

ENROLLED SENATE  
BILL NO. 1488

By: Johnson (Mike) and Myers of  
the Senate

and

Miller and Martin (Scott)  
of the House

An Act relating to the State Department of Mental Health and Substance Abuse Services; authorizing the Oklahoma Capitol Improvement Authority to provide financing for a facility to provide inpatient and outpatient services for the State Department of Mental Health and Substance Abuse Services; providing for use of investment earnings; requiring certain finding; allowing the establishment of certain accounts; authorizing Authority to hold title to property for certain period and for transfer of property upon certain occurrence; 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; 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; 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 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 344 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 necessary to generate net proceeds of Six Million Dollars (\$6,000,000.00) after providing for costs of issuance, credit enhancement, reserves, and other associated expenses related to the financing. Net proceeds of the financing will be deposited into a construction fund to provide for the financing of acquisition of real property, together with improvements located thereon, and personal property, to construct buildings and other improvements to real property and to acquire personal property for a facility to provide inpatient and outpatient services for the State Department of Mental Health and Substance Abuse Services. The bonds provided 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 donations designated for the construction of the facility described in this subsection. The Department may establish accounts as necessary to accomplish the purposes of this provision. Such private donations shall be deposited into a fund and used for the purpose specified in this subsection.

B. The Authority may hold title to the real and personal property and improvements until such time as any obligations issued for this purpose are retired or defeased and may lease the real property and improvements to the State Department of Mental Health and Substance Abuse Services. Upon final redemption or defeasance of the obligations created pursuant to this section, title to the

real and personal property and improvements shall be transferred from the Authority to the Department.

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

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

E. The Authority may issue obligations in one or more series and in conjunction with other issues of the Authority. The Authority 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. It is the intent of the Legislature that the Department utilize monies available from private sources or that are otherwise available to the Department to make rental payments for the purposes of retiring the obligations created pursuant to this section. It is the further intent of the Legislature to appropriate additional monies for such purpose only in the event that no other funds from any source are available for such purpose.

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

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

G. Any interest earnings on 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 Authority.

H. 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.

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

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

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

SECTION 3. 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 Senate the 26th day of May, 2010.

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Presiding Officer of the Senate

Passed the House of Representatives the 27th day of May, 2010.

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Presiding Officer of the House  
of Representatives