

3 Senate Bill No. 557
4 As Amended

5 SENATE BILL NO. 557 - By: MORGAN of the Senate and TOURE of the
6 House.

7 [state facility improvements - Department of Central
8 Services - funding for certain repairs - codification -
9 effective date]

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

11 SECTION 1. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 331 of Title 73, unless there is
13 created a duplication in numbering, reads as follows:

14 A. For the purpose of paying the costs for acquisition and
15 installation of a heating and cooling system necessary and for
16 remodeling to accommodate such heating and cooling system for the
17 State Capitol Building and for the purpose authorized in subsection
18 B of this section, the Department of Central Services is hereby
19 authorized to borrow monies on the credit of the income and revenues
20 to be derived from the leasing of such property and improvements
21 and, in anticipation of the collection of income and revenues
22 therefrom, to issue negotiable obligations in a total amount not to
23 exceed Twenty-seven Million Dollars (\$27,000,000.00), whether issued
24 in one or more series. It is the intent of the Legislature to
25 appropriate to the Department of Central Services sufficient monies

1 to make rental payments for the purposes of retiring the obligations
2 created pursuant to this section. The costs for acquisition and
3 installation of the property and repairs, refurbishments and
4 improvements authorized in this section shall not exceed Twenty-
5 seven Million Dollars (\$27,000,000.00).

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

11 C. The Department is authorized to hire bond counsel, financial
12 consultants, and such other professionals as it may deem necessary
13 to provide for the efficient sale of the obligations and may utilize
14 a portion of the proceeds of any borrowing to create such reserves
15 as may be deemed necessary and to pay costs associated with the
16 issuance and administration of such obligations.

17 D. The obligations authorized under this section may be sold at
18 either competitive or negotiated sale, as determined by the
19 Department, and in such form and at such prices as may be authorized
20 by the Department. The Department may enter into agreements with
21 such credit enhancers and liquidity providers as may be determined
22 necessary to efficiently market the obligations. The obligations
23 may mature and have such provisions for redemption as shall be

1 determined by the Department, but in no event shall the final
2 maturity of such obligations occur later than twenty (20) years from
3 the first principal maturity date.

4 E. Any interest earnings on funds or accounts created for the
5 purposes of this section may be utilized as partial payment of the
6 annual debt service or for the purposes directed by the Department.

7 F. The obligations issued under this section, the transfer
8 thereof and the interest earned on such obligations, including any
9 profit derived from the sale thereof, shall not be subject to
10 taxation of any kind by the State of Oklahoma, or by any county,
11 municipality or political subdivision therein.

12 G. The Department may direct the investment of all monies in
13 any funds or accounts created in connection with the offering of the
14 obligations authorized under this section. Such investments shall
15 be made in a manner consistent with the investment guidelines of the
16 State Treasurer. The Department may place additional restrictions
17 on the investment of such monies if necessary to enhance the
18 marketability of the obligations.

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

20 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-16-05 - DO
21 PASS, As Amended and Coauthored.