ENGROSSED SENATE
BILL NO. 930

By: Morgan of the Senate

and

Nations of the House

[public finance - modifying requirements - emergency]

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

SECTION 1. AMENDATORY 62 O.S. 2001, Section 695.7, as amended by Section 1, Chapter 215, O.S.L. 2003 (62 O.S. Supp. 2004, Section 695.7), is amended to read as follows:

Section 695.7 A. 1. The Council of Bond Oversight shall engage the services of a person knowledgeable in the current state of the art of national and international standards for the issuance of obligations by governmental entities and experienced in the negotiation of fees for various goods and services requisite to or deemed desirable in the issuance of such obligations as well as the negotiation of other matters essential to provide the best current price and terms of the issuance of such obligations for the benefit of Oklahoma firms, farms, individuals and local communities, who shall have the title "Oklahoma State Bond Advisor".

2. When appointing a person to the position of Oklahoma State Bond Advisor, the Council shall conduct a national search in seeking requests for proposals for the position. The person selected as the Oklahoma State Bond Advisor shall be approved by an affirmative vote of three of the members of the Council and appointed to the position, subject to the advice and consent of the Senate.

3. The Oklahoma State Bond Advisor may be removed for cause by an affirmative vote of three of the members of the Council, after a public hearing.

B. The Oklahoma State Bond Advisor may employ the necessary staff to carry out the duties of the Bond Advisor and the duties of the Council, with approval of the Council. Effective July 1, 2003, the Office of the State Bond Advisor shall be a separate state agency as set forth in Section ~~2~~ 695.7a of this ~~act~~ title.

C. 1. Except as provided in Section 695.8 of this title, prior to engaging the services of underwriters, bond or other legal counsel, financial advisors, consultants, a financial institution to serve as trustee, paying agent or in any fiduciary capacity in connection with any program, indenture or general resolution of the State Governmental Entity, or any other experts, except as provided in Section 5062.8 of Title 74 of the Oklahoma Statutes, the State Governmental Entity shall request proposals for such services from a plurality of persons engaged in the particular activity for such services and the selection of such persons shall be made on the basis of the response to the request which is the most economical and will provide competent service which furthers the best interest of the State Governmental Entity and the state. In negotiating requests for proposals to engage such services, the State Governmental Entity shall seek the advice and assistance of the Oklahoma State Bond Advisor. Under no circumstances shall proprietary inducements be granted. The Oklahoma State Bond Advisor shall provide assistance and advice to State Governmental Entities with respect to the issuance of obligations by said State Governmental Entities, review, negotiate, and approve or disapprove the fees and expenses for goods and services requisite to or deemed desirable in the issuance of State Governmental Entity obligations and represent the interests of the state before rating agencies and credit enhancement providers.

2. The Council of Bond Oversight may provide for the creation of lists of qualified individuals or firms, for specific types of issues, to be used by a State Governmental Entity in the selection

of service providers. The Council of Bond Oversight may allow issuers to select service providers for a period of up to two (2) years in cases where the State Governmental Entity is financing programs or projects with similar structures and credit characteristics.

3. The provisions of this subsection shall apply to any Local Governmental Entity that proposes to issue obligations to fund capital additions or expenditures which obligations are to be retired by rental payments from the state, user fees from the state or any other such payment made by any officer, department, board, commission, institution or agency of the state. No Local Governmental Entity may utilize a lease, contract, or other agreement with a State Governmental Entity as collateral or security for a proposed Local Governmental Entity obligation unless such obligation has satisfied all of the provisions of this section.

D. The Oklahoma State Bond Advisor shall serve as an advisor to the Governor and to the Legislature with respect to issuance of indebtedness reviewed by the Council and shall prepare an annual report to be submitted to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives as of January 15 each year. The report shall contain a summary of the issuance of indebtedness by State Governmental Entities and Local Governmental Entities during the preceding year and such other information as the State Bond Advisor may be required to submit or as may be relevant.

E. The Oklahoma State Bond Advisor or any member of the immediate family of the Oklahoma State Bond Advisor shall not have any direct or indirect financial or contractual relationship with any firm or corporation or any officer, partner or principal stockholder of any firm or corporation directly involved in public finance.

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.

Passed the Senate the 15th day of March, 2005.

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Presiding Officer of the Senate

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

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Presiding Officer of the House of Representatives