

EHB 2516

THE STATE SENATE
Tuesday, April 11, 2006

ENGROSSED

House Bill No. 2516

As Amended

ENGROSSED HOUSE BILL NO. 2516 - By: YOUNG, ASKINS, BLACKWELL,
CARGILL, COOKSEY, DePUE, GLENN, LIEBMANN, MILLER (Ken), MORGAN
(Fred), NANCE, ROAN, ROUSSELOT, SMITHSON, INGMIRE, WRIGHT, COVEY and
McCARTER of the House and LEFTWICH, BASS, COFFEE and LAMB of the
Senate.

[public finance - amending 73 O.S., Section 168.8 -
Oklahoma Capitol Improvement Authority -
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

1 improvements until such time as any obligations issued for this
2 purpose are retired or defeased and may lease the real and personal
3 property, including equipment, furnishings, and improvements to the
4 Oklahoma State Bureau of Investigation. Upon final redemption or
5 defeasance of the obligations created pursuant to this section,
6 title to the real and personal property, including equipment,
7 furnishings, and improvements shall be transferred from the Oklahoma
8 Capitol Improvement Authority to the Oklahoma State Bureau of
9 Investigation.

10 B. For the purpose of paying the costs for acquisition of the
11 real and personal property, including equipment, furnishings, and
12 improvements authorized in subsection A of this section and for the
13 purpose authorized in subsection C of this section, the Authority is
14 hereby authorized to borrow monies on the credit of the income and
15 revenues to be derived from the leasing of such real and personal
16 property, including equipment, furnishings, and improvements and, in
17 anticipation of the collection of such income and revenues, to issue
18 negotiable obligations in an amount ~~not to exceed Twenty-two Million~~
19 ~~Dollars (\$22,000,000.00)~~ necessary to generate net proceeds of
20 Twenty-eight Million Three Hundred Thousand Dollars
21 (\$28,300,000.00). It is the intent of the Legislature to
22 appropriate to the Oklahoma State Bureau of Investigation sufficient
23 monies to make rental payments and to authorize the use of monies

1 accruing to the credit of the Forensic Science Improvement Revolving
2 Fund established in Section 150.35 of Title 74 of the Oklahoma
3 Statutes for the purposes of retiring the obligations created
4 pursuant to this section. The costs for acquisition of the real and
5 personal property, including equipment, furnishings, and
6 improvements authorized in subsection A of this section shall not
7 exceed Five Hundred Thousand Dollars (\$500,000.00) for property
8 located in Durant, Oklahoma, Five Hundred Thousand Dollars
9 (\$500,000.00) for property located in McAlester, Oklahoma, Five
10 Hundred Thousand Dollars (\$500,000.00) for property located in
11 Lawton, Oklahoma, and ~~Twenty Million Dollars (\$20,000,000.00)~~
12 Twenty-six Million Three Hundred Thousand Dollars (\$26,300,000.00)
13 for property located in Oklahoma County. The costs for acquisition
14 of the real and personal property, including equipment, furnishings,
15 and improvements authorized in subsection A of this section shall
16 not exceed the fair market value of the property as determined by
17 the Department of Central Services. In determining the fair market
18 value of such property, the Department of Central Services may
19 consider factors such as relocation costs. The Department of
20 Central Services is authorized to conduct an appraisal of any
21 property which may be acquired pursuant to this section or to
22 contract with others for such appraisal or appraisals as may be
23 necessary. In the event the Authority leases any part of the real

1 and personal property acquired pursuant to subsection A of this
2 section to any entity other than the Bureau, the Authority shall
3 require such lease to comply with such security restrictions as may
4 be requested by the Bureau.

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

13 D. The Authority may issue obligations in one or more series
14 and in conjunction with other issues of the Authority. The
15 Authority is authorized to hire bond counsel, financial consultants,
16 and such other professionals as it may deem necessary to provide for
17 the efficient sale of the obligations and may utilize a portion of
18 the proceeds of any borrowing to create such reserves as may be
19 deemed necessary and to pay costs associated with the issuance and
20 administration of such obligations.

21 E. The obligations authorized under this section may be sold at
22 either competitive or negotiated sale, as determined by the
23 Authority, and in such form and at such prices as may be authorized

1 by the Authority. The Authority may enter into agreements with such
2 credit enhancers and liquidity providers as may be determined
3 necessary to efficiently market the obligations. The obligations
4 may mature and have such provisions for redemption as shall be
5 determined by the Authority, but in no event shall the final
6 maturity of such obligations occur later than thirty (30) years from
7 the first principal maturity date.

8 F. Any interest earnings on funds or accounts created for the
9 purposes of this section may be utilized as partial payment of the
10 annual debt service or for the purposes directed by the Authority.
11 Any interest earnings on funds or accounts created for the purposes
12 of this section may be utilized for the purchase of personal
13 property, including equipment, furnishings and improvements to real
14 property.

15 G. The obligations issued under this section, the transfer
16 thereof and the interest earned on such obligations, including any
17 profit derived from the sale thereof, shall not be subject to
18 taxation of any kind by the State of Oklahoma, or by any county,
19 municipality or political subdivision therein.

20 H. The Authority may direct the investment of all monies in any
21 funds or accounts created in connection with the offering of the
22 obligations authorized under this section. Such investments shall
23 be made in a manner consistent with the investment guidelines of the

1 State Treasurer. The Authority may place additional restrictions on
2 the investment of such monies if necessary to enhance the
3 marketability of the obligations.

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

8 SECTION 2. It being immediately necessary for the preservation
9 of the public peace, health and safety, an emergency is hereby
10 declared to exist, by reason whereof this act shall take effect and
11 be in full force from and after its passage and approval.

12 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 4-5-06 - DO
13 PASS, As Amended and Coauthored.