

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

HOUSE BILL 3421

By: Pfeiffer

AS INTRODUCED

An Act relating to state capital and Capitol building; authorizing issuance of certain net amount of obligations by Oklahoma Capitol Improvement Authority for funding of certain projects for the Department of Environmental Quality; providing for debt retirement payments; directing how title is to be held and when it is to be transferred; authorizing Authority to borrow monies on credit; authorizing capitalization of certain interest for specified period of time; stating legislative intent; requiring Authority to pay certain fees and costs under certain circumstances; providing methods of issuance for obligations; authorizing hiring of certain professionals; authorizing payment of certain costs by creating reserves; 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; providing an effective date; and declaring an emergency.

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 348 of Title 73, unless there is created a duplication in numbering, reads as follows:

1       A. The Oklahoma Capitol Improvement Authority is authorized to  
2 issue notes, bonds or other evidences of obligation in an amount  
3 necessary to generate net proceeds of Nine Million Dollars  
4 (\$9,000,000.00) after providing for costs of issuance, credit  
5 enhancement, reserves and other associated expenses related to  
6 financing. Net proceeds of the financing will be deposited into a  
7 construction fund to provide for the financing of reconstruction or  
8 comprehensive renovation of the Department of Environmental Quality  
9 employee parking garage in downtown Oklahoma City with debt  
10 retirement payments to be made as provided in this section.

11       B. The Authority and the Department of Environmental Quality  
12 are authorized to enter into such agreements as may be necessary to  
13 authorize the Authority to hold title to the parking garage real  
14 property and improvements until such time as any obligations issued  
15 for this purpose are retired or defeased, and the Authority may  
16 lease the real property and improvements to the Department. Upon  
17 final redemption or defeasance of the obligations created pursuant  
18 to this section, title to the real property and improvements shall  
19 be transferred from the Authority to the Department.

20       C. For the purpose of providing funding for the project  
21 authorized in subsection A of this section and for the purpose  
22 authorized in subsection D of this section, the Authority is hereby  
23 authorized to borrow monies on the credit of the income and revenues  
24 to be derived from the leasing of such real property and

1 improvements and, in anticipation of the collection of such income  
2 and revenues, to issue negotiable obligations in one or more series.  
3 The Authority is authorized to capitalize interest on the  
4 obligations issued pursuant to this section for a period of time not  
5 to exceed one (1) year from the date of issuance. Excluding any  
6 capitalized interest period, it is the intent of the Legislature to  
7 appropriate to the Department of Environmental Quality sufficient  
8 monies to make rental payments for the purposes of retiring  
9 obligations created pursuant to this section.

10 D. To the extent funds are available from the proceeds of the  
11 borrowing authorized by subsection C of this section, the Authority  
12 shall provide for the payment of professional fees and associated  
13 costs related to the project authorized in subsection A of this  
14 section.

15 E. The Authority may issue obligations in one or more series  
16 and in conjunction with other issues of Authority. The Authority is  
17 authorized to hire bond counsel, financial consultants and other  
18 professionals as it may deem necessary to provide for the efficient  
19 sale of the obligations and may utilize a portion of the proceeds of  
20 any borrowing to create such reserves as may be deemed necessary and  
21 to pay costs associated with the issuance and administration of such  
22 obligations.

23 F. The obligations authorized under this section may be sold at  
24 either competitive or negotiated sale, as determined by the

1 Authority, and in such form and at such prices as may be authorized  
2 by the Authority. The Authority may enter into agreements with such  
3 credit enhancers and liquidity providers as may be determined  
4 necessary to efficiently market the obligations. The obligations  
5 may mature and have such provisions for redemption as shall be  
6 determined by the Authority, but in no event shall the final  
7 maturity of such obligations occur later than twenty (20) years from  
8 the first principal maturity date.

9 G. Any interest earnings on funds or accounts created for the  
10 purposes of this section may be utilized as partial payment of the  
11 annual debt service or for the purposes directed by the Authority.

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

17 I. The Authority may direct the investment of all monies in any  
18 funds created in connection with the offering of the obligations  
19 authorized under this section. The investments shall be made in a  
20 manner consistent with the investment guidelines of the State  
21 Treasurer. The Authority may place additional restrictions on the  
22 investment of such monies if necessary to enhance the marketability  
23 of the obligations.

1 J. Insofar as they are not in conflict with the provisions of  
2 this section, the provisions of Sections 151 to 186 of Title 73 of  
3 the Oklahoma Statutes shall apply to this section.

4 SECTION 2. This act shall become effective July 1, 2018.

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

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