

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

SENATE BILL 1030

By: Corn

AS INTRODUCED

An Act relating to public finance; authorizing the Oklahoma Capitol Improvement Authority to acquire and construct certain property and to provide funding for certain repairs, refurbishments, improvements and projects; authorizing borrowing of certain amount of money for certain purposes; authorizing issuance of certain obligations; stating legislative intent; authorizing Authority to hold title to certain property; requiring transfer of title under certain circumstance; enumerating authorized projects and costs; providing for payment of certain fees and costs; prescribing procedures for issuance of certain obligations; authorizing payment of fees and hiring of personnel; authorizing certain agreements; providing for use of interest earnings; exempting certain obligations, transfers and interest from taxation; authorizing investment of funds; prescribing procedures for investment; authorizing Oklahoma Capitol Improvement Authority to issue obligations in certain circumstance; making certain provisions applicable to such Authority; authorizing refinancing of obligations; stating purpose for certain issuance of bonds; allowing maturity of obligations to be extended; providing terms and conditions for certain obligations; 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 322 of Title 73, unless there is created a duplication in numbering, reads as follows:

A. For the purpose of paying the costs for acquisition of a statewide 800 megahertz public safety communication system to be used by the Department of Public Safety and making repairs, refurbishments and improvements to real and personal property necessary to efficiently utilize such communication system, and providing funding therefor and for the purpose authorized in subsection B of this section, the Oklahoma Capitol Improvement

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 negotiable obligations in a total amount sufficient, after deduction of costs of issuance, reserves and cost of any credit enhancement, to generate Fifty Million Seven Hundred Thousand Dollars (\$50,700,000.00) in net proceeds to be expended on such project whether issued in one or more series. Insofar as 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 the obligations issued under this section by the Oklahoma Capitol Improvement Authority. It is the intent of the Legislature to appropriate to the Department of Public Safety from such sources as may be necessary sufficient monies to make rental payments for the purposes of retiring the obligations created pursuant to this section. 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 Department of Public Safety. 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 Department of Public Safety.

B. To the extent funds are available from the proceeds of the borrowing authorized by subsection A of this section, 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.

C. The Oklahoma Capitol Improvement Authority may issue obligations in one or more series and in conjunction with other issues of the Authority. The Authority may issue short-term

obligations in anticipation of the sale of the bonds authorized by this section and enter into such liquidity and other agreements as may be necessary to provide for the efficient financing of the projects. 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.

D. The obligations authorized under this section may be sold at either competitive or negotiated sale, as determined by the Oklahoma Capitol Improvement Authority, and in such form and at such prices and bearing interest at a fixed or variable rate 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.

E. 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 Oklahoma Capitol Improvement Authority. The interest earnings in the construction funds created pursuant to this section shall be used by the for the projects set forth herein.

F. 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 thereof.

G. The Oklahoma Capitol Improvement 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 Oklahoma Capitol Improvement Authority may place additional restrictions on the investment of such monies if necessary to enhance the marketability of the obligations.

H. The Oklahoma Capitol Improvement Authority is authorized to issue bonds, notes, or other obligations for the purpose of refinancing or restructuring obligations issued pursuant to this section. To the extent funds are available from the proceeds of the borrowing authorized by this subsection, the Authority shall provide for the payment of professional fees and associated costs approved by the Oklahoma State Bond Advisor. The Authority is authorized to hire bond counsel, financial consultants, and such other professionals as may be deemed 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. An issuance of bonds under this subsection may be undertaken to achieve an overall debt service savings, modify restrictive bond document covenants, or reduce payment requirements during periods of fiscal stress. To achieve these objectives, the Oklahoma Capitol Improvement Authority is authorized to extend the final maturity of outstanding obligations if necessary, but in no event shall the final maturity of an individual bond issue be extended more than ten (10) years without the approval of the Council of Bond Oversight. The obligations authorized under this subsection 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 issue obligations in one or more series and may set such other terms and conditions as may be necessary in its judgment to achieve an efficient refinancing. The Authority may enter into

agreements with such credit enhancers and liquidity providers as may be determined necessary to efficiently market the obligations, including the purchase of surety policies or other financial instruments to be utilized in lieu of reserve funds. The obligations may mature and have such provisions for redemption as shall be determined by the Authority. The Authority is hereby specifically authorized to purchase surety policies or other financial instruments to replace existing debt service reserves. Any payment for such policies or other instruments may be made from the cash reserves being replaced or any other legally available source.

SECTION 2. This act shall become effective September 1, 2006.

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