

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1055

By: Simpson

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6 AS INTRODUCED

7 An Act relating to the Department of Veterans
8 Affairs; authorizing the Oklahoma Capitol Improvement
9 Authority to issue obligations for central office for
10 occupancy by Department; providing for transfer of
11 title upon occurrence of certain events; authorizing
12 the borrowing of money for certain purposes; stating
13 legislative intent; providing for payment of certain
14 fees and costs; authorizing procedure for issuance
15 and hiring of certain professionals; authorizing
16 certain agreements; limiting maturity of certain
17 obligations; providing for use of certain interest
18 earnings; exempting certain obligations, transfers,
19 and interest from taxation; providing for investment
20 and oversight; providing conditions and restrictions
21 to the authority to issue obligations; providing for
22 principal and interest requirements until certain
23 date; clarifying status of obligations; providing for
24 codification; and declaring an emergency.

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

19 SECTION 1. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 337 of Title 73, unless there is
21 created a duplication in numbering, reads as follows:

22 A. The Oklahoma Capitol Improvement Authority is authorized to
23 issue notes, bonds, or other evidences of obligation in an amount
24 necessary to generate net proceeds not to exceed Forty Million

1 Dollars (\$40,000,000.00) after providing for costs of issuance,
2 credit enhancement, reserves, and other associated expenses related
3 to the financing. Net proceeds of the financing shall be deposited
4 into a construction fund to provide for the financing of acquisition
5 of real property, together with improvements located thereon, and
6 personal property, to construct buildings and other improvements to
7 real property and to provide funding for repairs, refurbishments and
8 improvements to real and personal property for a central office
9 building for the Oklahoma Department of Veterans Affairs. Earnings
10 that result from the investment of the construction fund may be used
11 for the project authorized in this section or for other legal
12 purposes approved by the Authority.

13 B. The Authority may hold title to the real and personal
14 property and improvements until such time as any obligations issued
15 for this purpose are retired or defeased and may lease the real
16 property and improvements to the Oklahoma Department of Veterans
17 Affairs. Upon final redemption or defeasance of the obligations
18 created pursuant to this section, title to the real and personal
19 property and improvements shall be transferred from the Oklahoma
20 Capitol Improvement Authority to the Oklahoma Department of Veterans
21 Affairs.

22 C. For the purpose of paying the costs for acquisition and
23 construction of the real property and improvements and personal
24 property and making the repairs, refurbishments, and improvements to

1 real and personal property, and providing funding for the project
2 authorized in subsection A of this section, and for the purpose
3 authorized in subsection D of this section, the Authority is hereby
4 authorized to borrow monies on the credit of the income and revenues
5 to be derived from the leasing of such real and personal property
6 and improvements and, in anticipation of the collection of such
7 income and revenues, to issue negotiable obligations in one or more
8 series. It is the intent of the Legislature to appropriate to the
9 Oklahoma Department of Veterans Affairs sufficient monies to make
10 rental payments for the purposes of retiring the obligations created
11 pursuant to this section.

12 D. To the extent funds are available from the proceeds of the
13 borrowing authorized by subsection C of this section, the Oklahoma
14 Capitol Improvement Authority shall provide for the payment of
15 professional fees and associated costs related to the project
16 authorized in subsection A of this section.

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

1 F. The obligations authorized under this section may be sold at
2 either competitive or negotiated sale, as determined by the
3 Authority, and in such form and at such prices as may be authorized
4 by the Authority. The Authority may enter into agreements with such
5 credit enhancers and liquidity providers as may be determined
6 necessary to efficiently market the obligations. The obligations
7 may mature and have such provisions for redemption as shall be
8 determined by the Authority, but in no event shall the final
9 maturity of such obligations occur later than thirty (30) years from
10 the first principal maturity date.

11 G. Any interest earnings on funds or accounts created for the
12 purposes of this section may be utilized as partial payment of the
13 annual debt service or for the purposes directed by the Authority.

14 H. 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 I. 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 J. 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.

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

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