

STATE OF OKLAHOMA

2nd Session of the 52nd Legislature (2010)

CONFERENCE COMMITTEE SUBSTITUTE

FOR ENGROSSED

SENATE BILL 1488

By: Johnson (Mike) and Myers of  
the Senate

and

Miller and Martin (Scott)  
of the House

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to the State Department of Mental Health and Substance Abuse Services; authorizing the Oklahoma Capitol Improvement Authority to provide financing for a facility to provide inpatient and outpatient services for the State Department of Mental Health and Substance Abuse Services; providing for use of investment earnings; authorizing Authority to hold title to property for certain period and for transfer of property upon certain occurrence; authorizing Authority to borrow monies and issue obligations; providing legislative intent; authorizing payment of certain fees and costs; providing procedures for borrowing and authorizing employment of certain professionals; providing procedures for sale of obligations; providing for use of certain interest earnings; providing tax exemption; providing for investment of certain monies; providing for application of certain provisions of law; providing for use of investment earnings; authorizing agreements to allow Authority to hold title to property for certain period; authorizing Authority to borrow monies and issue obligations; providing legislative intent; authorizing payment of certain fees and costs; providing procedures for borrowing and authorizing

1 employment of certain professionals; providing  
2 procedures for sale of obligations; providing for use  
3 of certain interest earnings; providing tax  
4 exemption; providing for investment of certain  
5 monies; providing for application of certain  
6 provisions of law; providing for codification;  
7 providing an effective date; and declaring an  
8 emergency.

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

10 SECTION 1. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 344 of Title 73, unless there is  
12 created a duplication in numbering, reads as follows:

13 A. The Oklahoma Capitol Improvement Authority is authorized to  
14 issue notes, bonds, or other evidences of obligation in an amount  
15 necessary to generate net proceeds of Twelve Million Dollars  
16 (\$12,000,000.00) after providing for costs of issuance, credit  
17 enhancement, reserves, and other associated expenses related to the  
18 financing. Net proceeds of the financing will be deposited into a  
19 construction fund to provide for the financing of acquisition of  
20 real property, together with improvements located thereon, and  
21 personal property, to construct buildings and other improvements to  
22 real property and to acquire personal property for a facility to  
23 provide inpatient and outpatient services for the State Department  
24 of Mental Health and Substance Abuse Services.

1       B. The Authority may hold title to the real and personal  
2 property and improvements until such time as any obligations issued  
3 for this purpose are retired or defeased and may lease the real  
4 property and improvements to the State Department of Mental Health  
5 and Substance Abuse Services. Upon final redemption or defeasance  
6 of the obligations created pursuant to this section, title to the  
7 real and personal property and improvements shall be transferred  
8 from the Authority to the Department.

9       C. For the purpose of paying the costs for acquisition and  
10 construction of the real property and improvements and personal  
11 property and making the repairs, refurbishments, and improvements to  
12 real and personal property, and providing funding for the project  
13 authorized in subsection A of this section, and for the purpose  
14 authorized in subsection D of this section, the Authority is hereby  
15 authorized to borrow monies on the credit of the income and revenues  
16 to be derived from the leasing of such real and personal property  
17 and improvements and, in anticipation of the collection of such  
18 income and revenues, to issue negotiable obligations in one or more  
19 series.

20       D. To the extent funds are available from the proceeds of the  
21 borrowing authorized by subsection C of this section, the Oklahoma  
22 Capitol Improvement Authority shall provide for the payment of  
23 professional fees and associated costs related to the project  
24 authorized in subsection A of this section.

1       E. The Authority may issue obligations in one or more series  
2 and in conjunction with other issues of the Authority. The  
3 Authority is authorized to hire bond counsel, financial consultants,  
4 and such other professionals as it may deem necessary to provide for  
5 the efficient sale of the obligations and may utilize a portion of  
6 the proceeds of any borrowing to create such reserves as may be  
7 deemed necessary and to pay costs associated with the issuance and  
8 administration of such obligations. It is the intent of the  
9 Legislature that the Department utilize monies available from  
10 private sources or that are otherwise available to the Department to  
11 make rental payments for the purposes of retiring the obligations  
12 created pursuant to this section. It is the further intent of the  
13 Legislature to appropriate additional monies for such purpose only  
14 in the event that no other funds from any source are available for  
15 such purpose.

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  
14 be 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 2. This act shall become effective July 1, 2010.

22 SECTION 3. It being immediately necessary for the preservation  
23 of the public peace, health and safety, an emergency is hereby  
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1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

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