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STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

HOUSE BILL 3042

By: Kannady of the House

and

Simpson of the Senate

2nd Session of the 56th Legislature (2018)

HOUSE BILL 3042

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HOUSE BILL 3042

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AS INTRODUCED

An Act relating to veterans centers; creating the Oklahoma Veterans Facility Investment Act of 2018; authorizing the Oklahoma Department of Veterans Affairs to develop and construct certain facilities to assume operation of the Oklahoma Veterans Center established in Talihina; authorizing the Department to construct facilities or refurbish any existing facilities on certain property; providing geographical constraints; directing the Oklahoma Veterans Commission to determine location; continuing operations until certain transfer; amending 72 O.S. 2011, Section 229, which relates to the establishment of the Veterans Center at Talihina; requiring operations to continue until certain transfer; authorizing the Oklahoma Capitol Improvement Authority to issue obligations to acquire real and personal property and make improvements for certain purposes and in a certain amount; authorizing the Authority to hold title to certain real and personal property and improvements; providing transfer of title to the real and personal property and improvements under certain circumstances; authorizing the Authority to borrow monies for certain purposes; authorizing the Authority to capitalize interest on the obligations; providing for payment of professional fees and associated costs; authorizing

An Act relating to veterans centers; creating the Oklahoma Veterans Facility Investment Act of 2018; authorizing the Oklahoma Department of Veterans Affairs to develop and construct certain facilities to assume operation of the Oklahoma Veterans Center established in Talihina; authorizing the Department to construct facilities or refurbish any existing facilities on certain property; providing geographical constraints; directing the Oklahoma Veterans Commission to determine location; continuing operations until certain transfer; amending 72 O.S. 2011, Section 229, which relates to the establishment of the Veterans Center at Talihina; requiring operations to continue until certain transfer; authorizing the Oklahoma Capitol Improvement Authority to issue obligations to acquire real and personal property and make improvements for certain purposes and in a certain amount; authorizing the Authority to hold title to certain real and personal property and improvements; providing transfer of title to the real and personal property and improvements under certain circumstances; authorizing the Authority to borrow monies for certain purposes; authorizing the Authority to capitalize interest on the obligations; providing for payment of professional fees and associated costs; authorizing

1 the Authority to issue obligations in certain manner
2 and hire certain professionals; authorizing the sale
3 of certain obligations; limiting maturity of certain
4 obligations; authorizing certain interest earning to
5 be utilized as certain payment; prohibiting certain
6 taxation; authorizing the Authority to direct the
7 investment of certain monies; providing legislative
8 intent; providing applicability; providing for
9 codification; and providing for noncodification.

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

11 SECTION 1. NEW LAW A new section of law not to be
12 codified in the Oklahoma Statutes reads as follows:

13 This act shall be known and may be cited as the "Oklahoma
14 Veterans Facility Investment Act of 2018".

15 SECTION 2. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 229.1 of Title 72, unless there
17 is created a duplication in numbering, reads as follows:

18 A. The Oklahoma Department of Veterans Affairs is authorized to
19 plan, develop and construct a long-term care facility for the
20 purpose of assuming the operations of the Oklahoma Veterans Center
21 established in Talihina pursuant to Section 229 of Title 72 of the
22 Oklahoma Statutes. The Department may construct new facilities or
23 refurbish any existing facilities on property currently owned by the
24 State of Oklahoma or on property purchased or donated from other
sources, including but not limited to private owners or other
governmental or municipal entities.

1 B. The location of the facilities shall be subject only to such
2 geographical constraints as are imposed by the United States
3 Department of Veterans Affairs to preserve and continue recognition
4 and certification of the facility as a State Veterans Home.

5 C. The location and site of the facility shall be determined by
6 the Oklahoma Veterans Commission. The Oklahoma Veterans Commission
7 may consider any and all criteria which, in its sole discretion,
8 further the interests of Oklahoma veterans.

9 D. Operations of the Oklahoma Veterans Center established in
10 Talihina pursuant to Section 229 of Title 72 of the Oklahoma
11 Statutes shall continue until such time as its operations are
12 transferred to the location identified pursuant to the authority
13 conferred upon the Oklahoma Veterans Commission under subsection A
14 of this section.

15 SECTION 3. AMENDATORY 72 O.S. 2011, Section 229, is
16 amended to read as follows:

17 Section 229. ~~There~~ A. Until operations are transferred
18 pursuant to subsection B of this section, there is hereby
19 established, in addition to the Oklahoma Veterans Centers
20 established by Sections 221 and 226 of ~~Title 72 of the Oklahoma~~
21 ~~Statutes~~ this title, the Oklahoma Veterans Center at Talihina,
22 Oklahoma, on the site of the Oklahoma State Sanatorium, Talihina,
23 Oklahoma. All persons serving as employees of the Oklahoma State
24 Sanatorium under the provisions of the State Merit System of

1 Personnel Administration shall continue to serve as employees of the
2 Oklahoma Veterans Center at Talihina, provided that such employees
3 remain in the classified service. All employees hired by the
4 Oklahoma Veterans Center at Talihina on or after the effective date
5 of this act shall be under the Oklahoma Merit System of Personnel
6 Administration, except one manager, one principal assistant or
7 deputy, one private secretary, part-time physicians and other
8 professional personnel engaged in clinical and consultant services.
9 The average number of full-time-equivalent employees utilized in the
10 total operation of the Oklahoma ~~War~~ Veterans Center, Talihina, shall
11 not exceed one hundred fifty-three (153) during the fiscal year
12 ending June 30, 1976. The buildings, equipment and land under the
13 jurisdiction of the Oklahoma State Sanatorium, Talihina, are hereby
14 transferred to the Oklahoma ~~War~~ Veterans Center, Talihina.

15 B. Operations of the Oklahoma Veterans Center established
16 pursuant to this section shall continue until such time as
17 operations are transferred to the location identified pursuant to
18 the authority conferred upon the Oklahoma Veterans Commission under
19 Section 2 of this act.

20 SECTION 4. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 348 of Title 73, unless there is
22 created a duplication in numbering, reads as follows:

23 A. In addition to any other authorization provided by law, the
24 Oklahoma Capitol Improvement Authority is authorized to issue

1 obligations to acquire real property, together with improvements
2 located thereon, and personal property, to plan, develop and
3 construct buildings, parking facilities and other improvements to
4 real property, and to provide funding for repairs, planning,
5 staging, refurbishments and improvements to real and personal
6 property, and for funding for construction of the long-term care
7 facility authorized in subsection A of Section 2 of this act in a
8 total amount necessary to generate Thirty-five Million Dollars
9 (\$35,000,000.00) in project funds with debt retirement payments to
10 be made as provided in this section.

11 B. The Authority may hold title to the real and personal
12 property and improvements until such time as any obligations issued
13 for this purpose are retired or defeased and may lease the real
14 property and improvements to the Oklahoma Department of Veterans
15 Affairs. Upon final redemption or defeasance of the obligations
16 created pursuant to this section, title to the real and personal
17 property and improvements shall be transferred from the Authority to
18 the Oklahoma Department of Veterans Affairs.

19 C. For the purpose of paying the costs for acquisition and
20 construction of the real property and improvements and personal
21 property and making the repairs, planning, staging, refurbishments
22 and improvements to real and personal property, and providing
23 funding for the long-term care facility authorized in subsection A
24 of Section 2 of this act, and for the purpose authorized in

1 subsection D of this section the Authority is hereby authorized to
2 borrow monies on the credit of the income and revenues to be derived
3 from the leasing of such real and personal property, parking
4 facilities and improvements and, in anticipation of the collection
5 of such income and revenues, to issue negotiable obligations in a
6 total amount necessary to generate Thirty-five Million Dollars
7 (\$35,000,000.00) in project funds, whether issued in one or more
8 series. The Authority is authorized to capitalize interest on the
9 obligations issued pursuant to the authority granted by this section
10 for a period not to exceed two (2) years from the date of issuance.
11 Excluding any capitalized interest period, it is the intent of the
12 Legislature to appropriate to the Oklahoma Department of Veterans
13 Affairs sufficient monies to make rental payments for the purposes
14 of retiring the obligations created pursuant to this section. To
15 the extent funds are available from the proceeds of the borrowing
16 authorized by this subsection, the Authority shall provide for the
17 payment of professional fees and associated costs related to the
18 projects authorized in this act.

19 D. The Authority may issue obligations in one or more series
20 and in conjunction with other issues of the Authority. The
21 Authority is authorized to hire bond counsel, financial consultants,
22 and such other professionals as it may deem necessary to provide for
23 the efficient sale of the obligations and may utilize a portion of
24 the proceeds of any borrowing to create such reserves as may be

1 deemed necessary and to pay costs associated with the issuance and
2 administration of such obligations.

3 E. The obligations authorized under this section may be sold at
4 either competitive or negotiated sale, as determined by the
5 Authority, and in such form and at such prices as may be authorized
6 by the Authority. The Authority may enter into agreements with such
7 credit enhancers and liquidity providers as may be determined
8 necessary to efficiently market the obligations. The obligations
9 may mature and have such provisions for redemption as shall be
10 determined by the Authority, but in no event shall the final
11 maturity of such obligations occur later than twenty-five (25) years
12 from the first principal maturity date.

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

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

21 H. The Authority may direct the investment of all monies in any
22 funds or accounts created in connection with the offering of the
23 obligations authorized under this section. Such investments shall
24 be made in a manner consistent with the investment guidelines of the

1 State Treasurer. The Authority may place additional restrictions on
2 the investment of such monies if necessary to enhance the
3 marketability of the obligations.

4 I. The Legislature anticipates that the Oklahoma Department of
5 Veterans Affairs will make the rental payments for the purpose of
6 retiring the obligations created pursuant to the provisions of this
7 section from current appropriations received by the Oklahoma
8 Department of Veterans Affairs.

9 J. Insofar as they are not in conflict with the provisions of
10 this section, the provisions of Sections 151 through 186 of Title 73
11 of the Oklahoma Statutes shall apply to this section.

12
13 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
14 02/20/2018 - DO PASS, As Coauthored.