

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 HOUSE BILL 2817

By: Key

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5  
6 AS INTRODUCED

7 An Act relating to public finance; providing for  
8 funding of highways, streets, roads, bridges, transit  
9 systems and transportation infrastructure; defining  
10 term; providing for submission of project  
11 applications to the Director of the Office of State  
12 Finance; prescribing requirements; providing for  
13 funding based upon certain funds; prescribing  
14 procedures related to bid amount and capital  
15 structure of state chartered banks; imposing duty  
16 upon banks for creation of money; providing for  
17 electronic transfer of funds; providing for funds  
18 transfer to contractors; exempting banks from reserve  
19 requirements with respect to money created pursuant  
20 to statutory provision; requiring audit by State  
21 Auditor and Inspector; prescribing criminal penalties  
22 for fraud; authorizing fine and imprisonment;  
23 requiring implementation of pilot project; imposing  
24 duties upon certain state officials; providing for  
codification; providing an effective date; and  
declaring an emergency.

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

21 SECTION 1. NEW LAW A new section of law to be codified  
22 in the Oklahoma Statutes as Section 9001 of Title 62, unless there  
23 is created a duplication in numbering, reads as follows:  
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1       A. The funding of all state, county, statutory or home rule  
2 charter city, and town highways, streets, roads, bridges, transit  
3 systems, and other transportation infrastructure projects must be  
4 achieved in lieu of taxation or bonding through the use of state-  
5 chartered banks to create money as provided in this section.

6       B. For purposes of this section, "state-chartered bank" means a  
7 bank chartered in Oklahoma.

8       C. The governmental agency sponsoring a project referenced in  
9 subsection A of this section shall submit documentation of it to the  
10 Director of the Office of State Finance for funding. The  
11 documentation must contain the accepted, verified, and authorized  
12 project bid. The Director of the Office of State Finance shall  
13 assign the project a unique project number and shall arrange funding  
14 of the authorized bid value with the wealth-based money authorized  
15 by this section.

16       D. The Director of the Office of State Finance shall notify all  
17 state-chartered banks of the project number and its total bid value.  
18 The bid value must be divided among all state-chartered banks in  
19 proportion to their capital and surplus as of the due date of their  
20 financial reports submitted to the State Banking Department as  
21 provided by law, for the most recent reporting period that ended at  
22 least ninety (90) days before the date of notification to the state-  
23 chartered banks regarding that project. Using the accepted ability

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1 of banks to create money, each state-chartered bank shall create  
2 money equal to its share of the bid value of each project.

3 E. Each state-chartered bank shall then electronically transfer  
4 this money to the Director of the Office of State Finance.

5 F. The Director of the Office of State Finance shall then  
6 electronically transfer this money as payment under the terms of the  
7 project contract into a checking account maintained by the  
8 contractor in a state-chartered bank. The Director shall make the  
9 payments only at the direction of the governmental agency for which  
10 the project is performed.

11 G. The state-chartered banks are free of any reserve  
12 requirements affected by the creation of money required under this  
13 section. The money is deemed to be an asset to the state-chartered  
14 bank, to the state, and to the people of this state, and not as a  
15 liability to anyone.

16 H. The State Auditor and Inspector shall ensure an ongoing and  
17 accurate accounting for and of the total amount of this money  
18 created to fund transportation infrastructure projects under this  
19 section. The State Auditor and Inspector shall update this  
20 accounting on the first business day of the third week of each month  
21 and make it available online to all Oklahoma residents.

22 I. Any noncompliance or fraud relating to this section by any  
23 officer or employee of a state-chartered bank, any official or  
24 employee of the state, county, statutory or home rule charter city,

1 or town, or any officer or employee of a contractor or subcontractor  
2 is a felony and is subject to the penalties provided in subsection J  
3 of this section.

4 J. Any person found guilty of noncompliance or fraud relating  
5 to this section is subject to a fine of up to One Hundred Million  
6 Dollars (\$100,000,000.00) and imprisonment of up to forty (40)  
7 years, or both.

8 K. The Director of the Office of State Finance and the Director  
9 of the Department of Transportation shall implement and administer a  
10 pilot project, which must be completed within ninety (90) days after  
11 the effective date of this section, to test and ensure the  
12 successful implementation of all procedures required by this  
13 section.

14 L. The Executive Director of the Department of Commerce, the  
15 Director of the Department of Transportation and the Director of the  
16 Office of State Finance shall work together with the state-chartered  
17 banking system to monetize the state's transportation infrastructure  
18 system with wealth-based debt-free money through the procedure  
19 provided in this section.

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

21 SECTION 3. It being immediately necessary for the preservation  
22 of the public peace, health and safety, an emergency is hereby  
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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.

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