

THE HOUSE OF REPRESENTATIVES
Tuesday, April 7, 2009

Committee Substitute for
ENGROSSED
Senate Bill No. 238

COMMITTEE SUBSTITUTE FOR ENGROSSED SENATE BILL NO. 238 - By:
JOHNSON (MIKE) AND MYERS of the Senate and MILLER, MARTIN (SCOTT) AND
DORMAN of the House.

An Act relating to public finance; authorizing the Oklahoma Capitol Improvement Authority to issue obligations for the Oklahoma Conservation Commission; authorizing the Authority to acquire certain property for certain purposes; providing for transfer of title upon occurrence of certain events; authorizing the borrowing of money for certain purposes; stating legislative intent; providing for payment of certain fees and costs; authorizing procedure for issuance and hiring of certain professionals; providing for use of certain interest earnings; exempting certain obligations, transfers, and interest from taxation; providing for investment and oversight; repealing Section 2, Chapter 431, O.S.L. 2008 (73 O.S. Supp. 2008, Section 333), which relates to authorization for the issuance of certain obligations by the Oklahoma Conservation Commission; providing for codification; and declaring an emergency.

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

1 SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma
2 Statutes as Section 335 of Title 73, unless there is created a duplication in numbering,
3 reads as follows:

4 A. The Oklahoma Capitol Improvement Authority (OCIA) is authorized to acquire
5 real property or interests therein, together with improvements located thereon, and

1 personal property for purposes of construction, repair and rehabilitation of flood-control
2 dams, repair of roadside water erosion, riparian restoration and purchase of necessary
3 equipment in various counties through and with the assistance of local conservation
4 districts, including restoration of flood-damaged areas, all pursuant to the Conservation
5 District Act, with debt retirement payments to be made by the Oklahoma Conservation
6 Commission, which is hereby authorized to borrow money from the OCIA for the
7 purposes in this section.

8 The OCIA may hold title to the real property and improvements until such time as
9 any obligations issued for this purpose are retired or defeased and may lease the real
10 property and improvements to the Oklahoma Conservation Commission. Upon final
11 redemption or defeasance of the obligations created pursuant to this section, title to the
12 real property and improvements shall be transferred from the Oklahoma Capitol
13 Improvement Authority to the Oklahoma Conservation Commission.

14 B. For the purpose of paying the costs for acquisition of the real property and
15 improvements and personal property authorized in subsection A of this section, and for
16 the purpose authorized in subsection C of this section, the OCIA is hereby authorized to
17 borrow monies on the credit of the income and revenues to be derived from the leasing of
18 such real property and improvements and, in anticipation of the collection of such income
19 and revenues, to issue negotiable obligations in an amount sufficient to generate net
20 proceeds of Twenty-five Million Dollars (\$25,000,000.00) after providing for costs of
21 issuance, credit enhancement, reserves, and other associated expenses related to the
22 financing. It is the intent of the Legislature to appropriate to the Oklahoma

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 Conservation Commission sufficient monies to make rental payments for the purposes of
2 retiring the obligations created pursuant to this section.

3 C. To the extent funds are available from the proceeds of the borrowing authorized
4 by subsection B of this section, the OCIA shall provide for the payment of professional
5 fees and associated costs approved by the OCIA.

6 D. The OCIA may issue obligations in one or more series and in conjunction with
7 other issues of the OCIA. The OCIA is authorized to hire bond counsel, financial
8 consultants, and such other professionals as it may deem necessary to provide for the
9 efficient sale of the obligations and may utilize a portion of the proceeds of any borrowing
10 to create such reserves as may be deemed necessary and to pay costs associated with the
11 issuance and administration of such obligations.

12 E. The obligations authorized under this section may be sold at either competitive
13 or negotiated sale, as determined by the OCIA, and in such form and at such prices as
14 may be authorized by the OCIA. The OCIA may enter into agreements with such credit
15 enhancers and liquidity providers as may be determined necessary to efficiently market
16 the obligations. The obligations may mature and have such provisions for redemption as
17 shall be determined by the OCIA, but in no event shall the final maturity of such
18 obligations occur later than fifteen (15) years from the first principal maturity date.

19 F. Any interest earnings on funds or accounts created for the purposes of this
20 section may be utilized as partial payment of the annual debt service or for the purposes
21 directed by the OCIA.

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

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

10 SECTION 2. REPEALER Section 2, Chapter 431, O.S.L. 2008 (73 O.S. Supp.
11 2008, Section 333), is hereby repealed.

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

15 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
16 dated 04-06-09 - DO PASS, As Amended and Coauthored.