

1 STATE OF OKLAHOMA

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

3 SENATE BILL 280

By: Crain

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5  
6 AS INTRODUCED

7 An Act relating to the State Department of Health;  
8 authorizing the Oklahoma Capitol Improvement  
9 Authority to provide financing for a laboratory for  
10 the State Department of Health; providing for use of  
11 investment earnings; authorizing Authority to hold  
12 title to property for certain period and for transfer  
13 of property upon certain occurrence; authorizing  
14 Authority to borrow monies and issue obligations;  
15 providing legislative intent; authorizing payment of  
16 certain fees and costs; providing procedures for  
17 borrowing and authorizing employment of certain  
18 professionals; providing procedures for sale of  
19 obligations; providing for use of certain interest  
20 earnings; providing tax exemption; providing for  
21 investment of certain monies; providing for  
22 application of certain provisions of law; providing  
23 for codification; providing an effective date; and  
24 declaring an emergency.

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

19 SECTION 1. NEW LAW A new section of law to be codified  
20 in the Oklahoma Statutes as Section 309 of Title 73, unless there is  
21 created a duplication in numbering, reads as follows:

22 A. The Oklahoma Capitol Improvement Authority is authorized to  
23 issue notes, bonds, or other evidences of obligation in an amount  
24 necessary to generate net proceeds of \_\_\_\_\_ Dollars

1 (\$ \_\_\_\_\_) after providing for costs of issuance, credit  
2 enhancement, reserves, and other associated expenses related to the  
3 financing. Net proceeds of the financing will be deposited into a  
4 construction fund to provide for the financing of acquisition of  
5 real property, together with improvements located thereon, and  
6 personal property, to construct buildings and other improvements to  
7 real property and to provide funding for repairs, refurbishments and  
8 improvements to real and personal property for a multipurpose  
9 laboratory for the State Department of Health. Earnings that result  
10 from the investment of the construction fund may be used for the  
11 project authorized in this section or for other legal purposes  
12 approved by the Authority.

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

21 C. For the purpose of paying the costs for acquisition and  
22 construction of the real property and improvements and personal  
23 property and making the repairs, refurbishments, and improvements to  
24 real and personal property, and providing funding for the project

1 authorized in subsection A of this section, and for the purpose  
2 authorized in subsection D of this section, the Authority is hereby  
3 authorized to borrow monies on the credit of the income and revenues  
4 to be derived from the leasing of such real and personal property  
5 and improvements and, in anticipation of the collection of such  
6 income and revenues, to issue negotiable obligations in one or more  
7 series. It is the intent of the Legislature to appropriate to the  
8 State Department of Health sufficient monies to make rental payments  
9 for the purposes of retiring the obligations created pursuant to  
10 this section.

11 D. To the extent funds are available from the proceeds of the  
12 borrowing authorized by subsection C of this section, the Oklahoma  
13 Capitol Improvement Authority shall provide for the payment of  
14 professional fees and associated costs related to the project  
15 authorized in subsection A of this section.

16 E. The Authority may issue obligations in one or more series  
17 and in conjunction with other issues of the Authority. The  
18 Authority is authorized to hire bond counsel, financial consultants,  
19 and such other professionals as it may deem necessary to provide for  
20 the efficient sale of the obligations and may utilize a portion of  
21 the proceeds of any borrowing to create such reserves as may be  
22 deemed necessary and to pay costs associated with the issuance and  
23 administration of such obligations.

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

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

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

19 I. The Authority may direct the investment of all monies in any  
20 funds or accounts created in connection with the offering of the  
21 obligations authorized under this section. Such investments shall  
22 be made in a manner consistent with the investment guidelines of the  
23 State Treasurer. The Authority may place additional restrictions on  
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1 the investment of such monies if necessary to enhance the  
2 marketability of the obligations.

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

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

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

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