

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1619

By: Johnson (Mike)

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6 AS INTRODUCED

7 An Act relating to the Oklahoma Capitol Improvement  
8 Authority and the Department of Transportation;  
9 authorizing the Oklahoma Capitol Improvement  
10 Authority to provide financing for a laboratory for  
11 the Department of Transportation; providing for use  
12 of investment earnings; authorizing Authority to hold  
13 title to property for certain period and for transfer  
14 of property upon certain occurrence; authorizing  
15 Authority to borrow monies and issue obligations;  
16 providing legislative intent; authorizing payment of  
17 certain fees and costs; providing procedures for  
18 borrowing and authorizing employment of certain  
19 professionals; providing procedures for sale of  
20 obligations; providing for use of certain interest  
21 earnings; providing tax exemption; providing for  
22 investment of certain monies; providing for  
23 application of certain provisions of law; providing  
24 for codification; providing an effective date; and  
declaring an emergency.

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 309 of Title 73, unless there is  
created a duplication in numbering, reads as follows:

A. The Oklahoma Capitol Improvement Authority is authorized to  
issue notes, bonds, or other evidences of obligation in an amount

1 necessary to generate net proceeds of Thirty Million Dollars  
2 (\$30,000,000.00) after providing for costs of issuance, credit  
3 enhancement, reserves, and other associated expenses related to the  
4 financing. Net proceeds of the financing will be deposited into a  
5 construction fund to provide for the financing of acquisition of  
6 real property, together with improvements located thereon, and  
7 personal property, to construct buildings and other improvements to  
8 real property and to provide funding for repairs, refurbishments and  
9 improvements to real and personal property for a multipurpose  
10 laboratory and records retention center for the Department of  
11 Transportation. Earnings that result from the investment of the  
12 construction fund may be used for the project authorized in this  
13 section or for other legal purposes approved by the Authority.

14 B. The Authority may hold title to the real and personal  
15 property and improvements until such time as any obligations issued  
16 for this purpose are retired or defeased and may lease the real  
17 property and improvements to the Department of Transportation. Upon  
18 final redemption or defeasance of the obligations created pursuant  
19 to this section, title to the real and personal property and  
20 improvements shall be transferred from the Oklahoma Capitol  
21 Improvement Authority to the Department of Transportation.

22 C. For the purpose of paying the costs for acquisition and  
23 construction of the real property and improvements and personal  
24 property and making the repairs, refurbishments, and improvements to

1 real and personal property, and providing funding for the project  
2 authorized in subsection A of this section, and for the purpose  
3 authorized in subsection D of this section, the Authority is hereby  
4 authorized to borrow monies on the credit of the income and revenues  
5 to be derived from the leasing of such real and personal property  
6 and improvements and, in anticipation of the collection of such  
7 income and revenues, to issue negotiable obligations in one or more  
8 series. It is the intent of the Legislature to appropriate to the  
9 Department of Transportation sufficient monies to make rental  
10 payments for the purposes of retiring the obligations created  
11 pursuant to this section.

12 D. To the extent funds are available from the proceeds of the  
13 borrowing authorized by subsection C of this section, the Oklahoma  
14 Capitol Improvement Authority shall provide for the payment of  
15 professional fees and associated costs related to the project  
16 authorized in subsection A of this section.

17 E. The Authority may issue obligations in one or more series  
18 and in conjunction with other issues of the Authority. The  
19 Authority is authorized to hire bond counsel, financial consultants,  
20 and such other professionals as it may deem necessary to provide for  
21 the efficient sale of the obligations and may utilize a portion of  
22 the proceeds of any borrowing to create such reserves as may be  
23 deemed necessary and to pay costs associated with the issuance and  
24 administration of such obligations.

1 F. The obligations authorized under this section may be sold at  
2 either competitive or negotiated sale, as determined by the  
3 Authority, and in such form and at such prices as may be authorized  
4 by the Authority. The Authority may enter into agreements with such  
5 credit enhancers and liquidity providers as may be determined  
6 necessary to efficiently market the obligations. The obligations  
7 may mature and have such provisions for redemption as shall be  
8 determined by the Authority, but in no event shall the final  
9 maturity of such obligations occur later than thirty (30) years from  
10 the first principal maturity date.

11 G. Any interest earnings on funds or accounts created for the  
12 purposes of this section may be utilized as partial payment of the  
13 annual debt service or for the purposes directed by the Authority.

14 H. The obligations issued under this section, the transfer  
15 thereof and the interest earned on such obligations, including any  
16 profit derived from the sale thereof, shall not be subject to  
17 taxation of any kind by the State of Oklahoma, or by any county,  
18 municipality or political subdivision therein.

19 I. The Authority may direct the investment of all monies in any  
20 funds or accounts created in connection with the offering of the  
21 obligations authorized under this section. Such investments shall  
22 be made in a manner consistent with the investment guidelines of the  
23 State Treasurer. The Authority may place additional restrictions on  
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1 the investment of such monies if necessary to enhance the  
2 marketability of the obligations.

3 J. Insofar as they are not in conflict with the provisions of  
4 this section, the provisions of Section 151 et seq. of Title 73 of  
5 the Oklahoma Statutes shall apply to this section.

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

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

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