

1 STATE OF OKLAHOMA

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

3 SENATE BILL 791

By: Johnson (Rob)

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5
6 AS INTRODUCED

7 An Act relating to the American Indian Cultural
8 Center and Museum; authorizing the Oklahoma Capitol
9 Improvement Authority to issue obligations for the
10 cultural center and museum for the Native American
11 Cultural and Educational Authority; stating purpose;
12 providing for transfer of title upon occurrence of
13 certain events; authorizing the borrowing of money
14 for certain purposes; stating legislative intent;
15 providing for payment of certain fees and costs;
16 authorizing procedure for issuance and hiring of
17 certain professionals; authorizing certain
18 agreements; limiting maturity of certain obligations;
19 providing for use of certain interest earnings;
20 exempting certain obligations, transfers, and
21 interest from taxation; providing for investment and
22 oversight; providing conditions and restrictions to
23 the authority to issue obligations; providing certain
24 restrictions on use of state appropriations;
providing for principal and interest requirements
until certain date; 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 herein, subject to
13 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 of 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 by subsection K of
19 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 such real and personal property and improvements and, in
12 anticipation of the collection of such income and revenues, to issue
13 negotiable obligations, in one or more series, in an amount
14 sufficient to generate net proceeds of Forty Million Dollars
15 (\$40,000,000.00) after providing for costs of issuance, credit
16 enhancement, reserves, and other associated expenses related to the
17 financing. Net proceeds of the financing will be deposited into a
18 construction fund to provide for the construction and acquisition of
19 improvements described herein, or shall be deposited in a debt
20 service or other fund to satisfy the requirements of subsection K of
21 this section. It is the intent of the Legislature to appropriate to
22 the Native American Cultural and Educational Authority sufficient
23 monies to make rental payments for the purposes of retiring the
24 obligations created pursuant to this section, subject to the

1 provisions of subsection K of this section. To the extent funds are
2 available from the proceeds of the borrowing authorized by this
3 subsection, the OCIA shall provide for the payment of professional
4 fees and associated costs related to the projects authorized in
5 subsection A of this section.

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

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

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

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

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

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

19 J. The authorization to borrow money and issue negotiable
20 obligations granted by this section is subject to the following
21 restrictions:

22 1. Twelve Million Dollars (\$12,000,000.00) of obligations shall
23 be issued only after the Native American Cultural and Educational
24 Authority has caused to be committed Thirteen Million Dollars

1 (\$13,000,000.00) to the American Indian Cultural Center, from other
2 funding sources, to include funds received for the benefit of the
3 American Indian Cultural Center beginning January 1, 2008, and which
4 Twelve Million Dollars (\$12,000,000.00) of obligations shall not be
5 issued prior to March 1, 2011;

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

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

1 of Thirteen Million Dollars (\$13,000,000.00), Nine Million Dollars
2 (\$9,000,000.00) and Twenty Million Dollars (\$20,000,000.00),
3 respectively, each exclusive of state appropriated funds.

4 For purposes of this section, other funding sources means any
5 funding source excluding state appropriated funds or any obligation
6 to be repaid by state appropriated funds.

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

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

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

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