

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 COMMITTEE SUBSTITUTE

4 FOR

5 SENATE BILL NO. 1315

6 By: Brecheen

7 COMMITTEE SUBSTITUTE

8 An Act relating to public finance; providing for
9 selection of certain professionals by issuers of
10 certain obligations; requiring Oklahoma State Bond
11 Advisor to maintain certain lists; requiring Bond
12 Advisor to provide certain list to issuers for
13 specified purpose; authorizing issuers to seek
14 assistance of Oklahoma State Bond Advisor under
15 certain circumstances; prohibiting the granting of
16 certain inducements; requiring certain written
17 justification to be provided to specific persons
18 under certain circumstances; requiring certain
19 report; providing for codification; and providing an
20 effective date.

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

22 SECTION 1. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 360 of Title 62, unless there is
24 created a duplication in numbering, reads as follows:

25 A. The provisions of this section shall apply to the sale or
26 placement of any lease-backed or lease revenue bond, note, lease or
27 other obligation to construct or acquire any facility for the
28 benefit of a local school district or municipality. Prior to

1 engaging the services of underwriters, bond or other legal counsel,
2 financial advisors, consultants, or a financial institution to serve
3 as trustee, paying agent or in any fiduciary capacity in connection
4 with the sale or placement of any such obligation, a local
5 authority, trust, or third-party issuer of the obligations shall
6 request proposals for such services from a plurality of individuals
7 or firms engaged in providing the particular services. The
8 selection of such service providers shall be based on the
9 individuals or firms who will provide the most economical and
10 competent service which furthers the best interest of the local
11 school district or municipality.

12 B. The Oklahoma State Bond Advisor shall maintain a list of
13 individuals and firms that have notified the Bond Advisor they have
14 an interest in providing such services and shall provide the list to
15 issuers for their use in the competitive selection of professional
16 service providers under this section. In negotiating requests for
17 proposals to engage such services, the issuer may seek the advice
18 and assistance of the Bond Advisor. Under no circumstances shall
19 proprietary inducements be granted. In any case where an issuer
20 selects an individual or firm other than the low bidder, written
21 justification for the selection shall be provided to the State
22 Auditor and Inspector and the Oklahoma State Bond Advisor.

23 C. On or before January 15 of each year, the Bond Advisor shall
24 prepare a report of issuances of lease-backed or lease revenue

1 obligations containing a detailed itemization of the costs and fees
2 to be paid, whether directly or from the proceeds of the issuance of
3 such obligations. The Bond Advisor shall provide the report to the
4 Governor, President Pro Tempore of the Senate and Speaker of the
5 House of Representatives as well as to the State Department of
6 Education, which shall distribute it to every school district.

7 SECTION 2. This act shall become effective November 1, 2016.

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