

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 1513

By: Liebmann

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5
6 AS INTRODUCED

7 An Act relating to deferred maintenance finance;
8 authorizing Oklahoma Capitol Improvement Authority to
9 issue certain obligations for benefit of the
10 Department of Central Services; specifying amount of
11 net proceeds authorized; providing schedule for
12 purposes of net proceeds; providing for investment of
13 net proceeds by State Treasurer; prescribing maximum
14 balance amount with respect to net proceeds;
15 prescribing maximum maturity of obligations; stating
16 legislative intent; authorizing Oklahoma Capitol
17 Improvement Authority to issue obligations;
18 specifying authorized net proceeds; providing
19 schedule; providing for investment of proceeds;
20 providing Department of Central Services to use
21 proceeds for certain deferred maintenance expenses;
22 imposing maximum balance requirement; providing for
23 certain agreements; providing for leases; providing
24 for transfer of title to real and personal property;
authorizing borrowing by Oklahoma Capitol Improvement
Authority; stating legislative intent with respect to
appropriations to Department of Central Services;
providing for payment of fees and costs; providing
for obligations to be issued in series; authorizing
hiring of certain professionals; prescribing
procedures for sale of obligations; authorizing
agreements between Oklahoma Capitol Improvement
Authority and certain entities; providing for use of
interest; providing exemption from taxation;
providing for investment of funds; providing for
applicability of certain statutory provisions;
creating the Deferred Maintenance Revolving Fund;
specifying source of revenue for fund; authorizing
expenditures from fund; providing for codification;
providing an effective date; and declaring an
emergency.

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 401 of Title 73, unless there is
4 created a duplication in numbering, reads as follows:

5 A. The Oklahoma Capitol Improvement Authority (OCIA) shall be
6 authorized to issue obligations for the benefit of the Department of
7 Central Services in order to provide funding for deferred
8 maintenance costs and funding for annual maintenance costs for
9 assets owned by or under the control or responsibility of the
10 Department of Central Services.

11 B. The obligations authorized by this section shall be issued
12 in order to provide net proceeds not in excess of Three Million
13 Dollars (\$3,000,000.00) each fiscal year, less any accrued interest,
14 according to the following schedule:

- 15 1. Fiscal year ending June 30, 2011;
- 16 2. Fiscal year ending June 30, 2012;
- 17 3. Fiscal year ending June 30, 2013;
- 18 4. Fiscal year ending June 30, 2014;
- 19 5. Fiscal year ending June 30, 2015;
- 20 6. Fiscal year ending June 30, 2016;
- 21 7. Fiscal year ending June 30, 2017;
- 22 8. Fiscal year ending June 30, 2018;
- 23 9. Fiscal year ending June 30, 2019;
- 24 10. Fiscal year ending June 30, 2020;

- 1 11. Fiscal year ending June 30, 2021;
- 2 12. Fiscal year ending June 30, 2022;
- 3 13. Fiscal year ending June 30, 2023;
- 4 14. Fiscal year ending June 30, 2024; and
- 5 15. Fiscal year ending June 30, 2025.

6 C. The State Treasurer shall invest the net proceeds from the
7 sale of the obligations after the funds are transferred to the
8 Deferred Maintenance Revolving Fund created by Section 2 of this
9 act.

10 D. The Department of Central Services shall use the proceeds,
11 together with any accrued interest, from the borrowing authorized by
12 this section to pay for expenses of deferred maintenance of assets
13 owned by or under the control of the Department of Central Services.

14 E. The maximum balance of net proceeds from the sale of
15 obligations as of the end of each fiscal year shall not exceed Six
16 Million Dollars (\$6,000,000.00) which shall be exclusive of any
17 accrued interest.

18 F. The Authority and the Department of Central Services are
19 authorized to enter into such agreements as may be necessary with
20 any agency of the State of Oklahoma to authorize the Authority to
21 hold title to the real and personal property and improvements until
22 such time as any obligations issued for the purpose set forth in
23 subsection A of this section are retired or defeased and the
24 Authority may lease the real property and improvements to the

1 Department of Central Services, or other governmental entity, for
2 the use and benefit of the tenant. Upon final redemption or
3 defeasance of the obligations created pursuant to this section,
4 title to the real and personal property and improvements shall be
5 transferred from the Oklahoma Capitol Improvement Authority to the
6 tenant or to the Department of Central Services.

7 G. For the purpose of paying the costs for acquisition and
8 construction of the real property and improvements and personal
9 property and making the repairs, refurbishments, and improvements to
10 real and personal property for the purpose authorized in subsection
11 A of this section, the Authority is hereby authorized to borrow
12 monies on the credit of the income and revenues to be derived from
13 the leasing of such real and personal property and improvements and,
14 in anticipation of the collection of such income and revenues, to
15 issue negotiable obligations in one or more series. It is the
16 intent of the Legislature to appropriate to the Department of
17 Central Services sufficient monies to make rental payments for the
18 purposes of retiring the obligations created pursuant to this
19 section.

20 H. To the extent funds are available from the proceeds of the
21 borrowing authorized by subsection B of this section, the Oklahoma
22 Capitol Improvement Authority shall provide for the payment of
23 professional fees and associated costs related to the projects
24 authorized in this section.

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

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

19 K. Any interest earnings on funds or accounts created for the
20 purposes of this section may be utilized as partial payment of the
21 annual debt service or for the purposes directed by the Authority.

22 L. The obligations issued under this section, the transfer
23 thereof and the interest earned on such obligations, including any
24 profit derived from the sale thereof, shall not be subject to

1 taxation of any kind by the State of Oklahoma, or by any county,
2 municipality or political subdivision therein.

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

10 N. Insofar as they are not in conflict with the provisions of
11 this section, the provisions of Section 151 et seq. of Title 73 of
12 the Oklahoma Statutes shall apply to this section.

13 SECTION 2. There is hereby created in the State Treasury a
14 revolving fund for the Department of Central Services to be
15 designated the "Deferred Maintenance Revolving Fund". The fund
16 shall be a continuing fund, not subject to fiscal year limitations,
17 and shall consist of all monies received by the Department of
18 Central Services from the net proceeds and interest on net proceeds
19 derived from the sale of obligations authorized by Section 1 of this
20 act or from any legally available sources. Nothing herein shall
21 prevent the transfer into this fund of balances from OCIA bond
22 sinking fund accounts after the bonds from other bond issuances have
23 been defeased. All monies accruing to the credit of said fund are
24 hereby appropriated and may be budgeted and expended by the

1 Department of Central Services for the purpose of repairing or
2 maintaining assets owned by or under the control or responsibility
3 of the Department of Central Services. Monies accruing to said fund
4 are intended for use within twenty-four (24) months of deposit
5 within said fund. Expenditures from said fund shall be made upon
6 warrants issued by the State Treasurer against claims filed as
7 prescribed by law with the Director of the Office of State Finance
8 for approval and payment.

9 SECTION 3. This act shall become effective July 1, 2011.

10 SECTION 4. It being immediately necessary for the preservation
11 of the public peace, health and safety, an emergency is hereby
12 declared to exist, by reason whereof this act shall take effect and
13 be in full force from and after its passage and approval.

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