

1 Affairs and by the Oklahoma Department of Mental
2 Health and Substance Abuse Services; providing for
3 effect of provisions related to disposition of
4 proceeds with respect to other statutory provisions;
5 providing for applicability of certain statutory
6 provisions related to the Oklahoma Capitol
7 Improvement Authority; amending 43A O.S. 2011,
8 Section 2-111, as last amended by Section 1 of
9 Enrolled House Bill No. 2831 of the 2nd Session of
10 the 54th Oklahoma Legislature; modifying tracts of
11 land for which certain sale process authorized;
12 providing for codification; providing an effective
13 date; and declaring an emergency.

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

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 345 of Title 73, unless there is
17 created a duplication in numbering, reads as follows:

18 A. In addition to any other authorization provided by law, the
19 Oklahoma Capitol Improvement Authority is authorized to issue
20 obligations to acquire real property, together with improvements
21 located thereon, and personal property to construct improvements to
22 real property in a total amount not to exceed Forty Million Dollars
23 (\$40,000,000.00) for the purpose of an office building for use and
24 occupancy by the Oklahoma Department of Veterans Affairs and the
25 Oklahoma Department of Mental Health and Substance Abuse Services.

26 B. The Authority may hold title to the property and
27 improvements until such time as any obligations issued for this
28 purpose are retired or defeased and may lease the property and

1 improvements to the Oklahoma Department of Veterans Affairs and the
2 Oklahoma Department of Mental Health and Substance Abuse Services.
3 Upon final redemption or defeasance of the obligations created
4 pursuant to this section, title to the property and improvements
5 shall be transferred from the Oklahoma Capitol Improvement Authority
6 to the Office of Management and Enterprise Services.

7 C. For the purposes of paying the costs for construction of the
8 real property and improvements, and providing funding for the
9 project authorized in subsection A of this section, and for the
10 purpose authorized in subsection D of this section, the Authority is
11 hereby authorized to borrow monies on the credit of the income and
12 revenues to be derived from the leasing of such property and
13 improvements and, in anticipation of the collection of such income
14 and revenues, to issue negotiable obligations in a total amount not
15 to exceed Forty Million Dollars (\$40,000,000.00) whether issued in
16 one or more series. The Authority is authorized to capitalize
17 interest on the obligations issued pursuant to this section for a
18 period of not to exceed one (1) year from the date of issuance. For
19 subsequent fiscal years, it is the intent of the Legislature to
20 appropriate to the Oklahoma Department of Veterans Affairs and the
21 Oklahoma Department of Mental Health and Substance Abuse Services
22 sufficient monies to make rental payments for the purpose of
23 retiring the obligations created pursuant to this section. To the
24 extent funds are available from the proceeds of the borrowing

1 authorized by this subsection, the Oklahoma Capitol Improvement
2 Authority shall provide for the payment of professional fees and
3 associated costs related to the project authorized in subsection A
4 of this section.

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

13 E. The obligations authorized under this section may be sold at
14 either competitive or negotiated sale, as determined by the
15 Authority, and in such form and at such prices as may be authorized
16 by the Authority. The Authority may enter into agreements with such
17 credit enhancers and liquidity providers as may be determined
18 necessary to efficiently market the obligations. The obligations
19 may mature and have such provisions for redemption as shall be
20 determined by the Authority, but in no event shall the final
21 maturity of such obligations occur later than thirty (30) years from
22 the first principal 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 Authority.

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 Authority 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 Authority may place additional restrictions on
14 the investment of such monies if necessary to enhance the
15 marketability of the obligations.

16 I. The proceeds from the sale of real property owned by the
17 Oklahoma Department of Veterans Affairs as of the effective date of
18 this act either currently used for its administrative offices or
19 which, prior to the effective date of this act, consists of at least
20 six hundred (600) acres of unimproved real property located in a
21 county other than the county in which the administrative offices are
22 located shall be used exclusively for the purpose of offsetting the
23 cost of construction of the improvements described pursuant to
24 subsection A of this section. The provisions of this subsection

1 shall not be applicable with respect to any other real property
2 which may be acquired by the Oklahoma Department of Veterans Affairs
3 after the effective date of this act. The provisions of this
4 subsection shall supersede any other requirement of law that would
5 otherwise be applicable to the use of the proceeds from the sale of
6 real property by the Department.

7 J. The proceeds from the sale of the real property owned by the
8 Oklahoma Department of Mental Health and Substance Abuse Services as
9 described by division (2) of subparagraph c of paragraph 2 of
10 subsection A of Section 2-111 of Title 43A of the Oklahoma Statutes
11 shall be used exclusively for the purpose of offsetting the cost of
12 construction of the improvements described pursuant to subsection A
13 of this section. The provisions of this subsection shall not be
14 applicable with respect to any other real property which may be
15 acquired by the Oklahoma Department of Mental Health and Substance
16 Abuse Services after the effective date of this act. The provisions
17 of this subsection shall supersede any other requirement of law that
18 would otherwise be applicable to the use of the proceeds from the
19 sale of real property by the Department.

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

23 SECTION 2. AMENDATORY 43A O.S. 2011, Section 2-111, as
24 last amended by Section 1 of Enrolled House Bill No. 2831 of the 2nd

1 Session of the 54th Oklahoma Legislature, is amended to read as
2 follows:

3 Section 2-111. A. 1. The Board of Mental Health and Substance
4 Abuse Services is hereby authorized and directed to create a trust
5 into which all real property held by or for the benefit of the
6 Department of Mental Health and Substance Abuse Services shall be
7 transferred.

8 2. The trust shall provide that:

9 a. the property placed into the trust may never be sold,
10 except for the tracts specifically described in
11 subparagraph c of this paragraph, if it is determined
12 by the trustees for the Department's Real Property
13 Trust and by the Department that such a sale is in the
14 best interests of the Department, and then the
15 proceeds shall be used exclusively for tangible
16 infrastructure improvements that benefit the persons
17 serviced by the Department~~;~~ otherwise the property
18 shall be held in perpetuity for the sole benefit of
19 the Department,

20 b. the property held by the trust which is not needed for
21 use by the Department may be leased or rented to
22 others and all income received from such leases or
23 rentals shall be payable to the Department for use by
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1 the Department to fulfill the purposes of the
2 Department,

3 c. the following ~~tract~~ tracts of land may be sold as set
4 forth in subparagraph a of this paragraph:

5 ~~Land~~

6 (1) land owned by the Department located in Sections
7 20 and 29, Township 9 North, Range 2 West,
8 Cleveland County, Oklahoma, and

9 (2) land owned by the Department located in Block 5
10 of Culberson Heights Addition to the City of
11 Oklahoma City, Oklahoma County, Oklahoma, and

12 d. under no condition should any real property held in
13 trust be sold to fund prevention, mental health or
14 addiction treatment services.

15 B. Upon the creation of the trust authorized in subsection A of
16 this section, the Office of Management and Enterprise Services is
17 directed to provide all necessary assistance to the Department of
18 Mental Health and Substance Abuse Services to identify and transfer
19 all property held by or for the benefit of the Department of Mental
20 Health and Substance Abuse Services to the trust. Except as
21 provided in subsection C of this section, the Office of Management
22 and Enterprise Services is authorized and directed to provide all
23 requested assistance to the Department of Mental Health and
24 Substance Abuse Services in leasing property placed in such trust.

1 C. The Commissioners of the Land Office are authorized and
2 directed to provide all requested assistance to the Department of
3 Mental Health and Substance Abuse Services in leasing mineral
4 interests placed in such trust.

5 SECTION 3. This act shall become effective July 1, 2014.

6 SECTION 4. 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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11 DIRECT TO CALENDAR.

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