

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL NO. 259

By: Coates of the Senate

and

McNiel of the House

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9 COMMITTEE SUBSTITUTE

10 An Act relating to the Oklahoma Tourism, Parks and  
11 Recreation Enhancement Act; amending Section 57,  
12 Chapter 363, O.S.L. 2005 (74 O.S. Supp. 2010, Section  
13 2256), which relates to the authority to issue  
14 negotiable bonds; modifying bonding authority; and  
15 providing an effective date.

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

17 SECTION 1. AMENDATORY Section 57, Chapter 363, O.S.L.  
18 2005 (74 O.S. Supp. 2010, Section 2256), is amended to read as  
19 follows:

20 Section 2256. A. The Commission shall have the power and is  
21 authorized to issue negotiable bonds in anticipation of the  
22 collection of all or any part of its revenues, not to exceed ~~Five~~  
23 ~~Million Dollars (\$5,000,000.00)~~ Ten Million Dollars  
24 (\$10,000,000.00), for the purpose of constructing, reconstructing,  
improving, bettering or extending any properties which it is

1 authorized to maintain or operate hereunder. The Commission shall  
2 pledge all or any part of the revenues derived from the operation of  
3 the parks controlled and operated by the Commission to the payment  
4 of the interest and principal of such bonds.

5 B. The bonds authorized by this section shall be authorized by  
6 resolution of the Commission and may, as provided in such  
7 resolution:

8 1. Be issued in one or more series;

9 2. Bear such date or dates and may mature at such time not  
10 exceeding twenty-five (25) years from their respective dates;

11 3. Bear interest at a rate or rates not exceeding ten percent  
12 (10%) per annum; and

13 4. Contain such terms, covenants and conditions.

14 C. The bonds authorized by this section may be sold in a manner  
15 and upon terms as determined by the Commission. The interest cost  
16 yield to maturity of any issue of bonds shall not exceed ten percent  
17 (10%) per annum, payable semiannually.

18 D. Any resolution authorizing the issuance of bonds under ~~this~~  
19 ~~act~~ Section 2200 et seq. of this title may contain covenants  
20 including, but not limited to:

21 1. The purpose or purposes to which the proceeds of the sale of  
22 bonds may be applied, and the deposit, use, and disposition thereof;

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1           2. The use, deposit, securing of deposits, and disposition of  
2 the revenues of the Commission, including the creating and  
3 maintenance of reserves;

4           3. The issuance of additional bonds payable from revenues of  
5 the Commission;

6           4. The operation and maintenance of properties of the  
7 Commission;

8           5. The insurance to be carried thereon, and the use, deposit  
9 and disposition of insurance monies;

10          6. Books of account and the inspection and audit thereof and  
11 the accounting methods of the Commission;

12          7. The nonrendering of any free service by the Commission  
13 except for promotional activities as deemed in this act; and

14          8. The preservation of the properties of the Commission so long  
15 as any of the bonds remain outstanding, from any mortgage, sale,  
16 lease or other encumbrances not specifically permitted by the terms  
17 of the resolution.

18          E. At the discretion of the Commission, any bonds issued under  
19 the provisions of this act may be secured by a trust indenture by  
20 and between the Commission and a corporate trustee, which may be any  
21 trust company or bank having the powers of a trust company within  
22 the state. Any trust indenture may pledge or assign the revenues  
23 from the operation of properties of the Commission, but shall not  
24 convey or mortgage any properties, except such revenues. Any trust

1 indenture or any resolution providing for the issuance of such bonds  
2 may contain provisions for protecting and enforcing the rights and  
3 remedies of the bondholders as may be reasonable and proper and not  
4 in violation of law, including covenants setting forth the duties of  
5 the Commission in relation to:

6 1. The construction, improvement, maintenance, repair,  
7 operation and insurance of the improvements in connection with which  
8 such bonds shall have been authorized;

9 2. The custody, safeguarding and application of all monies; and

10 3. The employment of consulting engineers in connection with  
11 the construction or operation of such improvements.

12 F. It shall be lawful for any bank or trust company  
13 incorporated under the laws of the state, which may act as  
14 depository of the proceeds of bonds or of revenues, to furnish  
15 indemnifying bonds or to pledge securities as may be required by the  
16 Commission. Any trust indenture may set forth the rights and  
17 remedies of the bondholders and of the trustee, and may restrict the  
18 individual right of action by bondholders as is customary in trust  
19 agreements or trust indentures securing bonds and debentures of  
20 corporations. In addition to the foregoing, any trust indenture may  
21 contain other provisions as the Commission may deem reasonable and  
22 proper for the security of the bondholders. All expenses incurred  
23 in carrying out the provisions of any trust indenture may be treated

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1 as a part of the cost of operation of the improvements for which the  
2 bonds are authorized.

3 G. Monies received pursuant to the authority of this act,  
4 whether as proceeds from the sale of bonds or as revenues from the  
5 operations of the properties which have been identified for bond  
6 repayment purposes, shall be deemed to be trust funds, to be held  
7 and applied solely as provided in this act. The resolution  
8 authorizing the issuance of bonds of any issue, or the trust  
9 indenture securing such bonds, shall provide that any officer to  
10 whom, or any bank or trust company to which, the monies shall be  
11 paid, shall act as trustee of the monies and shall hold and apply  
12 the same for the purpose hereof, subject to such regulations as this  
13 act and such resolution or trust indenture may provide.

14 SECTION 2. This act shall become effective November 1, 2011.

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