

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 CONFERENCE COMMITTEE  
4 SUBSTITUTE  
5 FOR ENGROSSED  
6 HOUSE BILL NO. 2296

By: Miller and Jones of the  
House

7 and

8 Johnson (Mike),  
9 Crutchfield, Myers and  
10 Adelson of the Senate

11 CONFERENCE COMMITTEE SUBSTITUTE

12 An Act relating to issuance of obligations; amending  
13 Section 4, Chapter 2, O.S.L. 2005, as last amended by  
14 Section 1, Chapter 221, O.S.L. 2006 (70 O.S. Supp.  
15 2007, Section 3980.4), which relates to obligations  
16 issued by certain entities within The Oklahoma State  
17 System of Higher Education; modifying provisions  
18 related to revenue sources for obligations issued by  
19 the Board of Regents for the University of Oklahoma;  
20 authorizing certain revenues for repayment of  
21 obligations; providing an effective date; and  
22 declaring an emergency.

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

24 SECTION 1. AMENDATORY Section 4, Chapter 2, O.S.L. 2005,  
as last amended by Section 1, Chapter 221, O.S.L. 2006 (70 O.S.  
Supp. 2007, Section 3980.4), is amended to read as follows:

1 Section 3980.4 A. The Oklahoma State Regents for Higher  
2 Education shall be authorized to issue indebtedness for capital  
3 projects to benefit each and every institution within The Oklahoma  
4 State System of Higher Education except the University of Oklahoma  
5 and Oklahoma State University.

6 B. The Board of Regents of the University of Oklahoma shall be  
7 authorized to issue indebtedness for capital projects to benefit the  
8 University of Oklahoma as provided by paragraph (n) of Section 3305  
9 of this title. The Board of Regents of the University of Oklahoma,  
10 acting for the benefit of the University of Oklahoma, shall be  
11 authorized to pledge any lawfully available source of revenue other  
12 than revenues appropriated by the Legislature from tax receipts, but  
13 inclusive of revenues derived from the Oklahoma Education Lottery  
14 Act accruing to the credit of the University of Oklahoma to the  
15 repayment of obligations issued pursuant to this subsection and,  
16 with respect to obligations issued for the purpose specified in  
17 Section 160.1 of Title 62 of the Oklahoma Statutes, inclusive of  
18 monies accruing to the credit of the Comprehensive Cancer Center  
19 Debt Service Revolving Fund.

20 C. The Board of Regents for the Oklahoma Agricultural and  
21 Mechanical Colleges shall be authorized to issue indebtedness for  
22 capital projects to benefit Oklahoma State University pursuant to  
23 paragraph 16 of Section 3412 of this title. The Board of Regents  
24 for the Oklahoma Agricultural and Mechanical Colleges, acting for

1 the benefit of Oklahoma State University, shall be authorized to  
2 pledge any lawfully available source of revenue, other than revenues  
3 appropriated by the Legislature from tax receipts, but inclusive of  
4 revenues derived from the Oklahoma Education Lottery Act, accruing  
5 to the credit of Oklahoma State University to the repayment of  
6 obligations issued pursuant to this subsection.

7 D. The Oklahoma State Regents for Higher Education shall be  
8 required to affirmatively approve the issuance of obligations  
9 pursuant to the provisions of this act by either the Board of  
10 Regents of the University of Oklahoma, acting for the benefit of the  
11 University of Oklahoma or the Board of Regents for the Oklahoma  
12 Agricultural and Mechanical Colleges, acting for the benefit of  
13 Oklahoma State University. For each of the proposed bond issues  
14 authorized pursuant to this act, a Statement of Essential Facts  
15 shall be prepared by the issuing Board of Regents for the use and  
16 information of prospective bond purchasers. It shall be the duty of  
17 the Oklahoma State Regents for Higher Education to examine such  
18 Statement of Essential Facts and determine that, based upon such  
19 facts and projections, the projected revenue will satisfy the  
20 financial obligation to be incurred under the proposed bond issue.  
21 If the facts are found by the State Regents to be substantially  
22 accurate and if the State Regents find that, based upon such facts  
23 and projections, the projected revenue will satisfy the financial  
24 obligation to be incurred under the proposed bond issue, then the

1 Oklahoma State Regents for Higher Education shall certify such to  
2 the Governor, the Speaker of the Oklahoma House of Representatives  
3 and the President Pro Tempore of the Oklahoma State Senate. The  
4 certificate shall be made in substantially the following form:

5 The Oklahoma State Regents for Higher Education do hereby  
6 certify that the provisions of this section have been complied with  
7 in proper order, for the bond issue mentioned above.

8 E. All obligations except refunding or defeasance obligations  
9 proposed to be issued by an authorized issuer pursuant to the  
10 Oklahoma Higher Education Promise of Excellence Act of 2005 shall be  
11 subject to final approval by the Legislature as provided by this  
12 subsection. The authorized issuer shall communicate the proposed  
13 projects and the terms of the financing to the Governor, the Speaker  
14 of the House of Representatives and the President Pro Tempore of the  
15 State Senate prior to the time any such obligations are sold. The  
16 communication required by this subsection shall be made not later  
17 than April 1 each year. The communication to such elected officials  
18 shall occur upon the same date for purposes of computing the time  
19 within which action must be taken as further prescribed by this  
20 subsection. The Legislature shall have a period of forty-five  
21 calendar days from the date as of which the information is  
22 communicated to the presiding officers of both chambers in order to  
23 pass a Concurrent Resolution disapproving the proposed issuance. If  
24 the Concurrent Resolution has not received a majority of votes of

1 those elected to and constituting both the Oklahoma House of  
2 Representatives and the Oklahoma State Senate by the end of the  
3 forty-fifth day following the date upon which the proposed issuance  
4 is communicated to the presiding officers of both chambers, the  
5 proposed issuance shall be deemed to have been approved by the  
6 Legislature.

7 F. With the approval of the Oklahoma State Regents for Higher  
8 Education, the total revenues described by subsection B and  
9 subsection C of this section may be pledged to the repayment of  
10 obligations issued by either the Board of Regents of the University  
11 of Oklahoma or obligations issued by the Board of Regents for the  
12 Oklahoma Agricultural and Mechanical Colleges in order to obtain the  
13 highest possible credit rating. If the Board of Regents of the  
14 University of Oklahoma and the Board of Regents for the Oklahoma  
15 Agricultural and Mechanical Colleges agree to the use of the total  
16 revenues available to each such Board of Regents pursuant to this  
17 subsection for a project that benefits either the University of  
18 Oklahoma or Oklahoma State University or both such comprehensive  
19 universities, there shall be an agreement executed by both such  
20 Boards of Regents describing the project, the principal amount of  
21 the indebtedness, the terms of the financing and such other matters  
22 as the two Boards of Regents may mutually agree. Such agreement  
23 shall be executed prior to the sale of any obligations by either  
24 Board of Regents with respect to the proposed project or projects.

1 The agreement shall provide for one or the other Board of Regents to  
2 be the authorized issuer with respect to the project or projects.  
3 The agreement shall also provide for the ownership or control of any  
4 real or personal property to be improved or acquired with the  
5 proceeds from the sale of any such obligations, including any  
6 requirements for the transfer of real or personal property from one  
7 comprehensive university to the other comprehensive university if  
8 such transfer is required in order to promote or ensure the  
9 marketability of any obligations sold by either Board of Regents.

10 G. The Oklahoma State Regents for Higher Education may pledge  
11 all lawfully available revenues, other than revenues appropriated by  
12 the Legislature from tax receipts, but inclusive of revenues derived  
13 from the Oklahoma Education Lottery Act, and other than the revenues  
14 described by subsection B or subsection C of this section, to the  
15 repayment of obligations issued by the State Regents.

16 H. The authorized issuers shall be subject to the following  
17 restrictions governing the issuance of the obligations authorized by  
18 this act:

19 1. Obligations used to pay for the following assets shall be  
20 repaid in a period not to exceed five (5) years:

- 21 a. computers,
- 22 b. portable telecommunications equipment costing less  
23 than Fifty Thousand Dollars (\$50,000.00),
- 24 c. motor vehicles, and

1           d. any other item of tangible personal property with an  
2           original useful life of six (6) years or less;

3           2. Obligations used to pay for the following assets shall be  
4 repaid in a period not to exceed ten (10) years:

5           a. equipment with an original cost of less than One  
6           Hundred Thousand Dollars (\$100,000.00), per item, and

7           b. renovation of existing structures, unless the cost of  
8           the renovation exceeds the fair market value of the  
9           existing structure or unless the improvement extends  
10          the useful life of the existing structure, but in no  
11          case shall the maturity period exceed the period by  
12          which the life of the existing structure is extended;  
13          and

14          3. Obligations used to pay for all other assets shall be repaid  
15 in a period not to exceed thirty (30) years and in no case shall the  
16 latest maturity date of an obligation exceed the expected useful  
17 life of the asset.

18          SECTION 2. This act shall become effective July 1, 2008.

19          SECTION 3. It being immediately necessary for the preservation  
20 of the public peace, health and safety, an emergency is hereby  
21 declared to exist, by reason whereof this act shall take effect and  
22 be in full force from and after its passage and approval.

23  
24          51-2-11276           MAH           05/07/08