

1 STATE OF OKLAHOMA

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

3 SENATE BILL 980

By: Myers and Jolley of the
Senate

4 and

5 Sears and Martin (Scott) of
6 the House

7
8
9 AS INTRODUCED

10 An Act relating to the American Indian Cultural
11 Center and Museum; authorizing the Oklahoma Capitol
12 Improvement Authority to issue obligations for the
13 cultural center and museum for the Native American
14 Cultural and Educational Authority; stating purpose;
15 providing for transfer of title upon occurrence of
16 certain events; authorizing the borrowing of money
17 for certain purposes; stating legislative intent;
18 providing for payment of certain fees and costs;
19 authorizing procedure for issuance and hiring of
20 certain professionals; authorizing certain
21 agreements; limiting maturity of certain obligations;
22 providing for use of certain interest earnings;
23 exempting certain obligations, transfers, and
24 interest from taxation; providing for investment and
oversight; providing conditions and restrictions to
the authority to issue obligations; requiring
verification of certain monies; providing certain
restrictions on use of state appropriations;
providing for principal and interest requirements
until certain date; clarifying status of obligations;
prohibiting certain further financing and funding;
providing for codification; and declaring an
emergency.

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

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

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

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

19 2. Prohibition of the use of state appropriated funds to pay
20 debt service on the obligations authorized by this section until the
21 fiscal year beginning July 1, 2016, as provided by subsection K of
22 this section.

23 B. The OCIA may hold title to or a leasehold interest in the
24 real and personal property and improvements until such time as any

1 obligations issued for this purpose are retired or defeased and may
2 lease the real property and improvements to the Native American
3 Cultural and Educational Authority. Upon final redemption or
4 defeasance of the obligations created pursuant to this section,
5 title to the real and personal property and improvements shall be
6 transferred from the OCIA to the Native American Cultural and
7 Educational Authority.

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

1 the Native American Cultural and Educational Authority sufficient
2 monies to make rental payments for the purposes of retiring the
3 obligations created pursuant to this section, subject to the
4 provisions of subsection K of this section. To the extent funds are
5 available from the proceeds of the borrowing authorized by this
6 subsection, the OCIA shall provide for the payment of professional
7 fees and associated costs related to the projects authorized in
8 subsection A of this section.

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

17 E. The obligations authorized under this section may be sold at
18 either competitive or negotiated sale, as determined by the OCIA,
19 and in such form and at such prices as may be authorized by the
20 OCIA. The OCIA may enter into agreements with such credit enhancers
21 and liquidity providers as may be determined necessary to
22 efficiently market the obligations. The obligations may mature and
23 have such provisions for redemption as shall be determined by the
24 OCIA, but in no event shall the final maturity of such obligations

1 occur later than twenty-five (25) years from the first principal
2 maturity date.

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

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

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

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

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

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1 1. Twelve Million Dollars (\$12,000,000.00) of obligations shall
2 be issued only after the Native American Cultural and Educational
3 Authority has caused to be committed Thirteen Million Dollars
4 (\$13,000,000.00) to the American Indian Cultural Center, from other
5 funding sources, to include funds received for the benefit of the
6 American Indian Cultural Center beginning January 1, 2008, and which
7 Twelve Million Dollars (\$12,000,000.00) of obligations shall not be
8 issued prior to July 1, 2011;

9 2. An additional Eight Million Dollars (\$8,000,000.00) of
10 obligations shall be issued only after the Native American Cultural
11 and Educational Authority has caused to be committed, from other
12 funding sources, an additional Nine Million Dollars (\$9,000,000.00)
13 to the American Indian Cultural Center, and which additional Eight
14 Million Dollars (\$8,000,000.00) of obligations shall not be issued
15 prior to January 1, 2012; and

16 3. An additional Twenty Million Dollars (\$20,000,000.00) of
17 obligations shall be issued only after the Native American Cultural
18 and Educational Authority has caused to be committed, from other
19 funding sources, an additional Twenty Million Dollars
20 (\$20,000,000.00) to the American Indian Cultural Center, and which
21 additional Twenty Million Dollars (\$20,000,000.00) of obligations
22 shall not be issued prior to July 1, 2012. If any of the Forty
23 Million Dollars (\$40,000,000.00) of net proceeds of obligations
24 authorized by this section have not been issued by June 30, 2012,

1 such obligations may thereafter be issued provided that the Native
2 American Cultural and Educational Authority has caused to be
3 committed to the American Indian Cultural Center the above amounts
4 of Thirteen Million Dollars (\$13,000,000.00), Nine Million Dollars
5 (\$9,000,000.00) and Twenty Million Dollars (\$20,000,000.00),
6 respectively, each exclusive of state appropriated funds.

7 For purposes of this section, "other funding sources" means any
8 funding source excluding state appropriated funds or any obligation
9 to be repaid by state appropriated funds. Before the issuance of
10 any obligations pursuant to this section, the State Auditor and
11 Inspector shall audit the accounts of the Native American Cultural
12 and Educational Authority and verify to the OCIA that the monies
13 required from other funding sources pursuant to this subsection
14 exist and are committed to the American Indian Cultural Center.

15 K. No state appropriated funds shall be provided for payment of
16 obligations authorized under this section until the fiscal year
17 beginning July 1, 2016. Obligations issued under this section shall
18 include the borrowing of funds sufficient to pay all principal and
19 interest owing in connection with the obligations through the fiscal
20 year ending June 30, 2016, or shall otherwise be structured so that
21 no principal or interest payments shall be due on the obligations
22 until the fiscal year beginning July 1, 2016.

23 L. The bonds or other obligations issued pursuant to this
24 section shall not at any time be deemed to constitute a debt of the

1 state or of any political subdivision thereof or a pledge of the
2 faith and credit of the state or of any such political subdivision.
3 Such bonds or other obligations shall contain on the face thereof a
4 statement that neither the faith and credit nor the taxing power of
5 the state or any political subdivision thereof is pledged, or may
6 hereafter be pledged, to the payment of the principal of or the
7 interest on such bonds.

8 M. After the implementation of this section, the State of
9 Oklahoma shall not provide any further financing or funding for
10 capital needs of the American Indian Cultural Center without a vote
11 of the people.

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

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