

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED

5 SENATE BILL NO. 90

By: Stanislawski of the Senate

and

Sullivan of the House

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9 COMMITTEE SUBSTITUTE

10 An Act relating to municipal sinking funds; amending
11 62 O.S. 2001, Section 431, as amended by Section 1,
12 Chapter 279, O.S.L. 2006 (62 O.S. Supp. 2010, Section
13 431), which relates to sinking fund levies; and
14 modifying required amount of levy for unpaid
15 judgments.

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

18 SECTION 1. AMENDATORY 62 O.S. 2001, Section 431, as
19 amended by Section 1, Chapter 279, O.S.L. 2006 (62 O.S. Supp. 2010,
20 Section 431), is amended to read as follows:

21 Section 431. A. It shall be the duty of the officers of each
22 municipal corporation in the State of Oklahoma by law authorized to
23 levy taxes to make a levy each year for a sinking fund, which shall,
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1 with cash actually on hand and lawful investments in such fund,
2 excluding taxes in process of collection, be sufficient to pay:

3 1. All the bonded indebtedness of such municipality coming due
4 prior to April 1 of the second ensuing fiscal year for which no
5 prior levy has been made;

6 2. The interest accrued but unpaid and to accrue on all
7 outstanding bonds of such municipality to April 1 of the second
8 ensuing fiscal year for which no prior levy has been made;

9 3. A sinking fund to pay any interest payable on the last and
10 final bond maturity coming due after June 30 of the ensuing fiscal
11 year but before the tax levy of the succeeding fiscal year may be
12 made and collected;

13 4. A sum, after reserving from said cash and investments on
14 hand for bond and bond-interest accruals as aforesaid and judgment
15 accruals theretofore levied for bonds unpaid, equal to ~~one-third~~
16 ~~(1/3)~~ one-fifth (1/5) of the original amount of all outstanding
17 judgments against the municipality when ~~one-third (1/3)~~ one-fifth
18 (1/5) or more of such judgment remains due and unpaid, and in case
19 less than ~~one-third (1/3)~~ one-fifth (1/5) of such judgment remains
20 due then for the entire amount of such judgment yet remaining
21 unpaid; and

22 5. The interest accrued but unpaid and to accrue on all
23 unsatisfied judgments within the ensuing fiscal year but not beyond
24 June 30 of such year.

1 B. The foregoing formula shall be applied by said taxing
2 officials each year in determining the amount necessary to raise by
3 tax levy for sinking fund purposes, independently of actions taken
4 in previous years; and, if by omission to make a levy which could
5 have been validly made for any judgment, bonds or interest coupons,
6 or where from any cause the cash and valid investments in the
7 sinking fund does not equal the accrual liabilities, it shall be the
8 duty of said taxing officials to readjust the annual bond accrual in
9 accordance with the foregoing formula in order that said bonds shall
10 be paid when due, save and except only that where the cash and valid
11 investments in the sinking fund at the close of any fiscal year,
12 after reserving for interest accrued and accruing under the priority
13 therefor as contained in Section 28 of Article X of the Oklahoma
14 Constitution, is insufficient to pay and retire any bonds matured or
15 to mature before another tax levy may be made and collected and no
16 action has been instituted to refund such matured bonds or to
17 convert them to judgment, it shall be the duty of said taxing
18 officials to include, in addition to interest thereon or aforesaid,
19 an accrual therefor in an amount equal to the bonds so matured or to
20 mature or the annual accrual first lawfully applicable to the issue
21 thereof, whichever is the lesser.

22 C. It is the sole intention of this section to require that the
23 pledge contained in Sections 26, 27 and 35 of Article X of the
24 Oklahoma Constitution, be fulfilled, and that sinking funds be

1 applied as provided by Section 28 of Article X of the Oklahoma
2 Constitution.

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