STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2193 By: Schwartz

COMMITTEE SUBSTITUTE

An Act relating to waters and water rights; granting the Oklahoma Water Resources Board powers and duties relating to the Water Infrastructure Credit Enhancement Reserve Fund; listing certain powers and duties; authorizing the Board to issue general obligation bonds for certain purpose; requiring general obligation bonds to be issued in certain manner and with certain qualifications and characteristics; providing for full faith and credit of the state; prohibiting the Board from issuing general obligation bonds unless certain actions are accomplished; providing for codification; and providing an effective date.

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 1085.50 of Title 82, unless there is created a duplication in numbering, reads as follows:

A. In addition to other powers and duties provided by law, and in accordance with subsection E of Section 39A of Article X of the Oklahoma Constitution, the Oklahoma Water Resources Board shall have the power and duty to:

1. Manage, maintain, expend and otherwise administer monies in the Water Infrastructure Credit Enhancement Reserve Fund and any accounts or subaccounts within the Fund, pursuant to the authority of the Oklahoma Water Resources Board as provided for in Section 39A of Article X of the Oklahoma Constitution, and shall manage the Fund so as to make available the amounts necessary to secure the payment of principal, interest, and premiums, if any, on bonds and other financial obligations which the Water Infrastructure Credit Enhancement Reserve Fund secures;

2. Establish separate accounts and subaccounts within the Water Infrastructure Credit Enhancement Reserve Fund. All accounts shall be segregated and used for specified purposes or held as security for designated obligations;

3. Issue general obligation bonds to provide necessary funds for the Water Infrastructure Credit Enhancement Reserve Fund pursuant to the provisions of subsection B of this section; and

4. Transfer, when necessary, monies from the Water Infrastructure Credit Enhancement Reserve Fund to the Statewide Water Development Revolving Fund created in Section 1085.40 of Title 82 of the Oklahoma Statutes or Water Resources Fund created in Section 1085.33 of Title 82 of the Oklahoma Statutes to be used for the payment of principal, interest, and premiums, if any, on bonds and other financial obligations which the Water Infrastructure Credit Enhancement Reserve Fund secures. The use of monies so

transferred and the interest income from such monies shall be restricted to the purposes specified in Section 39A of Article X of the Oklahoma Constitution. The Board shall establish any accounts and subaccounts within the Statewide Water Development Revolving Fund and Water Resources Fund necessary to implement the provisions of this paragraph.

B. The Board may issue general obligation bonds to provide necessary funds for the Water Infrastructure Credit Enhancement Reserve Fund. The issuance of general obligation bonds shall be accomplished in the same manner as investment certificates issued under the provisions of Sections 1085.33 and 1085.37 of Title 82 of the Oklahoma Statutes. The qualifications and characteristics of general obligation bonds issued pursuant to this section shall be the same in all respects as investment certificates issued pursuant to the provisions of Section 1085.33 of Title 82 of the Oklahoma Statutes, except that the general obligation bonds issued pursuant to this section shall be general obligation bonds backed by the full faith and credit of the State of Oklahoma. The Board shall not issue such general obligation bonds unless:

1. The Board has determined that:

a. all legally available funds identified in subsection B of Section 39A of Article X of the Oklahoma Constitution have been used,

b. there are insufficient monies in the Water Infrastructure Credit Enhancement Reserve Fund to cover imminent debt service requirements of the bonds or other financial obligations which the Water Infrastructure Credit Enhancement Reserve Fund secures, and

c. the issuance of the general obligation bonds is necessary to address a default on the bonds or other financial obligations which the Water Infrastructure Credit Enhancement Reserve Fund secures and is beneficial for the long-term stability of the fund;

2. The issuance of the general obligation bonds has been approved by resolution of a majority of the members of the Oklahoma Water Resources Board;

3. The issuance of the general obligation bonds has been reviewed and approved by the Bond Commissioner of the State of Oklahoma as required in Section 13 et seq. of Title 62 of the Oklahoma Statutes; and

4. The issuance of the general obligation bonds has been reviewed and approved pursuant to the Oklahoma Bond Oversight and Reform Act.

SECTION 2. This act shall become effective November 1, 2013.

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