ENGROSSED SENATE
BILL NO. 1056

By: Hobson, Coffee, Paddack, Adelson, Capps, Johnson (Constance), Justice, Nichols, Corn, Crain, Crutchfield, Easley, Eason McIntyre, Garrison, Harrison, Lawler, Leftwich, Myers, Rabon, Shurden, Wilcoxson, Bass, Riley, Gumm and Branan of the Senate

and

Balkman and Nations of the House

[higher education - comprehensive diabetes center - codification - effective date]

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

SECTION 1. AMENDATORY Section 4, Chapter 2, O.S.L. 2005, as amended by Section 3, Chapter 218, O.S.L. 2005 (70 O.S. Supp. 2005, Section 3980.4), is amended to read as follows:

Section 3980.4 A. The Oklahoma State Regents for Higher Education shall be authorized to issue indebtedness for capital projects to benefit each and every institution within The Oklahoma State System of Higher Education except the University of Oklahoma and Oklahoma State University.

B. The Board of Regents of the University of Oklahoma shall be authorized to issue indebtedness for capital projects to benefit the University of Oklahoma as provided by paragraph (n) of Section 3305 of ~~Title 70 of the Oklahoma Statutes~~ <u>this title</u>. The Board of Regents of the University of Oklahoma, acting for the benefit of the University of Oklahoma, shall be authorized to pledge any lawfully available source of revenue other than revenues appropriated by the Legislature from tax receipts, but inclusive of revenues derived

from the Oklahoma Education Lottery Act accruing to the credit of the University of Oklahoma to the repayment of obligations issued pursuant to this subsection.

C. The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges shall be authorized to issue indebtedness for capital projects to benefit Oklahoma State University pursuant to paragraph 16 of Section 3412 of ~~Title 70 of the Oklahoma Statutes~~ this title. The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, acting for the benefit of Oklahoma State University, shall be authorized to pledge any lawfully available source of revenue, other than revenues appropriated by the Legislature from tax receipts, but inclusive of revenues derived from the Oklahoma Education Lottery Act, accruing to the credit of Oklahoma State University to the repayment of obligations issued pursuant to this subsection.

D. The Oklahoma State Regents for Higher Education shall be required to affirmatively approve the issuance of obligations pursuant to the provisions of this act by either the Board of Regents of the University of Oklahoma, acting for the benefit of the University of Oklahoma or the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, acting for the benefit of Oklahoma State University. For each of the proposed bond issues authorized pursuant to this act, a Statement of Essential Facts shall be prepared by the issuing Board of Regents for the use and information of prospective bond purchasers. It shall be the duty of the Oklahoma State Regents for Higher Education to examine such Statement of Essential Facts and determine that, based upon such facts and projections, the projected revenue will satisfy the financial obligation to be incurred under the proposed bond issue. If the facts are found by the State Regents to be substantially accurate and if the State Regents find that, based upon such facts and projections, the projected revenue will satisfy the financial

obligation to be incurred under the proposed bond issue, then the Oklahoma State Regents for Higher Education shall certify such to the Governor, the Speaker of the Oklahoma House of Representatives and the President Pro Tempore of the Oklahoma State Senate. The certificate shall be made in substantially the following form:

The Oklahoma State Regents for Higher Education do hereby certify that the provisions of this section have been complied with in proper order, for the bond issue mentioned above.

E. All obligations except refunding or defeasance obligations proposed to be issued by an authorized issuer pursuant to ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of 2005 shall be subject to final approval by the Legislature as provided by this subsection. The authorized issuer shall communicate the proposed projects and the terms of the financing to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the State Senate prior to the time any such obligations are sold. The communication required by this subsection shall be made not later than April 1 each year. The communication to such elected officials shall occur upon the same date for purposes of computing the time within which action must be taken as further prescribed by this subsection. The Legislature shall have a period of forty-five calendar days from the date as of which the information is communicated to the presiding officers of both chambers in order to pass a Concurrent Resolution disapproving the proposed issuance. If the Concurrent Resolution has not received a majority of votes of those elected to and constituting both the Oklahoma House of Representatives and the Oklahoma State Senate by the end of the forty-fifth day following the date upon which the proposed issuance is communicated to the presiding officers of both chambers, the proposed issuance shall be deemed to have been approved by the Legislature.

F. With the approval of the Oklahoma State Regents for Higher Education, the total revenues described by subsection B and subsection C of this section may be pledged to the repayment of obligations issued by either the Board of Regents of the University of Oklahoma or obligations issued by the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges in order to obtain the highest possible credit rating. If the Board of Regents of the University of Oklahoma and the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges agree to the use of the total revenues available to each such Board of Regents pursuant to this subsection for a project that benefits either the University of Oklahoma or Oklahoma State University or both such comprehensive universities, there shall be an agreement executed by both such Boards of Regents describing the project, the principal amount of the indebtedness, the terms of the financing and such other matters as the two Boards of Regents may mutually agree. Such agreement shall be executed prior to the sale of any obligations by either Board of Regents with respect to the proposed project or projects. The agreement shall provide for one or the other Board of Regents to be the authorized issuer with respect to the project or projects. The agreement shall also provide for the ownership or control of any real or personal property to be improved or acquired with the proceeds from the sale of any such obligations, including any requirements for the transfer of real or personal property from one comprehensive university to the other comprehensive university if such transfer is required in order to promote or ensure the marketability of any obligations sold by either Board of Regents.

G. The Oklahoma State Regents for Higher Education may pledge all lawfully available revenues, other than revenues appropriated by the Legislature from tax receipts, but inclusive of revenues derived from the Oklahoma Education Lottery Act, and other than the revenues

described by subsection B or subsection C of this section, to the repayment of obligations issued by the State Regents.

H. The authorized issuers shall be subject to the following restrictions governing the issuance of the obligations authorized by this act:

1. Obligations used to pay for the following assets shall be repaid in a period not to exceed five (5) years:

a. computers,

b. portable telecommunications equipment costing less than Fifty Thousand Dollars ($50,000.00),

c. motor vehicles, and

d. any other item of tangible personal property with an original useful life of six (6) years or less;

2. Obligations used to pay for the following assets shall be repaid in a period not to exceed ten (10) years:

a. equipment with an original cost of less than One Hundred Thousand Dollars ($100,000.00), per item, and

b. renovation of existing structures, unless the cost of the renovation exceeds the fair market value of the existing structure or unless the improvement extends the useful life of the existing structure, but in no case shall the maturity period exceed the period by which the life of the existing structure is extended; and

3. Obligations used to pay for all other assets shall be repaid in a period not to exceed thirty (30) years and in no case shall the latest maturity date of an obligation exceed the expected useful life of the asset.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3318 of Title 70, unless there is created a duplication in numbering, reads as follows:

The Oklahoma State Legislature requests the Board of Regents of the University of Oklahoma to establish a comprehensive diabetes center with operations in Oklahoma City and Tulsa. The Oklahoma Diabetes Center should provide statewide leadership in diabetes treatment, research, prevention, information, education and awareness and provide access to the latest developments in diabetes care and management through the clinical trials hosted by the center.

SECTION 3. This act shall become effective November 1, 2006.

Passed the Senate the 28th day of February, 2006.

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Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____, 2006.

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Presiding Officer of the House
of Representatives