

1 ENGROSSED SENATE
2 BILL NO. 407

By: Mazzei of the Senate
and
Jackson of the House

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7 [Grand River Dam Authority - authorizing interest
8 management transactions for bonds - Joint
9 Legislative Task Force - appointments -
10 codification - noncodification -
11 emergency]

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

14 SECTION 1. AMENDATORY 82 O.S. 2001, Section 873, is
15 amended to read as follows:

16 Section 873. A. The Grand River Dam Authority is hereby
17 authorized to fund and refund any and all lawful obligations and any
18 and all revenue bonds issued, or contracted to be sold, by it by the
19 issuance of new revenue bonds, or from the proceeds of sale of new
20 revenue bonds, or by the exchange of new revenue bonds and to
21 renegotiate any agreement of indenture whereunder said obligations
22 or revenue bonds authorized to be funded and refunded hereby may be
23 outstanding, or contracted, but any new revenue bonds issued,
24 exchanged or sold to fund or refund said outstanding obligations and

1 revenue bonds and all agreements and indentures providing for the
2 payment and securing thereof shall conform to the provisions of the
3 Grand River Dam Authority Act, as amended; provided, that no
4 outstanding obligations or revenue bonds shall be funded or refunded
5 or exchanged on the basis of a price in excess of principal, accrued
6 interest, redemption premium, or charges in excess of those provided
7 by said obligations or revenue bonds or the indenture or agreement
8 whereunder issued or incurred, plus the necessary and reasonable
9 costs of funding, refunding or exchange thereof; provided, further
10 that said Authority shall have the power to purchase any revenue
11 bonds issued, or contracted to be issued, by it at a price not
12 exceeding the redemption price applicable at the time of purchase
13 thereof, or, if no redemption price is fixed, then at principal plus
14 accrued interest, from any funds available and provided for the
15 payment of said revenue bonds and when purchased said bonds shall be
16 canceled.

17 B. The Authority is further authorized to enter into interest
18 rate swaps and other derivative products, and other financial
19 instruments intended to hedge interest rate risk or manage interest
20 rate costs, including any option to enter into or terminate any of
21 them, that the Authority deems to be necessary or desirable in
22 connection with any bonds issued prior to, at the same time as, or
23 after entering into such arrangement, and containing such terms and
24 provisions, and may be with such parties, as determined by the

1 Authority. Provided, any action taken by the Authority pursuant to
2 this subsection must first be approved by the Office of the State
3 Bond Advisor and the Council of Bond Oversight pursuant to the
4 provisions of the Oklahoma Bond Oversight and Reform Act.

5 SECTION 2. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 863.3 of Title 82, unless there
7 is created a duplication in numbering, reads as follows:

8 A. There is hereby created the Joint Legislative Task Force on
9 the Grand River Dam Authority, which shall be appointed in January
10 of each year following a state general election, for the purpose of
11 studying the functions, activities, policies, procedures and
12 expenditures performed by the district and any related issues the
13 task force deems appropriate. Members of the task force shall be
14 appointed by the President Pro Tempore of the Senate and the Speaker
15 of the House of Representatives and may be made up of any number of
16 Senate and House members; provided, each member's legislative
17 district shall include some portion of the Grand River Dam Authority
18 district. The President Pro Tempore and Speaker shall each
19 designate one of their members to be cochairs of the task force.
20 Meetings of the task force shall be called by the cochairs. A
21 majority of the appointed members shall constitute a quorum for any
22 meeting of the task force. Staffing assistance shall be provided by
23 the staff of the Senate and House of Representatives.

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1 B. Each task force created herein shall remain in effect until
2 a subsequent task force is appointed pursuant to the provisions of
3 subsection A of this section. Each task force is authorized to
4 adopt any recommendations or issue any report it deems necessary.
5 Any recommendations or reports shall be approved by a majority of
6 the appointed members. Copies of any recommendations or reports
7 issued by the task force shall be distributed to the Governor, the
8 President Pro Tempore of the Senate and the Speaker of the House of
9 Representatives, the members of the Grand River Dam Authority Board
10 of Directors and the General Manager of the Grand River Dam
11 Authority.

12 C. Members serving on this task force shall be entitled to
13 travel reimbursement as provided by Section 456 of Title 74 of the
14 Oklahoma Statutes.

15 SECTION 3. NEW LAW A new section of law not to be
16 codified in the Oklahoma Statutes reads as follows:

17 Appointments to the first task force created pursuant to the
18 provisions of Section 2 of this act shall be made no later than
19 thirty (30) days following the enactment of this act.

20 SECTION 4. It being immediately necessary for the preservation
21 of the public peace, health and safety, an emergency is hereby
22 declared to exist, by reason whereof this act shall take effect and
23 be in full force from and after its passage and approval.

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