

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2516

By: Young

COMMITTEE SUBSTITUTE

An Act relating to public finance; amending Section 1, Chapter 471, O.S.L. 2002 (73 O.S. Supp. 2005, Section 168.8), which relates to the Oklahoma Capitol Improvement Authority; modifying authorized issuance amount for certain assets; authorizing certain use of interest earnings; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 1, Chapter 471, O.S.L. 2002 (73 O.S. Supp. 2005, Section 168.8), is amended to read as follows:

Section 168.8 A. The Oklahoma Capitol Improvement Authority is authorized to acquire real property located in Durant, Bryan County, Oklahoma, in McAlester, Pittsburg County, Oklahoma, in Lawton, Comanche County, Oklahoma, and in Oklahoma County, Oklahoma, together with improvements located thereon, for purposes of providing space to the Oklahoma State Bureau of Investigation for laboratory or investigative office services or both laboratory and investigative office services. The Authority may hold title to the real and personal property, including equipment, furnishings, and improvements until such time as any obligations issued for this purpose are retired or defeased and may lease the real and personal property, including equipment, furnishings, and improvements to the Oklahoma State Bureau of Investigation. Upon final redemption or defeasance of the obligations created pursuant to this section, title to the real and personal property, including equipment,

furnishings, and improvements shall be transferred from the Oklahoma Capitol Improvement Authority to the Oklahoma State Bureau of Investigation.

B. For the purpose of paying the costs for acquisition of the real and personal property, including equipment, furnishings, and improvements authorized in subsection A of this section and for the purpose authorized in subsection C 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, including equipment, furnishings, and improvements and, in anticipation of the collection of such income and revenues, to issue negotiable obligations in an amount ~~not to exceed Twenty-two Million Dollars (\$22,000,000.00)~~ necessary to generate net proceeds of Twenty-eight Million Three Hundred Thousand Dollars (\$28,300,000.00). It is the intent of the Legislature to appropriate to the Oklahoma State Bureau of Investigation sufficient monies to make rental payments and to authorize the use of monies accruing to the credit of the Forensic Science Improvement Revolving Fund established in Section 150.35 of Title 74 of the Oklahoma Statutes for the purposes of retiring the obligations created pursuant to this section. The costs for acquisition of the real and personal property, including equipment, furnishings, and improvements authorized in subsection A of this section shall not exceed Five Hundred Thousand Dollars (\$500,000.00) for property located in Durant, Oklahoma, Five Hundred Thousand Dollars (\$500,000.00) for property located in McAlester, Oklahoma, Five Hundred Thousand Dollars (\$500,000.00) for property located in Lawton, Oklahoma, and ~~Twenty Million Dollars (\$20,000,000.00)~~ Twenty-six Million Three Hundred Thousand Dollars (\$26,300,000.00) for property located in Oklahoma County. The costs for acquisition of the real and personal property, including equipment, furnishings, and improvements authorized in subsection A of this section shall

not exceed the fair market value of the property as determined by the Department of Central Services. In determining the fair market value of such property, the Department of Central Services may consider factors such as relocation costs. The Department of Central Services is authorized to conduct an appraisal of any property which may be acquired pursuant to this section or to contract with others for such appraisal or appraisals as may be necessary. In the event the Authority leases any part of the real and personal property acquired pursuant to subsection A of this section to any entity other than the Bureau, the Authority shall require such lease to comply with such security restrictions as may be requested by the Bureau.

C. To the extent funds are available from the proceeds of the borrowing authorized by subsection B of this section, the Oklahoma Capitol Improvement Authority shall provide for the payment of professional fees and associated costs approved by the Oklahoma State Bureau of Investigation. The Bureau shall reimburse the Department of Central Services for all costs incurred by the Department in determining the fair market value of any property pursuant to this section.

D. 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.

E. 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.

F. 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. Any interest earnings on funds or accounts created for the purposes of this section may be utilized for the purchase of personal property, including equipment, furnishings and improvements to real property.

G. 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.

H. 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.

I. The construction of new facilities or the acquisition of existing properties pursuant to this section shall be exempt from the Department of Central Services procedures for leasing and space standards.

SECTION 2. 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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