

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 1677

By: Billy

4  
5 AS INTRODUCED

6 An Act relating to public finance; authorizing the  
7 Oklahoma Capitol Improvement Authority to issue  
8 obligations for the Native American cultural center  
9 and museum for the Native American Cultural and  
10 Educational Authority; making issuance of obligations  
11 subject to certain conditions; providing for transfer  
12 of title upon occurrence of certain events;  
13 authorizing the borrowing of money for certain  
14 purposes; stating legislative intent; providing for  
15 payment of certain fees and costs; authorizing  
16 procedure for issuance and hiring of certain  
17 professionals; providing for use of certain interest  
18 earnings; exempting certain obligations, transfers,  
19 and interest from taxation; providing for investment  
20 and oversight; providing for application of certain  
21 law; specifying certain restrictions; defining  
22 certain term; prohibiting use of state-appropriated  
23 funds for payment of obligations until certain fiscal  
24 year; providing for payment of principal and interest  
until a certain fiscal year; clarifying that the  
bonds of obligations are not a certain type of debt  
or pledge; requiring certain statement on bonds or  
obligations; providing for codification; and  
declaring an emergency.

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

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

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

14       1. The commitment of matching funds from other funding sources  
15 as required by subsection J of this section; and

16       2. Prohibition on the use of state-appropriated funds to pay  
17 debt service on the obligations authorized by this section until the  
18 fiscal year beginning July 1, 2016, as provided for by subsection L  
19 of this section.

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

1 defeasance of the obligations created pursuant to this section,  
2 title to the real and personal property and improvements shall be  
3 transferred from the OCIA to the Native American Cultural and  
4 Educational Authority.

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

1 from the proceeds of the borrowing authorized by this subsection,  
2 the OCIA shall provide for the payment of professional fees and  
3 associated costs related to the projects authorized in subsection A  
4 of this section.

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

13 E. The obligations authorized under this section may be sold at  
14 either competitive or negotiated sale, as determined by the OCIA,  
15 and in a form and at prices as may be authorized by the OCIA. The  
16 OCIA may enter into agreements with any credit enhancers and  
17 liquidity providers as may be determined necessary to efficiently  
18 market the obligations. The obligations may mature and have  
19 provisions for redemption as shall be determined by the OCIA, but in  
20 no event shall the final maturity of the obligations occur later  
21 than twenty-five (25) years from the first principal maturity date.

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

1 G. The obligations issued under this section, the transfer  
2 thereof and the interest earned on the 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. Investments shall be  
9 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 the 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. The authorization to borrow money and issue negotiable  
17 obligations granted by this section is subject to the following  
18 restrictions:

19 1. Twelve Million Dollars (\$12,000,000.00) of obligations shall  
20 be issued only after the Native American Cultural and Educational  
21 Authority has caused to be committed Thirteen Million Dollars  
22 (\$13,000,000.00) to the American Indian Cultural Center, from other  
23 funding sources, to include funds received for the benefit of the  
24 American Indian Cultural Center beginning January 1, 2008, and which

1 Twelve Million Dollars (\$12,000,000.00) of obligations shall not be  
2 issued prior to March 1, 2011;

3 2. An additional Eight Million Dollars (\$8,000,000.00) of  
4 obligations shall be issued only after the Native American Cultural  
5 and Educational Authority has caused to be committed, from other  
6 funding sources, an additional Nine Million Dollars (\$9,000,000.00)  
7 to the American Indian Cultural Center, and which additional Eight  
8 Million Dollars (\$8,000,000.00) of obligations shall not be issued  
9 prior to September 1, 2011; and

10 3. An additional Twenty Million Dollars (\$20,000,000.00) of  
11 obligations shall be issued only after the Native American Cultural  
12 and Educational Authority has caused to be committed, from other  
13 funding sources, an additional Twenty Million Dollars  
14 (\$20,000,000.00) to the American Indian Cultural Center, and which  
15 additional Twenty Million Dollars (\$20,000,000.00) of obligations  
16 shall not be issued prior to April 1, 2012. If any of the Forty  
17 Million Dollars (\$40,000,000.00) of net proceeds of obligations  
18 authorized by this section have not been issued by March 31, 2012,  
19 the obligations may thereafter be issued provided that the Native  
20 American Cultural and Educational Authority has caused to be  
21 committed to the American Indian Cultural Center the above amounts  
22 of Thirteen Million Dollars (\$13,000,000.00), Nine Million Dollars  
23 (\$9,000,000.00) and Twenty Million Dollars (\$20,000,000.00),  
24 respectively, each exclusive of state-appropriated funds.

1 K. For purposes of this section, "other funding sources" means  
2 any funding source excluding state-appropriated funds or any  
3 obligation to be repaid by state-appropriated funds.

4 L. No state-appropriated funds shall be provided for payment of  
5 obligations authorized under this section until the fiscal year  
6 beginning July 1, 2016. Obligations issued under this section shall  
7 include the borrowing of funds sufficient to pay all principal and  
8 interest owing in connection with the obligations through the fiscal  
9 year ending June 30, 2016, or shall otherwise be structured so that  
10 no principal or interest payments shall be due on the obligations  
11 until the fiscal year beginning July 1, 2016.

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

21 SECTION 2. It being immediately necessary for the preservation  
22 of the public peace, health and safety, an emergency is hereby  
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1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

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