5,000,000.00), for the purpose of constructing, reconstructing, improving, bettering or extending any properties which it is authorized to maintain or operate hereunder. The Commission shall distribute eighty percent (80%) of the net bond proceeds to existing state parks. The eighty percent (80%) share of funds will be allocated to parks according to the following procedure: fifty percent (50%) of a park's allocation will be derived by dividing a park's annual revenues by the sum of the total of annual revenues

from all parks and multiplying this percentage by fifty percent (50%) of the eighty percent (80%) share of funds. Fifty percent (50%) of a park's allocation from the eighty percent (80%) share will be derived by dividing a park's annual attendance by the sum of the annual attendance from all parks and multiplying this percentage by fifty percent (50%) of the eighty percent (80%) share of funds. The remaining twenty percent (20%) of the net proceeds shall be distributed for capital improvements in new parks or to improve existing parks with low revenue generation. The Commission shall pledge, to the payment of the interest and principal on the principal of such bonds, all or any part of the revenues derived from the operation of the parks controlled and operated by the Commission.

B. The bonds authorized by this section shall be authorized by resolution of the Commission and may, as provided in such resolution:

1. Be issued in one or more series;
2. Bear such date or dates and may mature at such time not exceeding twenty-five (25) years from their respective dates;
3. Bear interest at such rate or rates not exceeding ten percent (10%) per annum;
4. Contain such terms, covenants and conditions.

Said bonds may be sold in such manner and upon such terms as the Commission shall determine; ~~provided.~~ Provided, the interest cost yield to maturity of any issue of said bonds shall not exceed ten percent (10%) per annum, payable semi-annually.

C. Any resolution authorizing the issuance of bonds under this act may contain covenants, including, but not limited to:

1. The purpose or purposes to which the proceeds of the sale of bonds may be applied, and the deposit, use, and disposition thereof;

2. The use deposit, securing of deposits and disposition of the revenues of the Commission, including the creating and maintenance of reserves;

3. The issuance of additional bonds payable from the revenues of the Commission;

4. The operation and maintenance of properties of the Commission;

5. The insurance to be carried thereon, and the use, deposit and disposition of insurance monies;

6. Books of account and the inspection and audit thereof and the accounting methods of the Commission;

7. The nonrendering of any free service by the Commission except for promotional activities as deemed in Section 1834 of Title 74 of the Oklahoma Statutes; and

8. The preservation of the properties of the Commission so long as any of the bonds remain outstanding, from any mortgage, sale, lease or other encumbrances not specifically permitted by the terms of the resolution.

D. In the discretion of the Commission, any bonds issued under the provisions of this act may be secured by a trust indenture by and between the Commission and a corporate trustee, which may be any trust company or bank having the powers of a trust company within the state. Any such trust indenture may pledge or assign the revenues from the operation of properties of the Commission, but shall not convey or mortgage any properties, except such revenues. Any such trust indenture or any resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the Commission in relation to:

1. The construction, improvement, maintenance, repair, operation and insurance of the improvements in connection with which such bonds shall have been authorized;

2. The custody, safeguarding and application of all monies; and

3. The employment of consulting engineers in connection with the construction or operation of such improvements.

It shall be lawful for any bank or trust company incorporated under the laws of the state, which may act as depository of the proceeds of bonds or of revenues, to furnish such indemnifying bonds or to pledge such securities as may be required by the Commission. Any such trust indenture may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders as is customary in trust agreements or trust indentures securing bonds and debentures of corporations. In addition to the foregoing, any such trust indenture may contain such other provisions as the Commission may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of any such trust indenture may be treated as a part of the cost of operation of the improvements for which the bonds are authorized.

E. Monies received pursuant to the authority of this act, whether as proceeds from the sale of bonds or as revenues from the operations of the properties which have been identified for bond repayment purposes, shall be deemed to be trust funds, to be held and applied solely as provided in this act. The resolution authorizing the issuance of bonds of any issue, or the trust indenture securing such bonds, shall provide that any officer to whom, or any bank or trust company to which, such monies shall be paid, shall act as trustee of such monies and shall hold and apply the same for the purpose hereof, subject to such regulations as this act and such resolution or trust indenture may provide.

SECTION 2. This act shall become effective November 1, 1997.

46-1-5448

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