

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 HOUSE BILL 1565

By: Schwartz

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5  
6 AS INTRODUCED

7 An Act relating to State Capital and Capitol  
8 Building; authorizing issuance of certain obligations  
9 by the Oklahoma Capitol Improvement Authority;  
10 stating amount of net proceeds; providing for deposit  
11 of net proceeds; providing for use of net proceeds  
12 for specific purposes; providing for disposition of  
13 earnings; authorizing agreements between the Oklahoma  
14 Capitol Improvement authority and the Department of  
15 Transportation; specifying content of agreements;  
16 providing for effect of redemption; authorizing  
17 borrowing of monies and issuance of negotiable  
18 obligations; stating legislative intent with respect  
19 to appropriations to the Department of  
20 Transportation; authorizing payment of certain fees  
21 and costs; authorizing issuance in series;  
22 prescribing procedures for sale of obligations;  
23 authorizing liquidity agreements; providing for  
24 disposition of interest earnings; providing exemption  
from taxation; providing for investment of proceeds;  
providing for applicability of certain statutory  
provisions; 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 342 of Title 73, unless there is  
created a duplication in numbering, reads as follows:

1       A. The Oklahoma Capitol Improvement Authority is authorized to  
2 issue notes, bonds, or other evidences of obligation in an amount  
3 necessary to generate net proceeds of Thirty Million Three Hundred  
4 Thousand Dollars (\$30,300,000.00) after providing for costs of  
5 issuance, credit enhancement, reserves, and other associated  
6 expenses related to the financing. Net proceeds of the financing  
7 will be deposited into a construction fund to provide for the  
8 financing of acquisition of real property, together with  
9 improvements located thereon, and personal property, to construct  
10 buildings and other improvements to real property and to provide  
11 funding for repairs, refurbishments and improvements to real and  
12 personal property for a multipurpose laboratory and records  
13 retention center for the Department of Transportation. Earnings  
14 that result from the investment of the construction fund may be used  
15 for the project authorized in this section or for other legal  
16 purposes approved by the Authority.

17       B. The Authority may hold title to the real and personal  
18 property and improvements until such time as any obligations issued  
19 for this purpose are retired or defeased and may lease the real  
20 property and improvements to the Department of Transportation. Upon  
21 final redemption or defeasance of the obligations created pursuant  
22 to this section, title to the real and personal property and  
23 improvements shall be transferred from the Oklahoma Capitol  
24 Improvement Authority to the Department of Transportation.

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

12 D. It is the intent of the Legislature to appropriate to the  
13 Department of Transportation sufficient monies to make rental  
14 payments for the purposes of retiring the obligations created  
15 pursuant to this section.

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

21 F. The Authority may issue obligations in one or more series  
22 and in conjunction with other issues of the Authority. The  
23 Authority is authorized to hire bond counsel, financial consultants,  
24 and such other professionals as it may deem necessary to provide for

1 the efficient sale of the obligations and may utilize a portion of  
2 the proceeds of any borrowing to create such reserves as may be  
3 deemed necessary and to pay costs associated with the issuance and  
4 administration of such obligations.

5 G. The obligations authorized under this section may be sold at  
6 either competitive or negotiated sale, as determined by the  
7 Authority, and in such form and at such prices as may be authorized  
8 by the Authority. The Authority may enter into agreements with such  
9 credit enhancers and liquidity providers as may be determined  
10 necessary to efficiently market the obligations. The obligations  
11 may mature and have such provisions for redemption as shall be  
12 determined by the Authority, but in no event shall the final  
13 maturity of such obligations occur later than thirty (30) years from  
14 the first principal maturity date.

15 H. Any interest earnings on funds or accounts created for the  
16 purposes of this section may be utilized as partial payment of the  
17 annual debt service or for the purposes directed by the Authority.

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

23 J. The Authority may direct the investment of all monies in any  
24 funds or accounts created in connection with the offering of the

1 obligations authorized under this section. Such investments shall  
2 be made in a manner consistent with the investment guidelines of the  
3 State Treasurer. The Authority may place additional restrictions on  
4 the investment of such monies if necessary to enhance the  
5 marketability of the obligations.

6 K. Insofar as they are not in conflict with the provisions of  
7 this section, the provisions of Sections 151 through 184 of Title 73  
8 of the Oklahoma Statutes shall apply to this section.

9 SECTION 2. This act shall become effective July 1, 2009.

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

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15 52-1-5446 CJB 12/30/08

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