

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 53rd Legislature (2012)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 3156

By: Sears and Martin (Scott) of  
the House

and

Jolley and Justice of the  
Senate

11                                   COMMITTEE SUBSTITUTE

12                   An Act relating to public finance; authorizing the  
13                   Oklahoma Capitol Improvement Authority to issue  
14                   obligations for the State Capitol Park; providing for  
15                   transfer of title upon occurrence of certain events;  
16                   authorizing the borrowing of money for certain  
17                   purposes; stating legislative intent; providing for  
18                   payment of certain fees and costs; authorizing  
19                   procedure for issuance and hiring of certain  
20                   professionals; providing for use of certain interest  
21                   earnings; exempting certain obligations, transfers,  
22                   and interest from taxation; providing for investment  
23                   and oversight; providing for applicability of certain  
24                   statutory provisions related to the Oklahoma Capitol  
                 Improvement Authority; and providing for  
                 codification.

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

1 SECTION 1. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 345 of Title 73, unless there is  
3 created a duplication in numbering, reads as follows:

4 A. In addition to any other authorization provided by law, the  
5 Oklahoma Capitol Improvement Authority is authorized to issue  
6 obligations to acquire real property, together with improvements  
7 located thereon, and personal property to construct improvements to  
8 real property and to provide funding for repairs, refurbishments and  
9 improvements to real and personal property of the State Capitol  
10 Park, as defined in Section 1811.4 of Title 74 of the Oklahoma  
11 Statutes, in a total amount necessary to generate net proceeds of  
12 Two Hundred Million Dollars (\$200,000,000.00). The funds shall  
13 first be applied to the renovation, repair and remodeling of the  
14 State Capitol Building and any funds remaining, after the Department  
15 of Central Services determines the amount of proceeds required for  
16 the State Capitol Building renovation to be adequate, may be  
17 committed and applied to the renovation, repair and remodeling of  
18 the Jim Thorpe Office Building, the Governor's Mansion and other  
19 State Capitol Park projects which may include, but which shall not  
20 be limited to, masonry and brick work, foundations, exterior and  
21 interior walls, heating and air conditioning systems, plumbing,  
22 water lines and related water supply assets, sewer lines and related  
23 sanitary sewer assets, electrical wiring and any other asset

1 determined to be required for historic preservation, building code  
2 compliance, or safe occupancy of any structure as approved by the  
3 Department. The Oklahoma Capitol Improvement Authority may allocate  
4 the proceeds from the issuance in order to provide for the  
5 completion of capital projects for which the proceeds have been  
6 authorized pursuant to the provisions of this section.

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

15 C. For the purpose of paying the costs for construction of the  
16 real property and improvements, and providing funding for the  
17 project authorized in subsection A of this section, and for the  
18 purpose authorized in subsection D of this section, the Authority is  
19 hereby authorized to borrow monies on the credit of the income and  
20 revenues to be derived from the leasing of such property and  
21 improvements and, in anticipation of the collection of such income  
22 and revenues, to issue negotiable obligations in a total amount not  
23 to exceed the amount authorized by subsection A of this section

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1 whether issued in one or more series. The Authority is authorized  
2 to capitalize interest on the obligations issued pursuant to this  
3 section for a period of not to exceed one (1) year from the date of  
4 issuance. For subsequent fiscal years, it is the intent of the  
5 Legislature to appropriate to the Department of Central Services  
6 sufficient monies to make rental payments for the purpose of  
7 retiring the obligations created pursuant to this section. To the  
8 extent funds are available from the proceeds of the borrowing  
9 authorized by this subsection, the Oklahoma Capitol Improvement  
10 Authority shall provide for the payment of professional fees and  
11 associated costs related to the project authorized in subsection A  
12 of this section.

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

21 E. The obligations authorized under this section may be sold at  
22 either competitive or negotiated sale, as determined by the  
23 Authority, and in such form and at such prices as may be authorized

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1 by the Authority. The Authority may enter into agreements with such  
2 credit enhancers and liquidity providers as may be determined  
3 necessary to efficiently market the obligations. The obligations  
4 may mature and have such provisions for redemption as shall be  
5 determined by the Authority, but in no event shall the final  
6 maturity of such obligations occur later than thirty (30) years from  
7 the first principal maturity date.

8 F. Earnings in any construction funds or accounts created for  
9 the purposes of this section may be used for payments of expenses  
10 related to the authorized projects. Any interest earnings on other  
11 funds or accounts created for the purposes of this section may be  
12 utilized as partial payment of the annual debt service or for the  
13 purposes directed by the Authority.

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

19 H. The Authority may direct the investment of all monies in any  
20 funds or accounts created in connection with the offering of the  
21 obligations authorized under this section. Such investments shall  
22 be made in a manner consistent with the investment guidelines of the  
23 State Treasurer. The Authority may place additional restrictions on  
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1 the investment of such monies if necessary to enhance the  
2 marketability of the obligations.

3 I. Insofar as they are not in conflict with the provisions of  
4 this section, the provisions of Section 151 et seq. of Title 73 of  
5 the Oklahoma Statutes shall apply to this section.

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7 COMMITTEE REPORT BY: COMMITTEE ON JOINT APPROPRIATIONS AND BUDGET,  
8 dated 05/22/2012 - DO PASS, As Amended.  
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