

OKLAHOMA STATE SENATE
JOINT

COMMITTEE REPORT

May 12, 2015

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

SB 839

By: Bingman of the Senate and Hickman of the House

Title: Public finance; creating Oklahoma Museum of Popular Culture under Oklahoma Historical Society. Effective date.

Recommendation: **DO PASS**

Aye: Barrington, Bass, Brinkley, Crain, David, Fields, Floyd, Ford, Garrison, Griffin, Halligan, Holt, Justice, Loveless, Marlatt, Mazzei, Newberry, Paddack, Quinn, Shaw, Smalley, Sparks, Stanislawski, Thompson, Wyrick, Jolley, Bingman

Nay: Anderson, Bice, Boggs, Brecheen, Brooks, Dahm, Jech, Silk, Simpson, Standridge, Sykes, Yen, Treat

Pass:

Senator Clark Jolley, Chair

OKLAHOMA HOUSE OF REPRESENTATIVES
COMMITTEE REPORT

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET COMMITTEE

SB839

By: Hickman of the House

Bingman of the Senate

Title: Public finance; creating Oklahoma Museum of Popular Culture
under Oklahoma Historical Society. Effective date.

Coauthored By:

Recommendation: **DO PASS**

Amendments:

 Chr.
Representative Earl Sears

YEAS: 16

Brown, Casey, Coody (A), Hoskin, Inman, Martin, McDaniel (J), McPeak, Morrisette, Nelson,
Osborn, Peterson, Rousselot, Sears, Sherrer, Wright

NAYS: 8

Johnson, McCullough, McDaniel (R), Ortega, Ownbey, Russ, Sanders, Wesselhoft

CONSTITUTIONAL PRIVILEGE: 0

STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

SENATE BILL 839

By: Bingman of the Senate

and

Hickman of the House

AS INTRODUCED

An Act relating to public finance; creating the Oklahoma Museum of Popular Culture under the Oklahoma Historical Society; authorizing the Oklahoma Historical Society to do certain construction, maintenance, repair, and operation; authorizing the Oklahoma Capitol Improvement Authority to issue obligations to provide funding for construction of the Oklahoma Museum of Popular Culture for the Oklahoma Historical Society; providing for debt retirement payments; directing how title is to be held and when it is to be transferred; authorizing capitalization of certain interest; stating legislative intent; authorizing payment of certain costs; providing methods for issuance of obligations; authorizing hiring certain professionals for certain purpose; providing for sale of obligations by certain methods; limiting maturity of obligations; providing for utilization of certain interest earnings; providing tax exemption; providing for investment of certain monies; requiring compliance with certain statutory provisions; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2294 of Title 74, unless there is created a duplication in numbering, reads as follows:

1 There is hereby created the Oklahoma Museum of Popular Culture
2 to be under the supervision of the Oklahoma Historical Society. The
3 Oklahoma Historical Society is authorized to construct, maintain,
4 repair, and operate the Oklahoma Museum of Popular Culture and its
5 facilities.

6 SECTION 2. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 302.1 of Title 73, unless there
8 is created a duplication in numbering, reads as follows:

9 A. In addition to any other authorization provided by law, the
10 Oklahoma Capitol Improvement Authority is authorized to issue
11 obligations to acquire real property, together with improvements
12 located thereon, and personal property, to construct buildings,
13 parking facilities and other improvements to real property, and to
14 provide funding for repairs, planning, staging, refurbishments, and
15 improvements to real and personal property, and for funding for
16 construction of the Oklahoma Museum of Popular Culture for the
17 Oklahoma Historical Society in a total amount necessary to generate
18 Twenty-five Million Dollars (\$25,000,000.00) in project funds with
19 debt retirement payments to be made as provided in this section.

20 B. The Authority may hold title to the real and personal
21 property and improvements until such time as any obligations issued
22 for this purpose are retired or defeased and may lease the real
23 property and improvements to the Oklahoma Historical Society. Upon
24 final redemption or defeasance of the obligations created pursuant

1 to this section, title to the real and personal property and
2 improvements shall be transferred from the Authority to the Oklahoma
3 Historical Society.

4 C. For the purpose of paying the costs for acquisition and
5 construction of the real property and improvements and personal
6 property and making the repairs, planning, staging, refurbishments,
7 and improvements to real and personal property, and providing
8 funding for the project authorized in subsection A of this section,
9 and for the purpose authorized in subsection D of this section, the
10 Authority is hereby authorized to borrow monies on the credit of the
11 income and revenues to be derived from the leasing of such real and
12 personal property, parking facilities, and improvements and, in
13 anticipation of the collection of such income and revenues, to issue
14 negotiable obligations in a total amount necessary to generate
15 Twenty-five Million Dollars (\$25,000,000.00) in project funds,
16 whether issued in one or more series. The Authority is authorized
17 to capitalize interest on the obligations issued pursuant to the
18 authority granted by this section for a period not to exceed two (2)
19 years from the date of issuance. For the fiscal year ending June
20 30, 2017, and subsequent fiscal years, it is the intent of the
21 Legislature to appropriate to the Oklahoma Historical Society
22 sufficient monies to make rental payments for the purposes 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 Authority shall provide for the
2 payment of professional fees and associated costs related to the
3 projects authorized in subsection A of this section.

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

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

22 F. Any interest earnings on funds or accounts created for the
23 purposes of this section may be utilized as partial payment of the
24 annual debt service or for the purposes directed by the Authority.

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

6 H. The Authority may direct the investment of all monies in any
7 funds or accounts created in connection with the offering of the
8 obligations authorized under this section. Such investments shall
9 be made in a manner consistent with the investment guidelines of the
10 State Treasurer. The Authority may place additional restrictions on
11 the investment of such monies if necessary to enhance the
12 marketability of the obligations.

13 I. The Legislature expects that the Oklahoma Historical Society
14 will make the rental payments for the purpose of retiring the
15 obligations created pursuant to the provisions of this section from
16 current appropriations received by the Oklahoma Historical Society.

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

20 SECTION 3. This act shall become effective November 1, 2015.

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