

ENGROSSED SENATE
BILL NO. 557

By: Morgan of the Senate
and
Toure of the House

[state facility improvements - Department of Central
Services - funding for certain repairs -
codification -
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 331 of Title 73, unless there is
created a duplication in numbering, reads as follows:

A. For the purpose of paying the costs for acquisition and
installation of a heating and cooling system necessary and for
remodeling to accommodate such heating and cooling system for the
State Capitol Building and for the purpose authorized in subsection
B of this section, the Department of Central Services is hereby
authorized to borrow monies on the credit of the income and revenues
to be derived from the leasing of such property and improvements
and, in anticipation of the collection of income and revenues
therefrom, to issue negotiable obligations in a total amount not to
exceed Twenty-seven Million Dollars (\$27,000,000.00), whether issued
in one or more series. It is the intent of the Legislature to
appropriate to the Department of Central Services sufficient monies
to make rental payments for the purposes of retiring the obligations
created pursuant to this section. The costs for acquisition and
installation of the property and repairs, refurbishments and
improvements authorized in this section shall not exceed Twenty-
seven Million Dollars (\$27,000,000.00).

B. To the extent funds are available from the proceeds of the borrowing authorized by subsection A of this section, the Department of Central Services shall provide for the payment of professional fees and associated costs related to the projects authorized in subsection A of this section.

C. The Department 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.

D. The obligations authorized under this section may be sold at either competitive or negotiated sale, as determined by the Department, and in such form and at such prices as may be authorized by the Department. The Department 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 Department, but in no event shall the final maturity of such obligations occur later than twenty (20) years from the first principal maturity date.

E. 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 Department.

F. 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.

G. The Department 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 Department may place additional restrictions on the investment of such monies if necessary to enhance the marketability of the obligations.

SECTION 2. This act shall become effective September 1, 2005.

Passed the Senate the 1st day of March, 2005.

Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____,
2005.

Presiding Officer of the House
of Representatives