

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 CONFERENCE COMMITTEE  
4 SUBSTITUTE  
5 FOR ENGROSSED  
6 HOUSE BILL NO. 2358

By: Miller and Martin (Scott)  
of the House

and

Johnson (Mike) and Myers of  
the Senate

7  
8  
9  
10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to public finance; amending Section  
12 1, Chapter 126, O.S.L. 2003 (62 O.S. Supp. 2009,  
13 Section 57.316), which relates to the refunding and  
14 restructuring of outstanding obligations; providing  
15 certain limitations; and declaring an emergency.

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

17 SECTION 1. AMENDATORY Section 1, Chapter 126, O.S.L.  
18 2003 (62 O.S. Supp. 2009, Section 57.316), is amended to read as  
19 follows:

20 Section 57.316 A. The Oklahoma Building Bonds Commission is  
21 authorized until June 30, 2011, to issue bonds, notes, or other  
22 obligations for the purpose of refinancing or restructuring its  
23 outstanding obligations regarding bonds issued under the 1992  
24 Oklahoma Building Bond and College Savings Bond Act.

1           B. To the extent funds are available from the proceeds of the  
2 borrowing authorized by this section, the Oklahoma Building Bonds  
3 Commission shall provide for the payment of professional fees and  
4 associated costs approved by the Oklahoma State Bond Advisor. The  
5 Commission is authorized to hire bond counsel, financial  
6 consultants, and such other professionals as it may deem necessary  
7 to provide for the efficient sale of the obligations and may utilize  
8 a portion of the proceeds of any borrowing to create such reserves  
9 as may be deemed necessary and to pay costs associated with the  
10 issuance and administration of such obligations.

11           C. An issuance of bonds under this section may be undertaken to  
12 achieve an overall debt service savings, modify restrictive bond  
13 document covenants, or reduce payment requirements during periods of  
14 fiscal stress. To achieve these objectives, the Commission is  
15 authorized to extend the final maturity of its outstanding  
16 obligations if necessary, but in no event shall the final maturity  
17 of an individual bond issue be extended more than ten (10) years  
18 without the approval of the Legislature.

19           D. The obligations authorized under this section may be sold at  
20 either competitive or negotiated sale, as determined by the  
21 Commission, and in such form and at such prices as may be authorized  
22 by the Commission. The Commission may issue obligations in one or  
23 more series and may set such other terms and conditions as may be  
24 necessary, in its judgment to achieve an efficient financing. The

1 Commission may enter into agreements with such credit enhancers and  
2 liquidity providers as may be determined necessary to efficiently  
3 market the obligations, including the purchase of surety policies or  
4 other financial instruments to be utilized in lieu of reserve funds.  
5 The obligations may mature and have such provisions for redemption  
6 as shall be determined by the Commission, but in no event shall the  
7 final maturity of such obligations occur later than thirty (30)  
8 years from the delivery date.

9 E. Any interest on the funds or accounts created for the  
10 purposes of this section may be utilized as partial payment of the  
11 annual debt service or for the purposes directed by the Commission.

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

17 G. It is hereby expressly provided and pledged for the benefit  
18 of the purchasers, owners and holders of bonds issued pursuant to  
19 this section that the tax on each package of cigarettes levied by  
20 Section 302 of Title 68 of the Oklahoma Statutes, constituting the  
21 remainder of revenue available from the revenues lawfully levied and  
22 collected by the State of Oklahoma on the sale of cigarettes not  
23 already committed to other obligations of the State of Oklahoma, and  
24 the tax levy on cigarettes pursuant to Sections 302-2 and 302-4 of

1 Title 68 of the Oklahoma Statutes, or so much as may be necessary,  
2 shall be devoted irrevocably to the payment and discharge of the  
3 interest on, and the principal of, the bonds issued hereunder as the  
4 same become due, and to create an adequate reserve to assure such  
5 payments when due; and said revenue shall be, and hereby ~~are~~ is,  
6 irrevocably pledged for such purposes.

7 SECTION 2. 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.

11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

52-2-15471

MAT

05/07/10