

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 SENATE BILL 653

By: Jolley

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6 AS INTRODUCED

7 An Act relating to public finance; relieving the
8 Regents for Higher Education of bonded indebtedness
9 obligations; authorizing the Oklahoma Capitol
10 Improvement Authority to issue obligations for the
11 construction of an office building for the Office of
12 the State Medical Examiner; providing for certain
13 lease agreement; providing for transfer of title upon
14 occurrence of certain event; authorizing the
15 borrowing of certain monies; providing for repayment
16 from certain lease agreement; declaring intent of
17 Legislature to appropriate certain monies; providing
18 for payment of professional fees; authorizing the
19 hiring of certain professionals; specifying method of
20 sale; specifying date of maturity of certain
21 obligations; providing for use of certain interest;
22 exempting certain interest earnings from taxation;
23 providing for investment of funds; providing for
24 codification; providing for noncodification; and
providing an effective date.

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

19 SECTION 1. NEW LAW A new section of law not to be
20 codified in Oklahoma Statutes is hereby created to read as follows:

21 The Oklahoma State Regents for Higher Education, having
22 previously been authorized and directed under Section 3206.6a of
23 Title 70 of the Oklahoma Statutes to construct a building for the
24 Office of the State Medical Examiner and issue bonds under the

1 Master Lease Program, are, upon financing of the responsibility and
2 final issuance of a replacement source of bonded funding by the
3 Oklahoma Capitol Improvement Authority pursuant to Section 2 of this
4 act, hereby relieved of the responsibility and are directed to not
5 proceed with financing of that portion of bonded indebtedness
6 authorized for the University of Central Oklahoma to construct an
7 office for the Office of the State Medical Examiner.

8 SECTION 2. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 345 of Title 73, unless there is
10 created a duplication in numbering, reads as follows:

11 A. The Oklahoma Capitol Improvement Authority is authorized to
12 issue notes, bonds, or other evidences of obligation in an amount
13 necessary to generate net proceeds of Forty-two Million Dollars
14 (\$42,000,000.00) after providing for costs of issuance, credit
15 enhancement, reserves, and other associated expenses related to the
16 financing. Net proceeds of the financing will be deposited into a
17 construction fund to provide for the financing of acquisition of
18 real property, together with improvements located thereon, and
19 personal property, to construct buildings and other improvements to
20 real property and to provide funding for repairs, refurbishments and
21 improvements to real and personal property for the Office of the
22 State Medical Examiner. Earnings that result from the investment of
23 the construction fund may be used for the project authorized in this
24 section or for other legal purposes approved by the Authority.

1 B. The Authority and the Office of the State Medical Examiner
2 are authorized to enter into such agreements as may be necessary to
3 authorize the Authority to hold title to the real and personal
4 property and improvements until such time as any obligations issued
5 for the purpose set forth in subsection A of this section are
6 retired or deceased and the Authority may lease the real property
7 and improvements to the Office of the State Medical Examiner for use
8 as office space. Upon final redemption or defeasance of the
9 obligations created pursuant to this section, title to the real and
10 personal property and improvements shall be transferred from the
11 Oklahoma Capitol Improvement Authority to the Office of the State
12 Medical Examiner.

13 C. For the purpose of paying the costs for acquisition and
14 construction of the real property and improvements and personal
15 property and making the repairs, refurbishments, and improvements to
16 real and personal property, and providing funding for the project
17 authorized in subsection A of this section, and for the purpose
18 authorized in subsection D of this section, the Authority is hereby
19 authorized to borrow monies on the credit of the income and revenues
20 to be derived from the leasing of such real and personal property
21 and improvements and, in anticipation of the collection of such
22 income and revenues, to issue negotiable obligations in one or more
23 series. It is the intent of the Legislature to appropriate to the
24 Office of the State Medical Examiner sufficient monies to make

1 rental payments for the purposes of retiring the obligations created
2 pursuant to this section.

3 D. To the extent funds are available from the proceeds of the
4 borrowing authorized by subsection C of this section, the Oklahoma
5 Capitol Improvement Authority shall provide for the payment of
6 professional fees and associated costs related to the projects
7 authorized in subsection A of this section.

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

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

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1 maturity of such obligations occur later than thirty (30) years from
2 the first principal maturity date.

3 G. 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 Authority.

6 H. 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 I. The Authority 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 be
14 made in a manner consistent with the investment guidelines of the
15 State Treasurer. The Authority may place additional restrictions on
16 the investment of such monies if necessary to enhance the
17 marketability of the obligations.

18 J. 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 SECTION 3. This act shall become effective November 1, 2013

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