

1 STATE OF OKLAHOMA

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

3 SENATE BILL 38

By: Anderson

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5
6 AS INTRODUCED

7 An Act relating to public finance; authorizing the
8 Oklahoma Capitol Improvement Authority to issue
9 obligations for the Oklahoma Conservation Commission;
10 authorizing the Authority to acquire certain property
11 for certain purposes; providing for transfer of title
12 upon occurrence of certain events; authorizing the
13 borrowing of money for certain purposes; stating
14 legislative intent; providing for payment of certain
15 fees and costs; authorizing procedure for issuance
16 and hiring of certain professionals; providing for
17 use of certain interest earnings; exempting certain
18 obligations, transfers, and interest from taxation;
19 providing for investment and oversight; providing for
20 codification; repealing Section 2, Chapter 431,
21 O.S.L. 2008 (73 O.S. Supp. 2008, Section 333), which
22 relates to authorization for the issuance of certain
23 obligations by the Oklahoma Conservation Commission;
24 and declaring an emergency.

18 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 335 of Title 73, unless there is
21 created a duplication in numbering, reads as follows:

22 A. The Oklahoma Capitol Improvement Authority (OCIA) is
23 authorized to acquire real property or interests therein, together
24 with improvements located thereon, and personal property for

1 purposes of construction, repair and rehabilitation of flood-control
2 dams, repair of roadside water erosion, riparian restoration and
3 purchase of necessary equipment in various counties through and with
4 the assistance of local conservation districts, including
5 restoration of flood-damaged areas, all pursuant to the Conservation
6 District Act, with debt retirement payments to be made by the
7 Oklahoma Conservation Commission, which is hereby authorized to
8 borrow money from the OCIA for the purposes in this section.

9 The OCIA may hold title to the real property and improvements
10 until such time as any obligations issued for this purpose are
11 retired or defeased and may lease the real property and improvements
12 to the Oklahoma Conservation Commission. Upon final redemption or
13 defeasance of the obligations created pursuant to this section,
14 title to the real property and improvements shall be transferred
15 from the Oklahoma Capitol Improvement Authority, to the Oklahoma
16 Conservation Commission.

17 B. For the purpose of paying the costs for acquisition of the
18 real property and improvements and personal property authorized in
19 subsection A of this section, and for the purpose authorized in
20 subsection C of this section, the OCIA is hereby authorized to
21 borrow monies on the credit of the income and revenues to be derived
22 from the leasing of such real property and improvements and, in
23 anticipation of the collection of such income and revenues, to issue
24 negotiable obligations in an amount sufficient to generate net

1 proceeds of Twenty-five Million Dollars (\$25,000,000.00) after
2 providing for costs of issuance, credit enhancement, reserves, and
3 other associated expenses related to the financing. It is the
4 intent of the Legislature to appropriate to the Oklahoma
5 Conservation Commission sufficient monies to make rental payments
6 for the purposes of retiring the obligations created pursuant to
7 this section.

8 C. To the extent funds are available from the proceeds of the
9 borrowing authorized by subsection B of this section, the OCIA shall
10 provide for the payment of professional fees and associated costs
11 approved by the OCIA.

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

20 E. The obligations authorized under this section may be sold at
21 either competitive or negotiated sale, as determined by the OCIA,
22 and in such form and at such prices as may be authorized by the
23 OCIA. The OCIA may enter into agreements with such credit enhancers
24 and liquidity providers as may be determined necessary to

1 efficiently market the obligations. The obligations may mature and
2 have such provisions for redemption as shall be determined by the
3 OCIA, but in no event shall the final maturity of such obligations
4 occur later than fifteen (15) years from the first principal
5 maturity date.

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

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

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

21 SECTION 2. REPEALER Section 2, Chapter 431, O.S.L. 2008
22 (73 O.S. Supp. 2008, Section 333), is hereby repealed.

23 SECTION 3. It being immediately necessary for the preservation
24 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.

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