

ENROLLED HOUSE
BILL NO. 2358

By: Miller and Martin (Scott)
of the House

and

Johnson (Mike) and Myers of
the Senate

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

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

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

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

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

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

D. The obligations authorized under this section may be sold at either competitive or negotiated sale, as determined by the Commission, and in such form and at such prices as may be authorized by the Commission. The Commission may issue obligations in one or more series and may set such other terms and conditions as may be necessary, in its judgment to achieve an efficient financing. The Commission may enter into agreements with such credit enhancers and liquidity providers as may be determined necessary to efficiently market the obligations, including the purchase of surety policies or other financial instruments to be utilized in lieu of reserve funds. The obligations may mature and have such provisions for redemption as shall be determined by the Commission, but in no event shall the final maturity of such obligations occur later than thirty (30) years from the delivery date.

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

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

G. It is hereby expressly provided and pledged for the benefit of the purchasers, owners and holders of bonds issued pursuant to this section that the tax on each package of cigarettes levied by Section 302 of Title 68 of the Oklahoma Statutes, constituting the remainder of revenue available from the revenues lawfully levied and collected by the State of Oklahoma on the sale of cigarettes not already committed to other obligations of the State of Oklahoma, and the tax levy on cigarettes pursuant to Sections 302-2 and 302-4 of Title 68 of the Oklahoma Statutes, or so much as may be necessary, shall be devoted irrevocably to the payment and discharge of the

interest on, and the principal of, the bonds issued hereunder as the same become due, and to create an adequate reserve to assure such payments when due; and said revenue shall be, and hereby ~~are~~ is, irrevocably pledged for such purposes.

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

Passed the House of Representatives the 25th day of May, 2010.

Presiding Officer of the House of
Representatives

Passed the Senate the 25th day of May, 2010.

Presiding Officer of the Senate