

ENROLLED SENATE  
BILL NO. 509

By: Morgan of the Senate

and

Benge of the House

An Act relating to state facilities; authorizing the Oklahoma Capitol Improvement Authority to acquire and construct certain property and to provide funding for certain repairs, refurbishments and improvements; authorizing borrowing of certain money for certain purposes; authorizing issuance of certain obligations; providing for use of investment earnings; stating legislative intent; limiting cost for certain project; providing for payment of certain fees and costs; prescribing procedures for issuance of certain obligations; authorizing certain agreements; providing for use of certain interest earnings; exempting certain obligations, transfers and interest from taxation; authorizing investment of funds; proscribing procedures for investment; 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 332 of Title 73, unless there is created a duplication in numbering, reads as follows:

A. In addition to any other authorization provided by law, the Oklahoma Capitol Improvement Authority is authorized to issue obligations to provide funding for repairs, refurbishments and improvements to real and personal property and for funding for completion of renovation of the Wiley Post Historical Building for occupancy by the appellate courts with debt retirement payments to be made as provided herein.

B. The Authority may hold title to the real and personal property and improvements until such time as any obligations issued for this purpose are retired or defeased and may lease the real property and improvements to the state appellate courts. Upon final redemption or defeasance of the obligations created pursuant to this section, title to the real and personal property and improvements shall be transferred from the Oklahoma Capitol Improvement Authority to the Oklahoma Supreme Court.

C. For the purpose of paying the costs for acquisition and construction of the real property and improvements and personal property and making the repairs, refurbishments, and improvements to real and personal property, and providing funding for the project authorized in subsection A of this section, and for the purpose authorized in subsection D 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 and improvements, and in anticipation of the collection of such income and revenues, to issue notes, bonds or other evidences of obligation in an amount necessary to generate net proceeds of Twenty-one Million Six Hundred Fifty Thousand Dollars (\$21,650,000.00) after providing for the costs of issuance, credit enhancement, reserves and other expenses related to the financing. Net proceeds of the financing will be deposited into a construction fund to provide for the financing of the project described in subsection A of this section. Earnings that result from the investment of the construction fund may be used for the project authorized in subsection A of this section or for other legal purposes approved by the Authority, whether issued in one or more series. It is the intent of the Legislature to appropriate to the Oklahoma Supreme Court sufficient monies to make rental payments for the purposes of retiring the obligations created pursuant to this section. To the extent funds are available from the proceeds of the borrowing authorized by this subsection, the Oklahoma Capitol Improvement Authority shall provide for the payment of professional fees and associated costs related to the projects authorized in subsection A of 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.

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. Insofar as they are not in conflict with the provisions of this section, the provisions of Section 151 et seq. of Title 73 of the Oklahoma Statutes shall apply to this section.

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

Passed the Senate the 26th day of May, 2005.

---

Presiding Officer of the Senate

Passed the House of Representatives the 26th day of May, 2005.

---

Presiding Officer of the House  
of Representatives

