

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 3215

By: Jett

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6 AS INTRODUCED

7 An Act relating to public safety; authorizing  
8 Department of Public Safety and State Department of  
Education to acquire a certain communication system  
9 upon receipt of certain monies; authorizing the  
Oklahoma Capitol Improvement Authority to acquire and  
10 construct certain property and to provide funding for  
certain repairs, refurbishments, improvements and  
11 projects; authorizing borrowing of certain amount of  
money for certain purposes; authorizing issuance of  
12 certain obligations; stating legislative intent;  
authorizing Authority to hold title to certain  
13 property; requiring transfer of title under certain  
circumstance; providing for payment of certain fees  
14 and costs; prescribing procedures for issuance of  
certain obligations; authorizing payment of fees and  
15 hiring of personnel; authorizing certain agreements;  
providing for use of interest earnings; exempting  
16 certain obligations, transfers and interest from  
taxation; authorizing investment of funds;  
17 prescribing procedures for investment; authorizing  
Oklahoma Capitol Improvement Authority to issue  
18 obligations in certain circumstance; making certain  
provisions applicable to such Authority; authorizing  
19 refinancing of obligations; stating purpose for  
certain issuance of bonds; allowing maturity of  
20 obligations to be extended; providing terms and  
conditions for certain obligations; providing for  
21 codification; and providing an effective date.

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23 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:  
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1           SECTION 1.           NEW LAW           A new section of law to be codified  
2 in the Oklahoma Statutes as Section 2-124.2 of Title 47, unless  
3 there is created a duplication in numbering, reads as follows:

4           Upon receipt of sufficient monies appropriated for the purpose  
5 stated in this act, the Department of Public Safety and State  
6 Department of Education are authorized to work in conjunction with  
7 one another to do all things necessary to acquire a statewide  
8 Internet service infrastructure for a public safety communication  
9 system and secondary access for Oklahoma public schools, including,  
10 but not limited to, purchasing real property and constructing  
11 facilities necessary for the operation of the system.

12           SECTION 2.           NEW LAW           A new section of law to be codified  
13 in the Oklahoma Statutes as Section 322 of Title 73, unless there is  
14 created a duplication in numbering, reads as follows:

15           A. For the purpose of paying the costs for acquisition of a  
16 statewide Internet service infrastructure for a public safety  
17 communication system and secondary access for Oklahoma public  
18 schools to be used by the Department of Public Safety and State  
19 Department of Education, and for making repairs, refurbishments and  
20 improvements to real and personal property necessary to efficiently  
21 utilize the communication system, and providing funding therefor and  
22 for the purpose authorized in subsection B of this section, the  
23 Oklahoma Capitol Improvement Authority is hereby authorized to  
24 borrow monies on the credit of the income and revenues to be derived

1 from the leasing of real and personal property and improvements and,  
2 in anticipation of the collection of income and revenues, to issue  
3 negotiable obligations in a total amount sufficient, after deduction  
4 of costs of issuance, reserves and cost of any credit enhancement,  
5 to generate \_\_\_\_\_ Dollars (\$0.00) in net proceeds to be  
6 expended on the project whether issued in one or more series.  
7 Insofar as not in conflict with the provisions of this section, the  
8 provisions of Sections 151 through 322 of Title 73 of the Oklahoma  
9 Statutes shall apply to the obligations issued under this section by  
10 the Oklahoma Capitol Improvement Authority. It is the intent of the  
11 Legislature to appropriate to the Department of Public Safety and  
12 State Department of Education from any sources as may be necessary,  
13 sufficient monies to make rental payments for the purposes of  
14 retiring the obligations created pursuant to this section. The  
15 Authority may hold title to the real and personal property and  
16 improvements until the time as any obligations issued for this  
17 purpose are retired or defeased and may lease the real property and  
18 improvements to the Department of Public Safety and State Department  
19 of Education. Upon final redemption or defeasance of the  
20 obligations created pursuant to this section, joint title to the  
21 real and personal property and improvements shall be transferred  
22 from the Oklahoma Capitol Improvement Authority to the Department of  
23 Public Safety and State Department of Education.

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1 B. To the extent funds are available from the proceeds of the  
2 borrowing authorized by subsection A of this section, the Oklahoma  
3 Capitol Improvement Authority shall provide for the payment of  
4 professional fees and associated costs related to the projects  
5 authorized in subsection A of this section.

6 C. The Oklahoma Capitol Improvement Authority may issue  
7 obligations in one or more series and in conjunction with other  
8 issues of the Authority. The Authority may issue short-term  
9 obligations in anticipation of the sale of the bonds authorized by  
10 this section and enter into liquidity and other agreements as may be  
11 necessary to provide for the efficient financing of the projects.  
12 The Authority is authorized to hire bond counsel, financial  
13 consultants, and other professionals as it may deem necessary to  
14 provide for the efficient sale of the obligations and may utilize a  
15 portion of the proceeds of any borrowing to create any reserves as  
16 may be deemed necessary and to pay costs associated with the  
17 issuance and administration of the obligations.

18 D. The obligations authorized under this section may be sold at  
19 either competitive or negotiated sale, as determined by the Oklahoma  
20 Capitol Improvement Authority, and in the form and at prices and  
21 bearing interest at a fixed or variable rate as may be authorized by  
22 the Authority. The Authority may enter into agreements with credit  
23 enhancers and liquidity providers as may be determined necessary to  
24 efficiently market the obligations. The obligations may mature and

1 have provisions for redemption as shall be determined by the  
2 Authority.

3 E. Any interest earnings on funds or accounts created for the  
4 purposes of this section may be utilized as partial payment of the  
5 annual debt service or for the purposes directed by the Oklahoma  
6 Capitol Improvement Authority. The interest earnings in the  
7 construction funds created pursuant to this section shall be used  
8 for the projects set forth in this act.

9 F. The obligations issued under this section, the transfer  
10 thereof and the interest earned on the obligations, including any  
11 profit derived from the sale thereof, shall not be subject to  
12 taxation of any kind by the State of Oklahoma, or by any county,  
13 municipality or political subdivision of the state.

14 G. The Oklahoma Capitol Improvement Authority may direct the  
15 investment of all monies in any funds or accounts created in  
16 connection with the offering of the obligations authorized under  
17 this section. The investments shall be made in a manner consistent  
18 with the investment guidelines of the State Treasurer. The Oklahoma  
19 Capitol Improvement Authority may place additional restrictions on  
20 the investment of the monies if necessary to enhance the  
21 marketability of the obligations.

22 H. The Oklahoma Capitol Improvement Authority is authorized to  
23 issue bonds, notes, or other obligations for the purpose of  
24 refinancing or restructuring obligations issued pursuant to this

1 section. To the extent funds are available from the proceeds of the  
2 borrowing authorized by this subsection, the Authority shall provide  
3 for the payment of professional fees and associated costs approved  
4 by the Office of State Bond Advisor. The Authority is authorized to  
5 hire bond counsel, financial consultants, and other professionals as  
6 may be deemed necessary to provide for the efficient sale of the  
7 obligations and may utilize a portion of the proceeds of any  
8 borrowing to create any reserves as may be deemed necessary and to  
9 pay costs associated with the issuance and administration of the  
10 obligations. An issuance of bonds under this subsection may be  
11 undertaken to achieve an overall debt service savings, modify  
12 restrictive bond document covenants, or reduce payment requirements  
13 during periods of fiscal stress. To achieve these objectives, the  
14 Oklahoma Capitol Improvement Authority is authorized to extend the  
15 final maturity of outstanding obligations if necessary, but in no  
16 event shall the final maturity of an individual bond issue be  
17 extended more than five (5) years without the approval of the  
18 Council of Bond Oversight. The obligations authorized under this  
19 subsection may be sold at either competitive or negotiated sale, as  
20 determined by the Authority, and in the form and at prices as may be  
21 authorized by the Authority. The Authority may issue obligations in  
22 one or more series and may set other terms and conditions as may be  
23 necessary in its judgment to achieve an efficient refinancing. The  
24 Authority may enter into agreements with credit enhancers and

1 liquidity providers as may be determined necessary to efficiently  
2 market the obligations, including the purchase of surety policies or  
3 other financial instruments to be utilized in lieu of reserve funds.  
4 The obligations may mature and have provisions for redemption as  
5 shall be determined by the Authority. The Authority is hereby  
6 specifically authorized to purchase surety policies or other  
7 financial instruments to replace existing debt service reserves.  
8 Any payment for the policies or other instruments may be made from  
9 the cash reserves being replaced or any other legally available  
10 source.

11 SECTION 3. This act shall become effective November 1, 2008.

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13 51-2-9091 MMP 01/16/08

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