

SB 382

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THE STATE SENATE
Tuesday, February 17, 2009

Senate Bill No. 382
As Amended

SENATE BILL NO. 382 - By: Laster of the Senate and Morgan of the House.

[public finance - issue obligations - Oklahoma Conservation Commission - 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 335 of Title 73, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Capitol Improvement Authority (OCIA) is authorized to acquire real property or interests therein, together with improvements located thereon, and personal property for purposes of construction, repair and rehabilitation of flood-control dams, repair of roadside water erosion, riparian restoration and purchase of necessary equipment in various counties through and with the assistance of local conservation districts, including restoration of flood-damaged areas, all pursuant to the Conservation District Act, with debt retirement payments to be made by the Oklahoma Conservation Commission, which is hereby authorized to borrow money from the OCIA for the purposes in this section.

1 The OCIA may hold title to the real property and improvements
2 until such time as any obligations issued for this purpose are
3 retired or defeased and may lease the real property and improvements
4 to the Oklahoma Conservation Commission. Upon final redemption or
5 defeasance of the obligations created pursuant to this section,
6 title to the real property and improvements shall be transferred
7 from the Oklahoma Capitol Improvement Authority, to the Oklahoma
8 Conservation Commission.

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

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

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

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

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

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

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

16 SECTION 2. REPEALER Section 2, Chapter 431, O.S.L. 2008
17 (73 O.S. Supp. 2008, Section 333), is hereby repealed.

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

22 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-11-09 - DO
23 PASS, As Amended and Coauthored.