

OKLAHOMA STATE SENATE
JOINT

COMMITTEE REPORT

April 27, 2018

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

SB 1584

By: David and Fields of the Senate and Wallace and Casey of the House

Title: Revenue and taxation; modifying documents required to be preserved and authenticated by Tax Commission. Effective date. Emergency.

Recommendation: **DO PASS AS AMENDED**

Aye: Allen, Bass, Bergstrom, Bice, Brooks, Daniels, Dugger, Floyd, Fry, Griffin, Jech, Kidd, Leewright, Matthews, McCortney, Murdock, Paxton, Pederson, Pugh, Quinn, Rader, Rosino, Sharp, Shaw, Simpson, Smalley, Stanislawski, Thompson, Fields, David

Nay: Brecheen, Dahm, Sykes

Pass:

Senator Kim David, Chair

Committee Substitute, motion by Senator DAVID - Adopted (Request No: 3644)

OKLAHOMA HOUSE OF REPRESENTATIVES
COMMITTEE REPORT

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET COMMITTEE

SB1584

By: Wallace et al of the House

David et al of the Senate

Title: Revenue and taxation; modifying documents required to be preserved and authenticated by Tax Commission. Effective date. Emergency.

Coauthored By:

Recommendation: **DO PASS AS AMENDED BY CS**

Amendments:

1. Committee Substitute Attached

 Chr.
Representative Kevin Wallace

YEAS: 19

Calvey, Casey, Cockroft, Dunnington, Echols, Jordan, Kannady, Kouplen, McBride, O'Donnell, Ortega, Osborn (L), Ownbey, Pfeiffer, Roberts (D), Russ, Sanders, Sears, Wallace

NAYS: 0

CONSTITUTIONAL PRIVILEGE: 0

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 1584

By: David and Fields of the
Senate

and

Wallace and Casey of the
House

COMMITTEE SUBSTITUTE

An Act relating to public finance; authorizing Oklahoma Capitol Improvement Authority to issue certain obligations for specified purposes; authorizing assistance by certain local districts for specified construction, repair and rehabilitation of certain dams pursuant to the Conservation District Act; requiring certain Commission to make debt retirement payments; providing for debt retirement payments; authorizing OCIA to hold title to property until obligations are retired or defeased; authorizing certain lease; requiring transfer of certain title at certain time; authorizing borrowing of money by certain entity; providing for amount of obligations to be issued after consideration of certain expenses; stating intent of Legislature to appropriate funds for certain rental payments for stated purpose; requiring payment of certain fees by certain entity pursuant to availability of funds; providing methods for issuance of obligations; authorizing hiring of certain professionals for certain purpose; providing for sale of obligations by certain methods; limiting maturity of obligations; providing for use of certain interest earnings; exempting certain obligations, transfer, and interest from taxation; providing for investment and oversight; requiring compliance with certain

1 statutory provisions, providing for codification; and
2 declaring an emergency.
3

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

5 SECTION 1. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 343 of Title 73, unless there is
7 created a duplication in numbering, reads as follows:

8 A. The Oklahoma Capitol Improvement Authority (OCIA) is hereby
9 authorized to acquire real property or interests therein, together
10 with improvements located thereon, and personal property and invest
11 capital into improvements for purposes of construction, repair and
12 rehabilitation of flood-control dams through and with the assistance
13 of local conservation districts, all pursuant to the Conservation
14 District Act, with debt retirement payments to be made by the
15 Oklahoma Conservation Commission.

16 The OCIA may hold title to the real property and improvements
17 until such time as any obligations issued for this purpose are
18 retired or defeased and may lease the real property and improvements
19 to the Oklahoma Conservation Commission. Upon final redemption or
20 defeasance of the obligations created pursuant to this section,
21 title to the real property and improvements shall be transferred
22 from the OCIA to the Oklahoma Conservation Commission.

23 B. For the purpose of paying the costs for acquisition of the
24 real property and improvements and personal property authorized in

1 subsection A of this section, and for the purpose authorized in
2 subsection C of this section, the OCIA is hereby authorized to
3 borrow monies on the credit of the income and revenues to be derived
4 from the leasing of such real property and improvements and, in
5 anticipation of collection of such income and revenues issue
6 negotiable obligations in the amount sufficient to generate net
7 proceeds of Five Million One Hundred Sixteen Thousand Dollars
8 (\$5,116,000.00) after providing for costs of issuance, credit
9 enhancement, reserves, and other associated expenses related to the
10 financing. It is the intent of the Legislature to appropriate to
11 the Oklahoma Conservation Commission sufficient monies to make
12 rental payments for the purposes of retiring the obligations created
13 pursuant to this section.

14 C. To the extent funds are available, the OCIA shall provide
15 for the payment of professional fees and associated costs approved
16 by the OCIA.

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

1 E. The obligations authorized under this section may be sold at
2 either competitive or negotiated sale, as determined by the OCIA,
3 and in such form and at such prices as may be authorized by the
4 OCIA. The OCIA may enter into agreements with such credit enhancers
5 and liquidity providers as may be determined necessary to
6 efficiently market the obligations. The obligations may mature and
7 have such provisions for redemption as shall be determined by the
8 OCIA, but in no event shall the final maturity of such obligations
9 occur later than fifteen (15) years from the first principal
10 maturity date.

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

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

19 H. The OCIA may direct the investment of all monies in any
20 funds or accounts created in connection with the offering of the
21 obligations authorized under this section. Such investments shall
22 be made in a manner consistent with the investment guidelines of the
23 State Treasurer. The OCIA may place additional restrictions on the
24

1 investment of such monies if necessary to enhance the marketability
2 of the obligations.

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

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