

1 ENGROSSED HOUSE
2 BILL NO. 2469

By: Morrisette of the House

3 and

4 Crain of the Senate

5
6
7 An Act relating to the State Infrastructure Bank;
8 amending 69 O.S. 2011, Sections 403, 403.1, 404, 405,
9 407 and 412, which relate to the State Infrastructure
10 Bank; increasing applicability of State
11 Infrastructure Bank; providing for credit assistance;
12 authorizing Transportation Commission to submit
13 Letter of Interest; modifying definition; increasing
14 applicability of State Infrastructure Bank Revolving
15 Fund; including additional federal act; increasing
16 scope to include certain federal act; authorizing
17 certain credit assistance as a revenue source; and
18 providing an effective date.

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

20 SECTION 1. AMENDATORY 69 O.S. 2011, Section 403, is
21 amended to read as follows:

22 Section 403. A. The Transportation Commission is hereby
23 authorized to create a "State Infrastructure Bank", pursuant to the
24 federal National Highway System Designation Act of 1995 and the
Transportation Infrastructure Finance and Innovation Act of 1998,
for the purpose of pooling available federal, private and state
appropriated or revolving fund monies or credit assistance
specifically authorized by the Legislature for such use. The

1 Commission shall be the instrumentality to make application to the
2 Federal Highway Administration for the capitalization grant which is
3 to be placed in the State Infrastructure Bank. The Commission shall
4 be the instrumentality to submit a Letter of Interest to the Federal
5 Highway Administration for credit assistance pursuant to the
6 Transportation Infrastructure Finance and Innovation Act of 1998.

7 The Commission shall adopt all rules necessary to implement and
8 effectuate the provisions of this act.

9 B. The State Infrastructure Bank authorized by this section may
10 be utilized by the various counties of Oklahoma for pooling
11 available federal, private and state appropriated or revolving fund
12 monies or credit assistance specifically authorized by the
13 Legislature for capital improvements. The various counties of
14 Oklahoma are authorized to receive and repay monies from the
15 ~~Oklahoma~~ Department of Transportation revolving fund designated as
16 the "State Infrastructure Bank Revolving Fund" for the purpose
17 specifically authorized by the Legislature.

18 C. The Transportation Commission shall be authorized to make
19 loans from the State Infrastructure Bank to qualified applicants as
20 provided in this act in order to implement the provisions of the
21 National Highway System Designation Act of 1995 and the
22 Transportation Infrastructure Finance and Innovation Act of 1998.

23 SECTION 2. AMENDATORY 69 O.S. 2011, Section 403.1, is
24 amended to read as follows:

1 Section 403.1 For the purposes of ~~this act~~ Sections 403 through
2 412 of this title:

3 1. "Eligible project" means the construction, restoration, or
4 replacement of a public transportation facility, limited to
5 highways, bridges, roads, streets, rail, rail crossings, and right-
6 of-way acquisition that would enhance the economic development of
7 this state and provide safety to the citizens of this state;

8 2. "Eligible applicant" means state agencies, counties, cities,
9 special districts, municipal corporations, and Indian tribal
10 governments;

11 3. "Commission" means the ~~Oklahoma~~ Transportation Commission;

12 4. "Department" means the ~~Oklahoma~~ Department of
13 Transportation; and

14 5. "Director" means the Director of the ~~Oklahoma~~ Department of
15 Transportation.

16 SECTION 3. AMENDATORY 69 O.S. 2011, Section 404, is
17 amended to read as follows:

18 Section 404. A. There is hereby created in the State Treasury
19 a revolving fund for the ~~Oklahoma~~ Department of Transportation to be
20 designated the "State Infrastructure Bank Revolving Fund". The fund
21 shall be a continuing fund, not subject to fiscal year limitations,
22 and shall consist of the following:

23 1. All monies received by the Department of Transportation as
24 provided in Section 403 of this title;

1 2. All monies received pursuant and subject to the provisions
2 of the National Highway System Designation Act of 1995 and the
3 Transportation Infrastructure Finance and Innovation Act of 1998
4 which are eligible for use in state revolving loan funds established
5 to meet the requirements of that act;

6 3. All monies appropriated to this fund;

7 4. Payments of principal and interest and penalty payments on
8 loans made directly from federal monies and appropriated monies in
9 this fund;

10 5. Annual state administration fees of one-half percent (1/2%)
11 on the outstanding loan balance; and

12 6. Any other sums designated for deposit to this fund from any
13 source, public or private.

14 All monies accruing to the credit of the fund are hereby
15 appropriated and may be budgeted and expended by the ~~Oklahoma~~
16 Department of Transportation for the purposes of effectuating the
17 provisions of this act. Expenditures from the fund shall be made
18 upon warrants issued by the State Treasurer against claims filed as
19 prescribed by law with the Director of the Office of State Finance
20 for approval and payment.

21 B. The monies placed in the State Infrastructure Bank Revolving
22 Fund shall be invested by the State Treasurer as prescribed by
23 Section 89.2 of Title 62 of the Oklahoma Statutes. Any interest
24 earned by the State Treasurer shall be deposited to the credit of

1 the State Infrastructure Bank Revolving Fund. Monies invested by
2 the State Treasurer shall be available to meet the program funding
3 needs established by the Department of Transportation pursuant to
4 this act.

5 SECTION 4. AMENDATORY 69 O.S. 2011, Section 405, is
6 amended to read as follows:

7 Section 405. The ~~Oklahoma~~ Department of Transportation shall
8 use the State Infrastructure Bank Revolving Fund ~~only as provided by~~
9 ~~the National Highway System Designation Act of 1995~~ for the
10 following purposes:

- 11 1. To make a loan to an eligible entity if:
 - 12 a. the loan application, project and planning documents
13 have been approved by the Department or the ~~Oklahoma~~
14 Transportation Commission,
 - 15 b. the loan is made at or below market interest rates,
 - 16 c. principal and interest payments will begin no later
17 than the month following the completion of the
18 project,
 - 19 d. the State Infrastructure Bank Revolving Fund will be
20 credited with all payments of principal and interest
21 on all loans,
 - 22 e. the applicant demonstrates to the satisfaction of the
23 Department the financial capability to assure
24 sufficient revenues to pay debt service,

1 f. the recipient of the loan establishes a dedicated
2 source of revenue for payment of debt service for the
3 loan, and

4 g. the recipient agrees to maintain financial records in
5 accordance with governmental accounting standards, to
6 conduct an annual audit of the financial records
7 relating to the construction project, and to submit
8 the audit report to the Department on a scheduled
9 annual basis;

10 2. To guarantee or purchase insurance for eligible entities if
11 the guarantee or insurance would improve access to market credit or
12 reduce interest rates;

13 3. To provide loan guarantees to similar revolving loan
14 accounts or funds established by eligible entities;

15 4. To administer the State Infrastructure Bank Revolving Fund
16 pursuant to the provisions in this act. All funds to be utilized
17 for administrative costs from the State Infrastructure Bank
18 Revolving Fund shall be subject to annual appropriation by the
19 Legislature; and

20 5. For such other purpose or in such manner as is determined by
21 the Commission or the Director to be an appropriate use of the State
22 Infrastructure Bank Revolving Fund and which has been specifically
23 approved by the Federal Highway Administration pursuant to the
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1 National Highway System Designation Act of 1995 and the
2 Transportation Infrastructure Finance and Innovation Act of 1998.

3 SECTION 5. AMENDATORY 69 O.S. 2011, Section 407, is
4 amended to read as follows:

5 Section 407. The ~~Oklahoma~~ Department of Transportation shall
6 prescribe such rules as may be necessary for determining the
7 eligibility and priority of such entities for transportation
8 projects in order to receive loans made pursuant to the National
9 Highway System Designation Act of 1995, credit assistance pursuant
10 to the Transportation Infrastructure Finance and Innovation Act of
11 1998 and the State Infrastructure Bank Revolving Fund. At a
12 minimum, such rules shall:

13 1. Ensure the fair and equitable prioritization of entities
14 eligible for loans made pursuant to the provisions of this act;

15 2. Be in conformance with applicable provisions of the National
16 Highway System Designation Act of 1995 and the Transportation
17 Infrastructure Finance and Innovation Act of 1998;

18 3. Require that, to be approved, an applicant needs or will
19 need the transportation project loan to comply with regulations and
20 standards adopted by the Department; and

21 4. Require the transportation project to:

22 a. be designed to enhance the economic development of
23 this state and provide safety to its citizens,

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- 1 b. meet the established criteria of the Department as
2 provided for by the National Highway System
3 Designation Act of 1995 and the Transportation
4 Infrastructure Finance and Innovation Act of 1998,
5 c. comply with all applicable federal, state, and local
6 laws and rules, and
7 d. meet any other consideration deemed necessary by the
8 Department.

9 SECTION 6. AMENDATORY 69 O.S. 2011, Section 412, is
10 amended to read as follows:

11 Section 412. A. In order to administer the State
12 Infrastructure Bank, the following sources of revenues may be
13 utilized:

14 1. Monies from the State Infrastructure Bank Revolving Fund
15 pursuant to the federal National Highway System Designation Act of
16 1995 and credit assistance pursuant to the Transportation
17 Infrastructure Finance and Innovation Act of 1998;

18 2. Loan processing fees; and

19 3. Appropriations from the General Revenue Fund or other funds
20 as may be provided for this purpose.

21 B. All funds to be utilized for administration by the ~~Oklahoma~~
22 Department of Transportation shall be subject to annual
23 appropriation by the Legislature.

24 SECTION 7. This act shall become effective November 1, 2012.

