

1 STATE OF OKLAHOMA

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

3 2ND CONFERENCE COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED

5 SENATE BILL 1488

By: Johnson (Mike) and Myers of  
the Senate

6 and

7 Miller and Martin (Scott)  
8 of the House

9  
10 2ND CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to the State Department of Mental  
12 Health and Substance Abuse Services; authorizing the  
13 Oklahoma Capitol Improvement Authority to provide  
14 financing for a facility to provide inpatient and  
15 outpatient services for the State Department of  
16 Mental Health and Substance Abuse Services; providing  
17 for use of investment earnings; requiring certain  
18 finding; allowing the establishment of certain  
19 accounts; authorizing Authority to hold title to  
20 property for certain period and for transfer of  
21 property upon certain occurrence; authorizing  
22 Authority to borrow monies and issue obligations;  
23 providing legislative intent; authorizing payment of  
24 certain fees and costs; providing procedures for  
borrowing and authorizing employment of certain  
professionals; providing procedures for sale of  
obligations; providing for use of certain interest  
earnings; providing tax exemption; providing for  
investment of certain monies; providing for  
application of certain provisions of law; providing  
for use of investment earnings; authorizing  
agreements to allow Authority to hold title to  
property for certain period; authorizing Authority to  
borrow monies and issue obligations; providing  
legislative intent; authorizing payment of certain  
fees and costs; providing procedures for borrowing  
and authorizing employment of certain professionals;

1 providing procedures for sale of obligations;  
2 providing for use of certain interest earnings;  
3 providing tax exemption; providing for investment of  
4 certain monies; providing for application of certain  
5 provisions of law; providing for codification;  
6 providing an effective date; and declaring an  
7 emergency.

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

9 SECTION 1. NEW LAW A new section of law to be codified  
10 in the Oklahoma Statutes as Section 344 of Title 73, unless there is  
11 created a duplication in numbering, reads as follows:

12 A. The Oklahoma Capitol Improvement Authority is authorized to  
13 issue notes, bonds, or other evidences of obligation in an amount  
14 necessary to generate net proceeds of Six Million Dollars  
15 (\$6,000,000.00) after providing for costs of issuance, credit  
16 enhancement, reserves, and other associated expenses related to the  
17 financing. Net proceeds of the financing will be deposited into a  
18 construction fund to provide for the financing of acquisition of  
19 real property, together with improvements located thereon, and  
20 personal property, to construct buildings and other improvements to  
21 real property and to acquire personal property for a facility to  
22 provide inpatient and outpatient services for the State Department  
23 of Mental Health and Substance Abuse Services. The bonds provided  
24 for in this subsection shall not be issued until the Authority finds  
that the Department of Mental Health and Substance Abuse Services  
has received at least Six Million Dollars (\$6,000,000.00) in private

1 donations designated for the construction of the facility described  
2 in this subsection. The Department may establish accounts as  
3 necessary to accomplish the purposes of this provision. Such  
4 private donations shall be deposited into a fund and used for the  
5 purpose specified in this subsection.

6 B. The Authority may hold title to the real and personal  
7 property and improvements until such time as any obligations issued  
8 for this purpose are retired or defeased and may lease the real  
9 property and improvements to the State Department of Mental Health  
10 and Substance Abuse Services. Upon final redemption or defeasance  
11 of the obligations created pursuant to this section, title to the  
12 real and personal property and improvements shall be transferred  
13 from the Authority to the Department.

14 C. For the purpose of paying the costs for acquisition and  
15 construction of the real property and improvements and personal  
16 property and making the repairs, refurbishments, and improvements to  
17 real and personal property, and providing funding for the project  
18 authorized in subsection A of this section, and for the purpose  
19 authorized in subsection D of this section, the Authority is hereby  
20 authorized to borrow monies on the credit of the income and revenues  
21 to be derived from the leasing of such real and personal property  
22 and improvements and, in anticipation of the collection of such  
23 income and revenues, to issue negotiable obligations in one or more  
24 series.

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

6 E. The Authority may issue obligations in one or more series  
7 and in conjunction with other issues of the Authority. The  
8 Authority is authorized to hire bond counsel, financial consultants,  
9 and such other professionals as it may deem necessary to provide for  
10 the efficient sale of the obligations and may utilize a portion of  
11 the proceeds of any borrowing to create such reserves as may be  
12 deemed necessary and to pay costs associated with the issuance and  
13 administration of such obligations. It is the intent of the  
14 Legislature that the Department utilize monies available from  
15 private sources or that are otherwise available to the Department to  
16 make rental payments for the purposes of retiring the obligations  
17 created pursuant to this section. It is the further intent of the  
18 Legislature to appropriate additional monies for such purpose only  
19 in the event that no other funds from any source are available for  
20 such purpose.

21 F. The obligations authorized under this section may be sold at  
22 either competitive or negotiated sale, as determined by the  
23 Authority, and in such form and at such prices as may be authorized  
24 by the Authority. The Authority may enter into agreements with such

1 credit enhancers and liquidity providers as may be determined  
2 necessary to efficiently market the obligations. The obligations  
3 may mature and have such provisions for redemption as shall be  
4 determined by the Authority, but in no event shall the final  
5 maturity of such obligations occur later than thirty (30) years from  
6 the first principal maturity date.

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

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

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

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

1 SECTION 2. This act shall become effective July 1, 2010.

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

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