

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

SENATE BILL 326

By: Haney and Hobson of the
Senate

and

Mass and Bonny of the
House

AS INTRODUCED

An Act relating to state finance; amending Section 1, Chapter 372, O.S.L. 1998, as last amended by Section 1, Chapter 7, 1st Extraordinary Session, O.S.L. 2000 (73 O.S. Supp. 2000, Section 301), which relates to the Oklahoma Capitol Improvement Authority; correcting language; amending Section 1, Chapter 417, O.S.L. 1997, which relates to the Capital Improvement Revolving Fund; inserting language; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 1, Chapter 372, O.S.L. 1998, as last amended by Section 1, Chapter 7, 1st Extraordinary Session, O.S.L. 2000 (73 O.S. Supp. 2000, Section 301), is amended to read as follows:

Section 301 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. Of such total amount, the sum of Four Million One Hundred Thousand Dollars (\$4,100,000.00) shall be transferred to the Department of Central Services Capital Improvement Revolving Fund as reimbursement for improvements and renovations to the property made in preparation for the construction of the History Center;

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 Seven Hundred Fifty Thousand Dollars (\$6,750,000.00) 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 Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000.00) 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. Of such total amount appropriated pursuant to this section, the sum of Three Million Five Hundred Thousand Dollars (\$3,500,000.00) shall be transferred to the Department of Central Services Capital Improvement Revolving Fund as reimbursement for the construction and other capital costs at the Quartz Mountain Lodge and Arts and Conference Center; and

16. The following capital projects to be funded by the obligations authorized herein in the amounts to be allocated and expended by the following entities and in the following amounts:

- a. the Oklahoma Aeronautics and Space Commission \$2,990,000.00
- b. the State Department of Agriculture \$5,044,194.00
- c. the Oklahoma State Bureau of Investigation \$300,000.00
- d. the Oklahoma Capitol Complex and Centennial Commission \$5,470,101.00
- e. the Department of Central Services \$975,000.00
- f. the Oklahoma Department of Commerce \$1,250,000.00
- g. the Oklahoma Conservation Commission \$100,000.00
- h. the Oklahoma Department of Corrections \$260,101.00
- i. the State Department of Education \$700,000.00
- j. the Oklahoma Educational Television Authority \$250,000.00
- k. the Grand River Dam Authority \$220,000.00
- l. the State Department of Health \$735,000.00
- m. the Oklahoma State Regents for Higher Education \$30,617,909.00
- n. the Oklahoma Historical Society \$10,456,303.00

o.	the Oklahoma House of Representatives	\$46,434.00
p.	the Department of Human Services	\$2,010,101.00
q.	the J.D. McCarty Center for Children with Developmental Disabilities	\$485,101.00
r.	the Office of Juvenile Affairs	\$1,227,601.00
s.	the Oklahoma Department of Mental Health and Substance Abuse Services	\$2,075,000.00
t.	the Oklahoma Military Department	\$5,700,101.00
u.	the Department of Public Safety	\$1,194,000.00
v.	the Oklahoma Department of Tourism and Recreation <u>Department</u>	\$10,565,005.00
w.	the Oklahoma Department of Transportation	\$5,241,412.00
x.	the Oklahoma Department of Veterans Affairs	\$1,450,000.00
y.	the Oklahoma Department of Career and Technology Education	\$13,845,303.00
z.	the Oklahoma Water Resources Board	\$1,850,000.00
aa.	the Oklahoma Department of Wildlife Conservation	\$608,000.00
bb.	the Department of Central Services	<u>\$51,833,333.00</u>
	GRAND TOTAL	\$157,499,999.00

The funds allocated in subparagraph bb of this paragraph shall be spent for capital projects which are important to the furtherance of state functions, as directed by the Governor.

B. 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~~ defeased 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.

C. 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 D 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-five Million Dollars (\$325,000,000.00) whether issued in one or more series. The Department of Central Services is authorized and directed to expend funds from the Department of Central Services 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. Provided, the Authority shall not issue any obligations pursuant to this section for the purpose of providing funding for the projects authorized in paragraph 16 of subsection A of this section prior to January 1, 2001. For the fiscal year ending June 30, 2002, and thereafter, it is the intent of the Legislature to appropriate to the agencies administering the projects sufficient monies to make rental payments for the purpose of retiring the obligations created pursuant to this section.

D. To the extent funds are available from the proceeds of the borrowing authorized by subsection C 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.

E. 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.

F. 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.

G. 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.

H. 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.

I. 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.

J. Insofar as they are not in conflict with the provisions of this section, the provisions of Section 151 et seq. of this title shall apply to this section.

K. To the extent that the provisions of paragraph 3 of subsection K of Section 85.4 of Title 74 of the Oklahoma Statutes would otherwise be applicable, such provisions shall be inapplicable to assets acquired, for ownership or for use, through the proceeds from the obligations authorized by paragraph 16 of subsection A of this section.

L. The Legislature finds that several functions of state government are properly performed through the delivery of state services by use of political subdivisions. In order to facilitate the delivery of essential state services and in furtherance of state governmental functions by the construction, acquisition or improvement of assets which may be located within the corporate limits of a municipality of the State of Oklahoma or which may be located in unincorporated areas of the state and subject to the jurisdiction of a board of county commissioners, but which nonetheless serve an important function of state government, the State of Oklahoma finds that the use of the proceeds from the issuance of obligations pursuant to this section effectuates the performance of essential state governmental functions, including, but not limited to:

1. Fire protection services;
2. Roads, bridges and highways located either partially within or completely within the corporate limits of a municipality or in an unincorporated area of the state;
3. Historic preservation;

4. Recreational facilities;
5. Air transportation infrastructure;
6. Facilities for the housing and care of the elderly;
7. Juvenile delinquency prevention and treatment facilities;
8. Agricultural and horticultural event facilities;
9. Health care facilities, including, but not limited to facilities the primary purpose of which is the treatment or prevention of communicable diseases or illness;
10. Promotion of tourism;
11. Promotion of economic development and business site selection; and
12. Public safety.

M. Notwithstanding any other provision of law to the contrary, each and every agency, board, commission, department or other entity of state government as identified in paragraph 16 of subsection A of this section shall have the authority to acquire or to transfer such property, whether real or personal, tangible or intangible, as may be required to fully fund the projects and to acquire or improve the assets for which the proceeds from the obligations authorized by this section are available.

SECTION 2. AMENDATORY Section 1, Chapter 417, O.S.L. 1997, is amended to read as follows:

Section 1. There is hereby created in the State Treasury the Department of Central Services Capital Improvement Revolving Fund. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of any monies appropriated or transferred to the fund and any monies contributed to the fund from any other source, public or private. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Department of Central Services pursuant to the provisions of this section. Monies in this fund shall be used for the purpose of addressing capital needs at state facilities. No

monies appropriated, transferred or deposited in this fund shall be expended by the Department of Central Services unless specifically authorized by law.

SECTION 3. CODIFICATION Section 1, Chapter 417, O.S.L. 1997, as amended by Section 2 of this act, shall be codified in the Oklahoma Statutes as Section 305 of Title 73.

SECTION 4. This act shall become effective July 1, 2001.

SECTION 5. 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.

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