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THE STATE SENATE
Monday, February 22, 2010

Committee Substitute for
Senate Bill No. 1752

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 1752 - By: Coates of the Senate and Banz of the House.

[public finance - Oklahoma Capitol Improvement Authority - use of investment earnings - codification - 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 337 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 _____ Dollars (\$_____) 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 provide funding for repairs, refurbishments and improvements to real and personal property for a central office building for the Oklahoma Department of Veterans Affairs. Earnings

1 that result from the investment of the construction fund may be used
2 for the project authorized in this section or for other legal
3 purposes approved by the Authority.

4 B. The Authority may hold title to the real and personal
5 property and improvements until such time as any obligations issued
6 for this purpose are retired or defeased and may lease the real
7 property and improvements to the Oklahoma Department of Veterans
8 Affairs. Upon final redemption or defeasance of the obligations
9 created pursuant to this section, title to the real and personal
10 property and improvements shall be transferred from the Oklahoma
11 Capitol Improvement Authority to the Oklahoma Department of Veterans
12 Affairs.

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

1 Oklahoma Department of Veterans Affairs sufficient monies to make
2 rental payments for the purposes of retiring the obligations created
3 pursuant to this section.

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

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

17 F. The obligations authorized under this section may be sold at
18 either competitive or negotiated sale, as determined by the
19 Authority, and in such form and at such prices as may be authorized
20 by the Authority. The Authority may enter into agreements with such
21 credit enhancers and liquidity providers as may be determined
22 necessary to efficiently market the obligations. The obligations
23 may mature and have such provisions for redemption as shall be

1 determined by the Authority, but in no event shall the final
2 maturity of such obligations occur later than thirty (30) years from
3 the first principal maturity date.

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

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

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

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

22 SECTION 2. It being immediately necessary for the preservation
23 of the public peace, health and safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.
3 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-17-10 - DO
4 PASS, As Amended and Coauthored.