STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

SENATE JOINT
RESOLUTION 14 By: Crain

AS INTRODUCED

A Joint Resolution directing the Secretary of State to refer to the people for their approval or rejection a proposed amendment to the Constitution of the State of Oklahoma by adding a new Section 44 to Article X; authorizing issuance of obligations; specifying maximum amount of net proceeds; directing use of net proceeds; prescribing maximum maturity; providing for issuance by the Oklahoma Building Bonds Commission; providing method for repayment of obligations; prescribing repayment to be made from levy of certain sales tax; providing exemption from certain statutory limits; prescribing procedures for repayment; providing exemption from certain taxation; imposing duties upon the Oklahoma Building Bonds Commission; directing certain investment; providing ballot title; and directing filing.

BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE 1ST SESSION OF THE 55TH OKLAHOMA LEGISLATURE:

SECTION 1. The Secretary of State shall refer to the people for their approval or rejection, as and in the manner provided by law, the following proposed amendment to the Oklahoma Constitution by adding a new Section 44 to Article X to read as follows:

Section 44. A. The State of Oklahoma shall be authorized to become indebted in an amount not to exceed Two and One-Half Billion Dollars ($2,500,000,000) in order to provide:

1. Support for research and faculty positions and endowed chairs in fields related to science, technology, engineering, mathematics and medicine at institutions within the Oklahoma State System of Higher Education;

2. Tuition assistance for students studying the fields related to science, technology, engineering, mathematics and medicine at institutions within the Oklahoma State System of Higher Education, if the students agree to reside in Oklahoma for five (5) years following graduation; and

3. Support for research foundations conducting research in the fields of science, technology, engineering, mathematics and medicine that are associated with institutions within the Oklahoma State System of Higher Education.

B. The maximum maturity for any obligation issued pursuant to the provisions of this section shall not exceed thirty (30) years.

C. The Oklahoma Building Bonds Commission shall be the entity responsible for issuance of the obligations authorized pursuant to the provisions of this section.

D. The payment and discharge of the principal of such debt, together with principal and interest on such indebtedness, shall be paid from the levy of sales tax imposed as authorized pursuant to

Section 1350 et seq. of Title 68 of the Oklahoma Statutes, as amended. Such debt service shall be exempt from any statutory limits.

E. To the extent funds are available from the proceeds of the borrowing authorized by this section, the Oklahoma Building Bonds Commission shall provide for the payment of professional fees and associated costs related to the issuance of obligations authorized in subsection A of this section.

F. The Commission may issue obligations in one or more series. The Commission is authorized to hire bond counsel, financial consultants, and such other professionals as it may deem necessary to provide for the efficient sale of the obligations and may utilize a portion of the proceeds of any borrowing to create such reserves as may be deemed necessary and to pay costs associated with the issuance and administration of such obligations.

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

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

H. Any interest earnings on funds or accounts created for the purposes of this section may be utilized as provided for in subsection A of this section.

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

J. The Commission may direct the investment of all monies in any funds or accounts created in connection with the offering of the obligations authorized under this section. In making such investments, judgment and care shall be exercised, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but with regard to the permanent disposition of their funds, considering the probable safety of their capital as well as the probable income to be derived. The Commission may place additional restrictions on the investment of such monies if necessary to enhance the marketability of the obligations.

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

SECTION 2. The Ballot Title for the proposed Constitutional amendment as set forth in SECTION 1 of this resolution shall be in the following form:

BALLOT TITLE

Legislative Referendum No. ____ State Question No. ____

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

This measure amends the Oklahoma Constitution. It would add a new Section 44 to Article 10. It would authorize the State of Oklahoma to incur debt. The debt would be for the purpose of supporting science, technology, engineering, mathematics and medicine research and faculty positions at institutions of higher education. The debt would also be used to provide tuition assistance to students studying science, technology, engineering, mathematics and medicine at institutions of higher education if they agree to stay in Oklahoma for a certain amount of time after graduation. The debt would also be used to support research foundations associated with institutions of higher education. Bonds or other obligations could be issued in an amount not exceeding $2,500,000,000 for this purpose. The bonds or other obligations would have to be repaid in not more than thirty (30) years. The repayment would be made using monies from the sales tax.

SHALL THE PROPOSAL BE APPROVED?

FOR THE PROPOSAL — YES _____

AGAINST THE PROPOSAL — NO _____

SECTION 3. The President Pro Tempore of the Senate shall, immediately after the passage of this resolution, prepare and file one copy thereof, including the Ballot Title set forth in SECTION 2 hereof, with the Secretary of State and one copy with the Attorney General.

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