

1 **SENATE FLOOR VERSION**

2 April 9, 2012

3 As Amended

4 ENGROSSED HOUSE

5 BILL NO. 2469

6 By: Morrissette of the House

7 and

8 Crain of the Senate

9 **[ State Infrastructure Bank - modifying definition -  
10 increasing scope - effective date ]**

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

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

14 Section 403. A. The Transportation Commission is hereby  
15 authorized to create a "State Infrastructure Bank", pursuant to the  
16 federal National Highway System Designation Act of 1995 and the  
17 Transportation Infrastructure Finance and Innovation Act of 1998,  
18 for the purpose of pooling available federal, private and state  
19 appropriated or revolving fund monies or credit assistance  
20 specifically authorized by the Legislature for such use. The  
21 Commission shall be the instrumentality to make application to the  
22 Federal Highway Administration for the capitalization grant which is  
23 to be placed in the State Infrastructure Bank. The Commission shall  
24 be the instrumentality to submit a Letter of Interest to the Federal  
Highway Administration for credit assistance pursuant to the

1 Transportation Infrastructure Finance and Innovation Act of 1998.

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

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

13 C. The Transportation Commission shall be authorized to make  
14 loans from the State Infrastructure Bank to qualified applicants as  
15 provided in this act in order to implement the provisions of the  
16 National Highway System Designation Act of 1995 and the  
17 Transportation Infrastructure Finance and Innovation Act of 1998.

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

20 Section 403.1 For the purposes of ~~this act~~ Sections 403 through  
21 412 of this title:

22 1. "Eligible project" means the construction, restoration, or  
23 replacement of a public transportation facility, limited to  
24 highways, bridges, roads, streets, rail, rail crossings, and right-

1 of-way acquisition that would enhance the economic development of  
2 this state and provide safety to the citizens of this state;

3 2. "Eligible applicant" means state agencies, counties, cities,  
4 special districts, municipal corporations, and Indian tribal  
5 governments;

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

7 4. "Department" means the ~~Oklahoma~~ Department of  
8 Transportation; and

9 5. "Director" means the Director of the ~~Oklahoma~~ Department of  
10 Transportation.

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

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

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

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

1 3. All monies appropriated to this fund;

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

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

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

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

16 B. The monies placed in the State Infrastructure Bank Revolving  
17 Fund shall be invested by the State Treasurer as prescribed by  
18 Section 89.2 of Title 62 of the Oklahoma Statutes. Any interest  
19 earned by the State Treasurer shall be deposited to the credit of  
20 the State Infrastructure Bank Revolving Fund. Monies invested by  
21 the State Treasurer shall be available to meet the program funding  
22 needs established by the Department of Transportation pursuant to  
23 this act.

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

3 Section 405. The ~~Oklahoma~~ Department of Transportation shall  
4 use the State Infrastructure Bank Revolving Fund ~~only as provided by~~  
5 ~~the National Highway System Designation Act of 1995~~ for the  
6 following purposes:

7 1. To make a loan to an eligible entity if:

8 a. the loan application, project and planning documents  
9 have been approved by the Department or the ~~Oklahoma~~  
10 Transportation Commission,

11 b. the loan is made at or below market interest rates,

12 c. principal and interest payments will begin no later  
13 than the month following the completion of the  
14 project,

15 d. the State Infrastructure Bank Revolving Fund will be  
16 credited with all payments of principal and interest  
17 on all loans,

18 e. the applicant demonstrates to the satisfaction of the  
19 Department the financial capability to assure  
20 sufficient revenues to pay debt service,

21 f. the recipient of the loan establishes a dedicated  
22 source of revenue for payment of debt service for the  
23 loan, and  
24

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

7 2. To guarantee or purchase insurance for eligible entities if  
8 the guarantee or insurance would improve access to market credit or  
9 reduce interest rates;

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

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

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

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

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

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

11 2. Be in conformance with applicable provisions of the National  
12 Highway System Designation Act of 1995 and the Transportation  
13 Infrastructure Finance and Innovation Act of 1998;

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

17 4. Require the transportation project to:

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

20 b. meet the established criteria of the Department as  
21 provided for by the National Highway System  
22 Designation Act of 1995 and the Transportation  
23 Infrastructure Finance and Innovation Act of 1998,  
24

- 1 c. comply with all applicable federal, state, and local  
2 laws and rules, and  
3 d. meet any other consideration deemed necessary by the  
4 Department.

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

7 Section 412. A. In order to administer the State  
8 Infrastructure Bank, the following sources of revenues may be  
9 utilized:

10 1. Monies from the State Infrastructure Bank Revolving Fund  
11 pursuant to the federal National Highway System Designation Act of  
12 1995 and credit assistance pursuant to the Transportation  
13 Infrastructure Finance and Innovation Act of 1998;

14 2. Loan processing fees; and

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

17 B. All funds to be utilized for administration by the ~~Oklahoma~~  
18 Department of Transportation shall be subject to annual  
19 appropriation by the Legislature.

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

21 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 4-4-12 - DO  
22 PASS, As Amended.  
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