

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

SENATE BILL 1496

By: Jolley

AS INTRODUCED

An Act relating to public finance; amending 62 O.S. 2001, Section 431, which relates to sinking funds; modifying requirement for certain municipal tax levy; and providing an effective date.

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

SECTION 1. AMENDATORY 62 O.S. 2001, Section 431, is amended to read as follows:

Section 431. It shall be the duty of the officers of each municipal corporation in the State of Oklahoma by law authorized to levy taxes to make a levy each year for a sinking fund, which shall, with cash actually on hand and lawful investments in such fund, excluding taxes in process of collection, be sufficient to pay:

1. All the bonded indebtedness of such municipality coming due prior to April 1 of the second ensuing fiscal year for which no prior levy has been made;

2. The interest accrued but unpaid and to accrue on all outstanding bonds of such municipality to ~~June 30th~~ April 1 of the second ensuing fiscal year for which no prior levy has been made;

3. A sinking fund to pay any interest payable on the last and final bond maturity coming due after ~~such~~ June 30th of the ensuing fiscal year but before the tax levy of the succeeding fiscal year may be made and collected;

4. A sum, after reserving from said cash and investments on hand for bond and bond-interest accruals as aforesaid and judgment accruals theretofore levied for bonds unpaid, equal to one-third (1/3) of the original amount of all outstanding judgments against

the municipality when one-third (1/3) or more of such judgment remains due and unpaid, and in case less than one-third (1/3) of such judgment remains due then for the entire amount of such judgment yet remaining unpaid; and

5. The interest accrued but unpaid and to accrue on all unsatisfied judgments within the ensuing fiscal year but not beyond June 30th of such year.

B. The foregoing formula shall be applied by said taxing officials each year in determining the amount necessary to raise by tax levy for sinking fund purposes, independently of actions taken in previous years; and, if by omission to make a levy which could have been validly made for any judgment, bonds or interest coupons, or where from any cause the cash and valid investments in the sinking fund does not equal the accrual liabilities, it shall be the duty of said taxing officials to readjust the annual bond accrual in accordance with the foregoing formula in order that said bonds shall be paid when due, save and except only that where the cash and valid investments in the sinking fund at the close of any fiscal year, after reserving for interest accrued and accruing under the priority therefor as contained in Section 28 of Article X of the Oklahoma Constitution, is insufficient to pay and retire any bonds matured or to mature before another tax levy may be made and collected and no action has been instituted to refund such matured bonds or to convert them to judgment, it shall be the duty of said taxing officials to include, in addition to interest thereon or aforesaid, an accrual therefor in an amount equal to the bonds so matured or to mature or the annual accrual first lawfully applicable to the issue thereof, whichever is the lesser.

C. It is the sole intention of this section to require that the pledge contained in Sections 26, 27 and 35 of Article X of the Oklahoma Constitution, be fulfilled, and that sinking funds be

applied as provided by Section 28 of Article X of the Oklahoma  
Constitution.

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

50-2-3025

JCR

6/13/2015 8:29:34 AM