

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

SENATE BILL 396

By: Shurden

AS INTRODUCED

An Act relating to state facility improvements; authorizing the Department of Central Services to acquire and install 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; limiting costs for certain projects; providing for payment of certain fees and costs; prescribing procedures for issuance of certain obligations; 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; 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 331 of Title 73, unless there is created a duplication in numbering, reads as follows:

A. For the purpose of paying the costs for acquisition and installation of a heating and cooling system for the state capitol building and for making necessary repairs and remodeling to accommodate such heating and cooling system and for the purpose authorized in subsection B of this section, the Department of Central Services is hereby authorized to borrow monies on the credit of the income and revenues to be derived from the leasing of such property and improvements and, in anticipation of the collection of income and revenues therefrom, to issue negotiable obligations in a total amount not to exceed Twenty Million Dollars (\$20,000,000.00) whether issued in one or more series. It is the intent of the Legislature to appropriate to the Department of Central Services

sufficient monies to make rental payments for the purposes of retiring the obligations created pursuant to this section. The costs for acquisition and installation of the property and repairs, refurbishments, and improvements authorized in this section shall not exceed Twenty Million Dollars (\$20,000,000.00).

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

C. The Department 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 Department, and in such form and at such prices as may be authorized by the Department. The Department 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 Department, but in no event shall the final maturity of such obligations occur later than twenty (20) years from the first principal maturity date.

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 Department.

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 therein.

G. The Department 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 Department may place additional restrictions on the investment of such monies if necessary to enhance the marketability of the obligations.

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

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