

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1394

By: Anderson

4  
5 AS INTRODUCED

6 An Act relating to public finance; authorizing the  
7 Oklahoma Development Finance Authority to issue  
8 obligations for certain acquisition, construction,  
9 repairs, refurbishments and improvements; enumerating  
10 projects and amounts; requiring transfer of property  
11 upon occurrence of certain event; authorizing  
12 borrowing of certain amount of money for certain  
13 purposes; stating legislative intent; providing for  
14 payment of certain fees and costs; providing  
15 procedures for issuance of certain obligations;  
16 authorizing certain agreements; providing for use of  
17 certain interest earnings; exempting certain  
18 obligations, transfers and interest from taxation;  
19 authorizing investment of funds; providing for  
20 codification; providing an effective date; and  
21 declaring an emergency.

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

23 SECTION 1. NEW LAW A new section of law to be codified  
24 in the Oklahoma Statutes as Section 5062.40 of Title 74, unless  
there is created a duplication in numbering, reads as follows:

A. Contingent on the approval by the State Bond Advisor of the  
interagency agreement described in subsection C of this section, the  
Oklahoma Development Finance Authority is authorized to issue  
obligations to provide funding to acquire real property, together  
with improvements located thereon, and personal property to  
construct buildings and other improvements to real property and to

1 provide funding for repairs, refurbishments and improvements to real  
2 and personal property and for funding for the construction of six  
3 (6) twelve-bed Level-E juvenile group homes.

4 B. The Authority may hold title to the new real and personal  
5 property and improvements and place liens on improved existing  
6 property until such time as any obligations issued for this purpose  
7 are retired or defeased and may lease the real property and  
8 improvements for the use of the Department of Human Services and/or  
9 the Office of Juvenile Affairs.

10 C. The Department of Human Services and the Office of Juvenile  
11 Affairs shall make lease or other payments as required by the  
12 Authority. The Department of Human Services and the Office of  
13 Juvenile Affairs shall enter into an interagency agreement to  
14 provide for payments, to allocate financial and other  
15 responsibilities between them for the management and operation of  
16 the homes, and to provide for eventual ownership of the homes.  
17 Approval of the interagency agreement by the State Bond Advisor is  
18 required prior to the issuance of the obligations authorized by  
19 subsection A of this section.

20 Upon final redemption or defeasance of the obligations created  
21 pursuant to this section, title to the real and personal property  
22 and improvements shall be transferred from the Authority to the  
23 Department of Human Services or the Office of Juvenile Affairs as  
24 provided by the interagency agreement.

1 D. For the purpose of paying the costs for acquisition and  
2 construction of the real property and improvements and personal  
3 property and making the repairs, refurbishments, and improvements to  
4 real and personal property, and providing funding for the projects  
5 authorized in subsection A of this section, and for the purposes  
6 authorized in subsection E of this section, the Authority is hereby  
7 authorized to borrow monies on the credit of the income and revenues  
8 to be derived from the leasing of such real and personal property  
9 and improvements and, in anticipation of the collection of such  
10 income and revenues, to issue negotiable obligations in a total  
11 amount sufficient to generate Six Million Dollars (\$6,000,000.00) in  
12 one or more series. It is the intent of the Legislature to  
13 appropriate to the Department of Human Services and/or Office of  
14 Juvenile Affairs sufficient monies to make rental payments for the  
15 purposes of retiring the obligations created pursuant to this  
16 section.

17 E. To the extent funds are available from the proceeds of the  
18 borrowing authorized by subsection D of this section, the Authority  
19 shall provide for the payment of professional fees and associated  
20 costs related to the projects authorized in subsection A of this  
21 section.

22 F. The Authority may issue obligations in one or more series  
23 and in conjunction with other issues of the Authority. The  
24 Authority is authorized to hire bond counsel, financial consultants,

1 and such other professionals as it may deem necessary to provide for  
2 the efficient sale of the obligations and may utilize a portion of  
3 the proceeds of any borrowing to create such reserves as may be  
4 deemed necessary and to pay costs associated with the issuance and  
5 administration of such obligations.

6 G. The obligations authorized under this section may be sold at  
7 either competitive or negotiated sale, as determined by the  
8 Authority, and in such form and at such prices as may be authorized  
9 by the Authority. The Authority may enter into agreements with such  
10 credit enhancers and liquidity providers as may be determined  
11 necessary to efficiently market the obligations. The obligations  
12 may mature and have such provisions for redemption as shall be  
13 determined by the Authority, but in no event shall the final  
14 maturity of such obligations occur later than fifteen (15) years  
15 from the first principal maturity date. The first principal  
16 maturity date of any series of obligations issued under this section  
17 must occur no later than thirty (30) months from the date of  
18 issuance.

19 H. Any interest earnings on construction or acquisition funds  
20 created for the purposes of this section may be utilized for the  
21 projects authorized in subsection A of this section. Any interest  
22 earnings on other funds or accounts created for the purposes of this  
23 section may be utilized as partial payment of the annual debt  
24 service or for the purposes directed by the Authority.

1 I. The obligations issued under this section, the transfer  
2 thereof and the interest earned on such obligations, including any  
3 profit derived from the sale thereof, shall not be subject to  
4 taxation of any kind by the State of Oklahoma, or by any county,  
5 municipality or political subdivision therein.

6 J. The Authority may direct the investment of all monies in any  
7 funds or accounts created in connection with the offering of the  
8 obligations authorized under this section. Such investments shall  
9 be made in a manner consistent with the investment guidelines of the  
10 State Treasurer. The Authority may place additional restrictions on  
11 the investment of such monies if necessary to enhance the  
12 marketability of the obligations.

13 K. Insofar as they are not in conflict with the provisions of  
14 this section, the provisions of Section 151 et seq. of Title 73 of  
15 the Oklahoma Statutes shall apply to this section.

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

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

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