

EHB 2552

THE STATE SENATE
Tuesday, April 11, 2006

ENGROSSED

House Bill No. 2552

As Amended

ENGROSSED HOUSE BILL NO. 2552 - By: DePUE of the House and BASS of the Senate.

[state property - Oklahoma Capitol Improvement Authority -
Deferred Maintenance Program - codification - effective date
-
emergency]

~~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 200.1 of Title 73, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Capitol Improvement Authority is authorized to acquire real property, together with improvements located thereon, and personal property, to construct buildings and other improvements to real property and to provide funding for repairs, refurbishments and improvements to real and personal property and for funding for capital assets that are identified as part of the "Deferred Maintenance Program".

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

1 property and improvements to the agencies indicated herein. Upon
2 final redemption or defeasance of the obligations created pursuant
3 to this section, title to the real and personal property and
4 improvements shall be transferred from the Oklahoma Capitol
5 Improvement Authority, to the agencies indicated herein.

6 C. For the purpose of paying the costs for acquisition and
7 construction of the real property and improvements and personal
8 property and making the repairs, refurbishments, and improvements to
9 real and personal property, and providing funding for the projects
10 authorized in subsection A of this section, and for the purpose
11 authorized in subsection D of this section, the Authority is hereby
12 authorized to borrow monies on the credit of the income and revenues
13 to be derived from the leasing of such real and personal property
14 and improvements and, in anticipation of the collection of such
15 income and revenues, to issue negotiable obligations in a total
16 amount not to exceed _____ Dollars (\$0.00) whether issued
17 in one or more series. It is the intent of the Legislature to
18 appropriate to the indicated state agencies sufficient monies to
19 make rental payments for the purposes of retiring the obligations
20 created pursuant to this section.

21 D. To the extent funds are available from the proceeds of the
22 borrowing authorized by subsection C of this section, the Oklahoma
23 Capitol Improvement Authority shall provide for the payment of

1 professional fees and associated costs related to the projects
2 authorized in subsection A of this section.

3 E. The Authority may issue obligations in one or more series
4 and in conjunction with other issues of the Authority. The
5 Authority is authorized to hire bond counsel, financial consultants,
6 and such other professionals as it may deem necessary to provide for
7 the efficient sale of the obligations and may utilize a portion of
8 the proceeds of any borrowing to create such reserves as may be
9 deemed necessary and to pay costs associated with the issuance and
10 administration of such obligations.

11 F. The obligations authorized under this section may be sold at
12 either competitive or negotiated sale, as determined by the
13 Authority, and in such form and at such prices as may be authorized
14 by the Authority. The Authority may enter into agreements with such
15 credit enhancers and liquidity providers as may be determined
16 necessary to efficiently market the obligations. The obligations
17 may mature and have such provisions for redemption as shall be
18 determined by the Authority, but in no event shall the final
19 maturity of such obligations occur later than thirty (30) years from
20 the first principal maturity date.

21 G. Any interest earnings on funds or accounts created for the
22 purposes of this section may be utilized as partial payment of the
23 annual debt service or for the purposes directed by the Authority.

1 H. The obligations issued under this section, the transfer
2 thereof and the interest earned on such obligations, including any
3 profit derived from the sale thereof, shall not be subject to
4 taxation of any kind by the State of Oklahoma, or by any county,
5 municipality or political subdivision therein.

6 I. The Authority may direct the investment of all monies in any
7 funds or accounts created in connection with the offering of the
8 obligations authorized under this section. Such investments shall
9 be made in a manner consistent with the investment guidelines of the
10 State Treasurer. The Authority may place additional restrictions on
11 the investment of such monies if necessary to enhance the
12 marketability of the obligations.

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

16 SECTION 2. AMENDATORY 74 O.S. 2001, Section 63.1, as
17 amended by Section 3, Chapter 372, O.S.L. 2003 (74 O.S. Supp. 2005,
18 Section 63.1), is amended to read as follows:

19 Section 63.1 A. There is hereby created in the State Treasury,
20 a revolving fund for the Department of Central Services to be
21 designated the "Building and Facility Revolving Fund". The fund
22 shall be a continuing fund not subject to fiscal year limitations
23 and shall consist of all operation, lease, and maintenance charges

1 paid to the Department by occupying agencies of the buildings
2 operated and maintained by the Department. Monies accruing to the
3 fund may be expended by the Department of Central Services for
4 operation and maintenance of the facilities and expenses the
5 Department incurs to support building and facilities operations.
6 Expenditures from the fund shall be made on warrants issued by the
7 State Treasurer against claims filed with the Director of State
8 Finance for approval and payment.

9 B. The Department of Central Services shall levy a lease charge
10 on every state agency that leases building space from the
11 Department. The charge shall be as follows:

12 1. From July 1, 2006, through June 30, 2007, the lease charge
13 shall be fifty cents (\$.50) per square foot of leased space;

14 2. From July 1, 2007, through June 30, 2008, the lease charge
15 shall be One Dollar (\$1.00) per square foot of leased space;

16 3. From July 1, 2008, through June 30, 2009, the lease charge
17 shall be One Dollar and fifty cents (\$1.50) per square foot of
18 leased space; and

19 4. Beginning July 1, 2009, and thereafter, the lease charge
20 shall be Two Dollars (\$2.00) per square foot of leased space.

21 SECTION 3. This act shall become effective July 1, 2006.

22 SECTION 4. It being immediately necessary for the preservation
23 of the public peace, health and safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.
3 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 4-5-06 - DO
4 PASS, As Amended.