

STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

HOUSE BILL NO. 1470

By: Tyler

AS INTRODUCED

An Act relating to the Oklahoma Capital Improvement Authority; amending Section 7, Chapter 329, O.S.L. 1997 (73 O.S. Supp. 1998, Section 168.6), which relates to the issuance of obligations regarding the construction and improvement of the state highway system; modifying use of certain interest earnings on certain funds or accounts; and providing an effective date.

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

SECTION 1. AMENDATORY Section 7, Chapter 329, O.S.L. 1997 (73 O.S. Supp. 1998, Section 168.6), is amended to read as follows:

Section 168.6 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 2002 of ~~this act~~ Title 69 of the Oklahoma Statutes 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~~ shall be utilized ~~as partial payment of the annual debt service or for the purposes directed by the Authority~~ for the purpose of completing any of the projects set forth in Section 2002 of Title 69 of the Oklahoma Statutes.

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 ~~± 2001~~ of ~~this act~~ Title 69 of the Oklahoma Statutes. 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 2. This act shall become effective November 1, 1999.

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