

1 STATE OF OKLAHOMA

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

3 SENATE BILL 404

By: Crain

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6 AS INTRODUCED

7 An Act relating to state finance; authorizing the
8 Oklahoma Capitol Improvement Authority (OCIA) to
9 issue obligations of certain amount for construction
10 of a building for the Department of Mental Health and
11 Substance Abuse Services, the Oklahoma Health Care
12 Authority, and the Oklahoma Department of Veterans
13 Affairs, contingent on certain approval; requiring
14 transfer of property upon occurrence of certain
15 event; requiring certain interagency agreement;
16 authorizing borrowing of certain amount of money for
17 certain purposes; stating legislative intent;
18 providing for payment of certain fees and costs;
19 providing procedures for issuance of certain
20 obligations; authorizing certain agreement; providing
21 for use of certain interest earnings; exempting
22 certain obligations, transfers and interest from
23 taxation; authorizing investment of funds; providing
24 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 309 of Title 73, unless there is
created a duplication in numbering, reads as follows:

A. Contingent on the approval by the State Bond Advisor of the
interagency agreement described in subsection C, the Oklahoma

1 Capitol Improvement Authority (OCIA) is authorized to issue
2 obligations in an amount necessary to generate net proceeds of One
3 Hundred Million Dollars (\$100,000,000.00) after providing for costs
4 of issuance, credit enhancement, reserves, and other associated
5 expenses related to the financing. Net proceeds of the financing
6 will be deposited into a construction fund to provide for the
7 financing of the acquisition of real property, together with
8 improvements located thereon, and personal property to construct and
9 equip a building to provide office space for the Department of
10 Mental Health and Substance Abuse Services, the Oklahoma Health Care
11 Authority, and the Oklahoma Department of Veterans Affairs.
12 Earnings that result from the investment of the construction fund
13 may be used for the project authorized in this section or for other
14 purposes directed by the OCIA.

15 B. The OCIA may hold title to the real property and
16 improvements until such time as any obligations issued for this
17 purpose are retired or defeased and may lease the real property and
18 improvements to the Department of Mental Health and Substance Abuse
19 Services, the Oklahoma Health Care Authority, and the Oklahoma
20 Department of Veterans Affairs. The Department of Mental Health and
21 Substance Abuse Services, the Oklahoma Health Care Authority, and/or
22 the Oklahoma Department of Veterans Affairs shall make lease or
23 other payments as required by the OCIA, as agreed upon by such
24 agencies. Upon final redemption or defeasance of the obligations

1 created pursuant to this section, title to the real property and
2 improvements shall be transferred from the OCIA to the Department of
3 Mental Health and Substance Abuse Services, the Oklahoma Health Care
4 Authority, or the Oklahoma Department of Veterans Affairs as
5 provided by the Interagency Agreement.

6 C. The Department of Mental Health and Substance Abuse
7 Services, the Oklahoma Health Care Authority, and the Oklahoma
8 Department of Veterans Affairs shall enter into an interagency
9 agreement to provide for payments, to allocate financial and other
10 responsibilities between them for the management and operation of
11 the building, and to provide for the eventual ownership of the
12 building. Approval of the interagency agreement by the State Bond
13 Advisor is required prior to the issuance of obligations authorized
14 by subsection A of this section.

15 D. For the purpose of paying the costs for acquisition of the
16 real property and improvements and personal property authorized in
17 subsection A of this section, and for the purpose authorized in
18 subsection E of this section, the OCIA is hereby authorized to
19 borrow monies on the credit of the income and revenues to be derived
20 from the leasing of such real property and improvements and, in
21 anticipation of the collection of such income and revenues, to issue
22 negotiable obligations in one or more series. It is the intent of
23 the Legislature to appropriate to the Department of Mental Health
24 and Substance Abuse Services, the Oklahoma Health Care Authority,

1 and the Oklahoma Department of Veterans Affairs sufficient monies to
2 make rental payments for the purposes of retiring the obligations
3 created pursuant to this section.

4 E. To the extent funds are available from the proceeds of the
5 borrowing authorized by subsection D of this section, the OCIA shall
6 provide for the payment of professional fees and associated costs
7 related to the project authorized in subsection A of this section.

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

16 G. The obligations authorized under this section may be sold at
17 either competitive or negotiated sale, as determined by the OCIA,
18 and in such form and at such prices as may be authorized by the
19 OCIA. The OCIA may enter into agreements with such credit enhancers
20 and liquidity providers as may be determined necessary to
21 efficiently market the obligations. The obligations may mature and
22 have such provisions for redemption as shall be determined by the
23 OCIA, but in no event shall the final maturity of such obligations
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1 occur later than thirty (30) years from the first principal maturity
2 date.

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

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

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

18 K. Insofar as they are not in conflict with the provisions of
19 this section, the provisions of Section 151 et seq. of Title 73 of
20 the Oklahoma Statutes shall apply to this section.

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

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