

STATE OF OKLAHOMA

1st Session of the 49th Legislature (2003)

SENATE BILL 556

By: Price

AS INTRODUCED

An Act relating to telecommunications; enacting the Oklahoma Telecommunications Authority Act; defining terms; creating the Oklahoma Telecommunications Authority and stating purpose; stating powers; creating Board and providing for membership, appointment, filling of vacancies, election of officers, surety requirements and reimbursement of expenses; providing for appointment of chief executive officer; stating powers of Board; requiring employment of person as Treasurer, stating duties and powers, compensation, surety, and requiring audit of books; authorizing Board to select depositories and to invest funds in certain manner; stating powers and duties of Board; making Authority subject to certain laws and providing exceptions; creating revolving fund and providing for expenditures from fund; granting Authority power to establish, charge, and collect fees and enter into contracts for consideration for facilities and services provided, and pledge same as security for bonds it issues; authorizing Authority to accept federal and other monies for certain purposes and to comply with certain provisions; authorizing Authority to issue revenue bonds, and determine principal, interest, rates, maturity, amounts, and form of bonds; deeming certain signatures as valid; providing for public or private sale and restricting discount; specifying use of proceeds and providing for issuance of additional bonds and use of surplus; authorizing issuance of interim receipts, temporary bonds and replacement bonds; exempting issuance from certain approval and making issuance subject to certain provisions; providing for use of credit facility, repayment agreement, par formula for setting rates, and remarketing agreement and requiring approval of Authority; defining terms; allowing Authority to issue bonds subject to federal income taxation; allowing bonds to be secured by trust agreements and stating provisions which trust agreement may include; deeming bond proceeds and revenue received by Authority as trust funds to be used for certain purposes; granting holder of bonds and trustee certain rights; making bonds securities in which certain entities may invest; providing procedures for approval of bonds and judicial determination of validity; providing for refunding bonds and provisions relating thereto; providing for codification; 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 9004 of Title 74, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Telecommunications Authority Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9005 of Title 74, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Authority" means the Oklahoma Telecommunications Authority as authorized to be created by this act;

2. "Board" means the Oklahoma Telecommunications Authority Board as authorized to be created by this act;

3. "Bonds" means revenue bonds or other obligations issued by the Authority for the purpose of financing its projects;

4. "Cost" means all costs, fees, charges, expenses and amounts associated with the development of projects by the Authority;

5. "Federal aid" means any funding or other financial assistance provided by the federal government to the Authority for its projects;

6. "Financing agreement" means a lease, lease-purchase agreement, lease with option to purchase, sale or installment sale agreement, whether title passes in whole or in part at any time prior to, at, or after completion of the project, loan agreement, or other agreement forming the basis for the financing under this act, including any agreements, guarantees, or security instruments forming part of or related to providing assurance of payment of the obligations under such financing agreement;

7. "Person" means individuals, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, nations, federal, state or

local governments, government or other agencies, subdivisions of the state, municipalities, counties, business entities, and all other groups or combinations; and

8. "Project" means any system, facility, development, improvement, service or enterprise, developed, sponsored or promoted by the Authority.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9006 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created a body corporate and politic to be known as the "Oklahoma Telecommunications Authority". The Authority is hereby constituted an instrumentality of the state, and the exercise by the Authority of the powers conferred by this act shall be deemed and held to be an essential governmental function of the state with all the attributes thereof.

B. It shall be the purpose, function and responsibility of the Authority to plan, promote, coordinate and develop a communications infrastructure that will provide a seamless delivery system for voice, data and video capacity throughout the state, both by building on existing infrastructure and by developing new infrastructure. The Authority shall supervise and coordinate the activities of any other public entities with duties and responsibilities over wide area network services planning, selection, and implementation for all state agencies, including but not limited to the Oklahoma Government Telecommunications Network known as OneNet and the Information Services Division of the Office of State Finance. In carrying out this duty and responsibility, the Authority may advise and cooperate with municipalities, counties, regional authorities, appropriate federal agencies and organizations, and develop public private partnerships with other interested persons and groups both public and private.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9007 of Title 74, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Telecommunications Authority is hereby granted, has and may exercise all powers necessary to carry out and effectuate its purpose, including, but not limited to, the following:

1. Sue and be sued by its name in any court of competent jurisdiction;

2. Adopt and use an official seal and alter the same at pleasure;

3. Make and execute any and all contracts and other instruments necessary or convenient to the exercise of its powers;

4. Issue revenue bonds or other obligations as authorized by the provisions of this act or any other law, or any combination of the foregoing, to pay all or part of the cost of the acquisition, construction, reconstruction, extension, repair, improvement, maintenance or operation of any project or combination of projects, to provide for any facility, service or other activity of the Authority and to provide for the retirement or refunding of any bonds or obligations of the Authority, or for any combination of the foregoing purposes;

5. Acquire property, real, personal, intangible, tangible, or mixed, in fee simple or any lesser interest or estate, by purchase, gift, devise, or lease, on such terms and conditions as the Authority may deem necessary or desirable, and sell or otherwise dispose of the same and of any of the assets and properties of the Authority;

6. Lease as lessor or lessee to or from any person, public or private, any facilities or property of any nature for the use of the Authority and to carry out any of the purposes of the Authority;

7. Subject to the provisions of Section 1708 of Title 69 of the Oklahoma Statutes, acquire by condemnation land and such interest

therein as may be necessary in its determination for the purpose of establishing, constructing, maintaining, or operating any telecommunications infrastructure;

8. Own, acquire, construct, develop, create, reconstruct, equip, operate, maintain, extend and improve any equipment, facilities or services which are a part of the communications infrastructure provided for in this act; and

9. Undertake a program of advertising to the public and promoting the equipment, facilities or services or other projects of the Authority, and expend monies and undertake such activities to carry out such advertising and promotional programs as the Authority from time to time may determine.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9008 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created within the Oklahoma Telecommunications Authority a Board, which shall consist of the Governor, who shall be a member ex officio, and six (6) members to be appointed by the Governor, by and with the consent of the Senate. The appointive members shall be residents of the state, and shall have been qualified electors therein for a period of at least one (1) year next preceding their appointment. One appointive member shall be appointed from each of six districts of the state, such districts to include the area as follows:

District 1. Oklahoma, Canadian, Cleveland, McClain and Garvin Counties.

District 2. Washington, Nowata, Craig, Ottawa, Rogers, Mayes, Delaware, Wagoner, Cherokee, Adair, Okmulgee, Osage, Muskogee, Sequoyah, McIntosh and Haskell Counties.

District 3. Coal, Logan, Payne, Lincoln, Creek, Okfuskee, Pottawatomie, Seminole, Hughes and Ponotoc Counties.

District 4. Kay, Pawnee, Garfield, Noble, Tulsa, Woods, Woodward, Major, Alfalfa and Grant Counties.

District 5. Cimarron, Grady, Texas, Beaver, Harper, Ellis, Roger Mills, Dewey, Custer, Caddo, Washita, Beckham, Harmon, Stephens, Jefferson, Greer, Kiowa, Jackson, Tillman, Comanche, Cotton, Kingfisher and Blaine Counties.

District 6. Carter, Love, Murray, Johnston, Marshall, Atoka, Bryan, Pittsburg, Latimer, LeFlore, Pushmataha, Choctaw and McCurtain Counties.

B. The members of the Board appointed shall continue in office for terms expiring as follows: District 1, July 1, 2007; District 2, July 1, 2008; District 3, July 1, 2009; District 4, July 1, 2010; District 5, July 1, 2011; District 6, July 1, 2012. The successor of each appointive member shall be appointed for a term of eight (8) years, except that any person appointed to fill a vacancy shall be appointed to serve only for the unexpired term, and a member of the Board shall be eligible for reappointment. Each appointed member of the Board before entering upon the duties of office shall take an oath as provided by Section 1 of Article XV of the Constitution of the State of Oklahoma. Any appointive member of the Board may be removed by the Governor at any time with or without cause.

C. The Board shall elect one of the appointed members as chairperson and another as vice-chairperson. A majority of the members of the Board shall constitute a quorum and the vote of a majority of the members shall be necessary for any action taken by the Board. No vacancy in the membership of the Board shall impair the right of a quorum to exercise all the rights and perform all the duties of the Board.

D. Before the issuance of any revenue bonds under the provisions of this act, each appointed member of the Board shall execute a surety bond in the penal sum of Twenty-five Thousand Dollars (\$25,000.00), each such surety bond to be conditioned upon

the faithful performance of the duties of the office, 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.

E. The members of the Board shall not be entitled to compensation for their services, but each member shall be reimbursed for actual expenses necessarily incurred in the performance of the duties of such member. All expenses incurred in carrying out the provisions of this act shall be payable solely from funds provided under the authority of this act and no liability or obligation shall be incurred by the Board hereunder beyond the extent to which monies shall have been provided under the authority of this act.

F. At its initial meeting, or as soon thereafter as is practicable, the Board shall appoint a chief executive officer who shall serve at the pleasure of the Board. The Board shall determine the annual salary of the chief executive officer.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9009 of Title 74, unless there is created a duplication in numbering, reads as follows:

The powers and duties of the Oklahoma Telecommunications Authority shall be exercised by and through the Board. Without limiting the generality of the foregoing, the Board shall have the power and authority to:

1. Adopt, amend, and repeal rules to carry out the purposes of this act;

2. Maintain an office at such place or places as it may designate;

3. Execute all contracts and other documents necessary or desirable to carry out the purposes of this act; provided, the Board may authorize one or more members of the Board to execute contracts and other documents on behalf of the Board or the Authority;

4. Hire employees, including a person to act as the chief executive officer of the Authority with such duties and power as the Board may prescribe and designate up to five positions as being in the unclassified service;

5. Contract for the services of attorneys, underwriters or other financial professionals for the purpose of issuing and marketing the obligations of the Authority, notwithstanding the provisions of Section 18c of Title 74 of the Oklahoma Statutes;

6. Engage in the planning for communications and a communications infrastructure;

7. Execute intergovernmental agreements as provided by law;

8. Establish reserve funds for future Board operations;

9. Enter into agreements for the joint development of projects necessary or convenient for, the development of a communications infrastructure; and

10. Prepare an annual report of operations.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9010 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. 1. The Board shall employ a person who is a resident of this state or may appoint a member of the Board to serve as treasurer of the Oklahoma Telecommunications Authority, who shall have charge of the funds of the Authority. Such funds shall be disbursed only upon the order of or pursuant to the resolution of the Board by warrant, check, authorization or automatic deposit signed or authorized by the treasurer or the treasurer's representative or by such other persons as may be authorized by the Board. The Board may give the treasurer such other powers and duties as the Board may deem appropriate, and shall establish the treasurer's compensation.

2. The Board shall require the treasurer to give a bond in a minimum amount of One Hundred Thousand Dollars (\$100,000.00) and on

such terms and with such sureties as may be deemed satisfactory to the Board to secure the performance by the treasurer of the powers and duties of the treasurer. Provided, if the treasurer is a member of the Board, such bond shall be in lieu of the bond required under Section 7 of this act.

3. The Board shall audit or have audited the books of the treasurer at least once a year.

B. The Board is authorized to select as depositories in which the funds of the Board and of the Authority shall be deposited any bank or other financial institution organized under the laws of this state or under the laws of the United States, doing business in this state, upon such terms and conditions as to the payment of interest by such depository upon the funds so deposited as the Board may deem just and reasonable.

C. The Board of Directors may in its discretion invest funds of the Authority in the following:

1. Direct obligations of or obligations guaranteed by the United States of America or for the payment of the principal and interest of which the faith and credit of the United States is pledged;

2. Bonds or notes issued by any of the following federal agencies: Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Federal Land Banks; or the Federal National Mortgage Association, including debentures or participating certificates issued by such Association;

3. Public housing bonds issued by public housing authorities and secured by a pledge or annual contributions under an annual contribution contract or contracts with the United States of America;

4. Bonds or other interest-bearing obligations of any county, district, city or town located in this state for which the full faith and credit of such political subdivision is pledged; or

5. Any investment authorized for insurers under the Oklahoma Insurance Code.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9011 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Telecommunications Authority shall be subject to the Administrative Procedures Act, the Oklahoma Open Meeting Act, and the Oklahoma Open Records Act, except as provided in subsection B of this section.

B. Any information held by the Authority which is a trade secret, as defined in the Uniform Trade Secrets Act, including trade secrets of the Authority or the communications industry, is confidential and may not be disclosed. If the Authority determines that any information requested by the public will reveal a trade secret, it shall, in writing, inform the person making the request of that determination. The Authority may hold executive sessions, as authorized by the Oklahoma Open Meeting Act, when trade secrets are discussed, and any minutes, recordings, or notes from such sessions are deemed confidential.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9012 of Title 74, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Oklahoma Telecommunications Authority to be designated the "Oklahoma Telecommunications Authority Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Authority from private and public donations, contributions, gifts, and any monies appropriated or directed by law to be deposited thereto. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Authority for the purpose of creating, operating, staffing and maintaining the Oklahoma

Telecommunications Authority, and any legitimate expenses of the Authority. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9013 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. To recover the costs of a communications infrastructure, the Oklahoma Telecommunications Authority shall have the power to prescribe, fix, establish, and collect rates, fees or other charges, hereinafter referred to as "revenues", and to revise the same from time to time, for the facilities and service furnished or to be furnished by the Authority and shall have the power to provide for reasonable penalties against any user or property for any such rates, fees or other charges that are delinquent.

B. The Authority shall have the power to enter into contracts for the use of the projects of the Authority and for the services and facilities furnished or to be furnished by the Authority for such consideration and on such other terms and conditions as the Authority may approve. Such contracts, and revenues or service charges received or to be received by the Authority thereunder, may be pledged as security for any of the bonds of the Authority.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9014 of Title 74, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Telecommunications Authority is authorized to accept and receive federal monies, and other monies, either public or private, for the acquisition, development, construction, enlargement, improvement, maintenance, equipment, or operation of a communications infrastructure and other facilities, and sites therefor, and to comply with the provisions of the laws of the

United States and any rules and regulations made thereunder for the expenditure of federal monies upon such projects.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9015 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. 1. The Oklahoma Telecommunications Authority may provide by resolution, at one time or from time to time, for the issuance of revenue bonds of the Authority for the purpose of paying all or any part of the cost of any one or more projects.

2. The principal of and the interest on the bonds shall be payable solely from the funds provided for such payment. The bonds of each issue shall be dated, shall bear interest at such rate or rates not exceeding the limitations pertaining to public trust indebtedness from time to time expressed in subsection F of Section 176 of Title 60 of the Oklahoma Statutes, shall mature at such time or times not exceeding forty (40) years from their date or dates, as may be determined by the Authority, and may be made redeemable before maturity at the option of the Authority at such price or prices and pursuant to such terms and conditions as may be fixed by the Authority prior to the issuance of the bonds.

3. The Authority shall determine the form of the bonds, including any interest coupons to be attached thereto, and the manner of execution of the bonds, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or without the state.

4. If any officer whose signature or facsimile of whose signature appears on any bonds or coupons shall cease to be the officer before the delivery of the bonds, the signature or the facsimile shall nevertheless be valid and sufficient for all purposes the same as if the person had remained in office until such delivery.

5. All bonds issued pursuant to the provisions of this act shall have all the qualities and incidents of negotiable instruments subject to the negotiable instruments law of this state. The bonds may be issued in coupon or in registered form, or both, as the Authority may determine, and provisions may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The Authority may sell the bonds in such amounts and in such manner, either at public or private sale, and for such price, as it may determine to be in the best interest of this state, but in no event at a discount in excess of that from time to time expressed in subsection F of Section 176 of Title 60 of the Oklahoma Statutes.

B. The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the project for which the bonds have been issued, and shall be disbursed in such manner and pursuant to such restrictions, if any, as the Authority may provide in the resolution authorizing the issuance of the bonds or in the trust agreement securing the same. If the proceeds of the bonds of any issue, by error of estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided for in the resolution authorizing the issuance of such bonds or in the trust agreement securing the same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue shall exceed such cost, the surplus shall be deposited to the credit of the sinking fund for such bonds, or shall be used by the Authority in implementing any other power expressly granted to the Authority in this act.

C. Prior to the preparation of definitive bonds, the Authority, subject to like restrictions, may issue interim receipts or

temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery. The Authority may also provide for the replacement of any bonds which have become mutilated or were destroyed or lost. Bonds may be issued pursuant to the provisions of this act without obtaining the consent of any department, division, commission, board, bureau, or agency of this state, and without any other proceedings or the occurrence of any other conditions or things other than those proceedings, conditions, or things that are specifically required by this act; provided, however, bonds and other obligations of the Authority shall be subject to the provisions of Section 695.1 et seq. of Title 62 of the Oklahoma Statutes.

D. The Authority is hereby authorized to provide that the bonds:

1. Be made payable from time to time on demand or tender for purchase by the owner provided a credit facility supports such bonds, unless the Authority specifically determines that a credit facility is not required;

2. Be additionally supported by a credit facility;

3. Be made subject to redemption prior to maturity, with or without premium, on such notice and at such time or times and with such redemption provisions as may be determined by the Authority or with such variations as may be permitted in connection with a par formula;

4. Bear interest at a rate or rates that may vary as permitted pursuant to a par formula and for such period or periods of time, all as may be determined by the Authority; and

5. Be made the subject of a remarketing agreement whereby an attempt is made to remarket the bonds to new purchasers prior to their presentment for payment to the provider of the credit facility or to the Authority.

No credit facility, repayment agreement, par formula or remarketing agreement shall become effective without the approval of the Authority.

E. As used in this section, the following terms shall have the following meanings:

1. "Credit facility" means an agreement entered into by the Authority with any bank, savings and loan association or other banking institution; an insurance company, reinsurance company, surety company, or other insurance institution; a corporation, investment banker or other investment institution; or any other financial institution providing for prompt payment of all or any part of the principal, whether at maturity, presentment for purchase, redemption or acceleration, redemption premium, if any, and interest on any bonds payable on demand or tender by the owner issued in accordance with this section, in consideration of the Authority's agreeing to repay the provider of such credit facility in accordance with the terms and provisions of such repayment agreement, provided, that any such repayment agreement shall provide that the obligation of the Authority thereunder shall have only such sources of payment as are permitted for the payment of the bonds issued under this act; and

2. "Par formula" means any provision or formula adopted by the Authority to provide for the adjustment, from time to time, of the interest rate or rates borne by any such bonds so that the purchase price of such bonds in the open market would be as close to par as possible.

F. Any other provision of law notwithstanding, the Authority shall have the right to issue bonds or other obligations, the interest income, in whole or in part, on which is subject, directly or indirectly, to federal income taxation.

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9016 of Title 74, unless there is created a duplication in numbering, reads as follows:

In the discretion of the Oklahoma Telecommunications Authority, any bonds issued under the provisions of this act may be secured by a trust agreement by and between the Authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without this state. The trust agreement may pledge or assign the revenues to be received from the project constructed by the use of the proceeds of the bonds, but shall not convey or mortgage any project or any part thereof. The trust agreement or resolution providing for the issuance of the 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 Authority in relation to the acquisition of property and the construction, improvement, maintenance, repair, operation and insurance of the project in connection with which the bonds shall have been authorized, and the custody, safeguarding and application of all monies, and provisions for the employment of consulting engineers in connection with the construction or operation of such project or projects. 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 Authority. Any such trust agreement 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 agreement may contain such other provisions as the Authority may deem reasonable and proper for the security of the bondholders. All

expenses incurred in carrying out the provisions of the trust agreement may be treated as a part of the cost of the operation of the project or projects.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9017 of Title 74, unless there is created a duplication in numbering, reads as follows:

All monies received as proceeds from the sale of bonds or as pledged or assigned revenues, shall be deemed to be trust funds, to be held and applied solely as provided in this act. The resolution authorizing the bonds of any issue or the trust agreement securing such bonds shall provide that any officer to whom, or any bank or trust company to which, such money shall be paid shall act as trustee of the monies and shall hold and apply the same for the purposes hereof, subject to such regulations as this act and such resolution or trust agreement may provide.

SECTION 15. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9018 of Title 74, unless there is created a duplication in numbering, reads as follows:

Any holder of bonds issued under the provisions of this act or any of the coupons appertaining thereto, and the trustee under the trust agreement, except to the extent the rights herein given may be restricted by such trust agreement, may, either at law or in equity, by suit, action, mandamus, or other proceeding protect and enforce any and all rights under the laws of this state or granted hereunder or under such trust agreement or the resolution authorizing the issuance of such bonds, and may enforce and compel the performance of all duties required by this act or by such trust agreement or resolution to be performed by the Oklahoma Telecommunications Authority or by any officer thereof.

SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9019 of Title 74, unless there is created a duplication in numbering, reads as follows:

Bonds issued under the provisions of this act are hereby made securities in which all public officers and public bodies, agencies, and instrumentalities of the state and its political subdivisions, all banks, trust companies, trust and loan associations, investment companies, and others carrying on a banking business, and all insurance companies and insurance associations, and others carrying on an insurance business, may legally and properly invest funds including capital in their control or belonging to them.

SECTION 17. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9020 of Title 74, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Telecommunications Authority is authorized in its discretion to file an application with the Supreme Court of Oklahoma for the approval of any bonds to be issued hereunder, and exclusive original jurisdiction is hereby conferred upon the Supreme Court to hear and determine each such application. It shall be the duty of the Court to give such applications precedence over the other business of the Court and to consider and pass upon the applications and any protests which may be filed thereto as speedily as possible. Notice of the hearing on each application shall be given by a notice published in a newspaper of general circulation in this state that on a day named the Authority will ask the Court to hear its application and approve the bonds. Such notice shall inform all persons interested that they may file protests against the issuance of the bonds and be present at the hearing and contest the legality thereof. Such notice shall be published one time not less than ten (10) days prior to the date named for the hearing and the hearing may be adjourned from time to time in the discretion of the Court. If the Court shall be satisfied that the bonds have been properly authorized in accordance with this act and that when issued, they will constitute valid obligations in accordance with their terms, the Court shall render its written opinion approving the bonds and

shall fix the time within which a petition for rehearing may be filed. The decision of the Court shall be a judicial determination of the validity of the bonds, shall be conclusive as to the Authority, its officers and agents, and thereafter the bonds so approved and the revenues pledged to their payment shall be incontestable in any court in this state.

SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 9021 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Telecommunications Authority is hereby authorized to provide by resolution for the issuance of revenue refunding bonds of the Authority for the purpose of refunding any bonds then outstanding which shall have been issued under the provisions of this act including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and, if the Authority shall so determine, for the additional purpose of constructing improvements, extensions, or enlargements of the project or projects in connection with which the bonds to be refunded shall have been issued. The Authority is further authorized to provide for the issuance of its revenue bonds for the combined purpose of:

1. Refunding any bonds then outstanding which shall have been issued under the provisions of this act, including the payment of any redemption premium thereon and any interest accrued, or to accrue to the date of redemption of such bonds; and

2. Paying all or any part of the cost of any additional project or projects as authorized by this act. The issuance of such bonds, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties, and obligations of the Authority in respect of the same, shall be governed by the provisions of this act insofar as the same may be applicable.

B. Bonds may be issued by the Authority under the provisions of this section at any time prior to the maturity or maturities or the date selected for the redemption of the bonds being refunded thereby. Pending the application of the proceeds of such refunding bonds, with any other available funds, to the payment of the principal, accrued interest, and any redemption premium of the bonds being refunded, and if so provided or permitted in the resolution authorizing the issuance of such refunding bonds or in the trust agreement securing the same, to the payment of any interest on such refunding bonds, and any expenses in connection with such refunding, such proceeds may be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America which shall mature or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when the proceeds, together with the interest accruing thereon, will be required for the purposes intended. In lieu of such investments, all or any part of such proceeds may be placed in interest bearing time deposits or other similar arrangements may be made with regard thereto which will assure that such proceeds, together with the interest accruing thereon, will be available when required for the purposes intended.

SECTION 19. This act shall become effective November 1, 2003.

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