

1 **SENATE FLOOR VERSION**

2 May 22, 2012

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1990

By: Bingman and Justice of the
Senate

6 and

7 Sears of the House

8
9 An Act relating to public financing; authorizing the
10 Oklahoma Capitol Improvement Authority to issue
11 obligations to provide for completion of the American
12 Indian Cultural Center for the Native American
13 Cultural and Educational Authority; providing for
14 debt retirement payments; directing how title is to
15 be held; providing for transfer of title upon
16 occurrence of certain events; stating legislative
17 purpose; providing for certain expenses; providing
18 for method of issuance of certain obligations;
19 authorizing hiring certain professionals for certain
20 purposes; providing for issuance of obligations;
21 allowing use of funds to pay for associated costs;
22 providing for sale of obligations; limiting maturity
23 of obligations; providing for utilization of certain
24 interest earnings; providing for tax exemption;
providing for investment of certain monies; requiring
compliance with certain statutory provisions;
requiring certification of committed funds from
certain sources prior to issuance of first series of
bonds; providing for conditions for issuance of
subsequent series of bonds; requiring certain
financial instruments to meet certain requirements;
providing minimum amount of certain issuance;
providing that certain obligations are not debt of
this state or its political subdivisions; providing
for codification.

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

2 SECTION 1. NEW LAW A new section of law to be codified
3 in the Oklahoma Statutes as Section 304.2 of Title 73, unless there
4 is created a duplication in numbering, reads as follows:

5 A. In addition to any other authorization provided by law, the
6 Oklahoma Capitol Improvement Authority (OCIA) is authorized to issue
7 obligations to acquire real property, together with improvements
8 located thereon, and personal property, to construct buildings and
9 other improvements to real property and to provide funding for
10 improvements to real and personal property and for funding of
11 further construction, improvements, development and enhancement of a
12 Native American cultural center and museum for the Native American
13 Cultural and Educational Authority ("American Indian Cultural
14 Center"), to include personal property and exhibits in a total
15 amount not to exceed Forty Million Dollars (\$40,000,000.00) with
16 debt retirement payments to be made as provided herein, subject to
17 the commitment of matching funds from other funding sources as
18 required by subsection J of this section.

19 B. The OCIA may hold title to or a leasehold interest in the
20 real and personal property and improvements until such time as any
21 obligations issued for this purpose are retired or defeased and may
22 lease the real property and improvements to the Native American
23 Cultural and Educational Authority. Upon final redemption or
24 defeasance of the obligations created pursuant to this section,

1 title to the real and personal property and improvements shall be
2 transferred from the OCIA to the Native American Cultural and
3 Educational Authority.

4 C. For the purpose of paying the costs for acquisition and
5 construction of the real property and improvements and personal
6 property and making the improvements to real and personal property,
7 and providing funding for the project authorized in subsection A of
8 this section, the OCIA is hereby authorized to borrow monies on the
9 credit of the income and revenues to be derived from the leasing of
10 such real and personal property and improvements and, in
11 anticipation of the collection of such income and revenues, to issue
12 negotiable obligations, in one or more series, in an amount
13 sufficient to generate net proceeds of Forty Million Dollars
14 (\$40,000,000.00) after providing for costs of issuance, credit
15 enhancement, reserves, and other associated expenses related to the
16 financing. Net proceeds of the financing will be deposited into a
17 construction fund to provide for the construction and acquisition of
18 improvements described herein. It is the intent of the Legislature
19 to appropriate to the Native American Cultural and Educational
20 Authority sufficient monies to make rental payments for the purposes
21 of retiring the obligations created pursuant to this section. To
22 the extent funds are available from the proceeds of the borrowing
23 authorized by this subsection, the OCIA shall provide for the

24

1 payment of professional fees and associated costs related to the
2 projects authorized in subsection A of this section.

3 D. The OCIA may issue obligations in one or more series and in
4 conjunction with other issues of the OCIA. The OCIA is authorized
5 to hire bond counsel, financial consultants, and such other
6 professionals as it may deem necessary to provide for the efficient
7 sale of the obligations and may utilize a portion of the proceeds of
8 any borrowing to create such reserves as may be deemed necessary and
9 to pay costs associated with the issuance and administration of such
10 obligations.

11 E. The obligations authorized under this section may be sold at
12 either competitive or negotiated sale, as determined by the OCIA,
13 and in such form and at such prices as may be authorized by the
14 OCIA. The OCIA may enter into agreements with such credit enhancers
15 and liquidity providers as may be determined necessary to
16 efficiently market the obligations. The obligations may mature and
17 have such provisions for redemption as shall be determined by the
18 OCIA, but in no event shall the final maturity of such obligations
19 occur later than thirty (30) years from the first principal maturity
20 date.

21 F. Any interest earnings on funds or accounts created for the
22 purposes of this section may be utilized as partial payment of the
23 annual debt service or for the purposes directed by the OCIA.

24

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

6 H. The OCIA may direct the investment of all monies in any
7 funds or accounts created in connection with the offering of the
8 obligations authorized under this section. Such investments shall
9 be made in a manner consistent with the investment guidelines of the
10 State Treasurer. The OCIA may place additional restrictions on the
11 investment of such monies if necessary to enhance the marketability
12 of the obligations.

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

16 J. In order to issue the first series of bonds, a bank that is
17 chartered in this state shall certify to the OCIA and the Native
18 American Cultural and Educational Authority that there exist
19 irrevocable restricted letters of credit for outstanding pledges or
20 cash on deposit or a combination of both in an amount equal to the
21 amount of the first series for the purpose specified in subsection A
22 of this section. In order to issue subsequent series of bonds, a
23 bank, as described above, shall certify to the OCIA and the Native
24 American Cultural and Educational Authority that there exist

1 irrevocable letters of credit for outstanding pledges or cash on
2 deposit or a combination of both in amounts equal to the amount of
3 each subsequent series. Any irrevocable letter of credit required
4 by this subsection shall be issued by a bank chartered in this state
5 and insured by the Federal Deposit Insurance Corporation to the
6 maximum limit available. The Oklahoma Capitol Improvement Authority
7 may issue such bonds in a series of no less than One Million Dollars
8 (\$1,000,000.00) each.

9 K. The bonds or other obligations issued pursuant to this
10 section shall not at any time be deemed to constitute a debt of the
11 state or of any political subdivision thereof or a pledge of the
12 faith and credit of the state or of any such political subdivision.
13 Such bonds or other obligations shall contain on the face thereof a
14 statement that neither the faith and credit nor the taxing power of
15 the state or any political subdivision thereof is pledged, or may
16 hereafter be pledged, to the payment of the principal of or the
17 interest on such bonds.

18 COMMITTEE REPORT BY: JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET,
19 dated 5-22-12 - DO PASS, As Coauthored.
20
21
22
23
24