

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 HOUSE BILL 3298

 By: Newton

7 AS INTRODUCED

8 An Act relating to flood control structures;
9 authorizing Oklahoma Capitol Improvement Authority to
10 acquire title to certain property; authorizing
11 Oklahoma Capitol Improvement Authority to issue
12 certain obligations; stating legislative intent with
13 respect to certain debt payments; providing for
14 payment of professional expenses or fees; authorizing
15 issuance of obligations in series; prescribing
16 procedures related to sale of obligations;
17 prescribing maturity; authorizing use of interest for
18 certain partial payment; providing for exemption from
19 income tax; providing for investment of bond
20 proceeds; providing for codification; and declaring
21 an emergency.

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

19 SECTION 1. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 343.1 of Title 73, unless there
21 is created a duplication in numbering, reads as follows:

22 A. The Oklahoma Capitol Improvement Authority (OCIA) is hereby
23 authorized to acquire real property or interests therein, together
24 with improvements located thereon, and personal property and invest

1 capital into improvements for purposes of construction, repair and
2 rehabilitation of flood-control dams through and with the assistance
3 of local conservation districts, all pursuant to the Conservation
4 District Act, with debt retirement payments to be made by the
5 Oklahoma Conservation Commission.

6 The OCIA may hold title to the real property and improvements
7 until such time as any obligations issued for this purpose are
8 retired or defeased and may lease the real property and improvements
9 to the Oklahoma Conservation Commission. Upon final redemption or
10 defeasance of the obligations created pursuant to this section,
11 title to the real property and improvements shall be transferred
12 from the OCIA to the Oklahoma Conservation Commission.

13 B. For the purpose of paying the costs for acquisition of the
14 real property and improvements and personal property authorized in
15 subsection A of this section, and for the purpose authorized in
16 subsection C of this section, the OCIA is hereby authorized to
17 borrow monies on the credit of the income and revenues to be derived
18 from the leasing of such real property and improvements and, in
19 anticipation of collection of such income and revenues, issue
20 negotiable obligations in the amount sufficient to generate net
21 proceeds of Seventeen Million Five Hundred Thousand Dollars
22 (\$17,500,000.00) after providing for costs of issuance, credit
23 enhancement, reserves and other associated expenses related to the
24 financing. It is the intent of the Legislature to appropriate to

1 the Oklahoma Conservation Commission sufficient monies to make
2 rental payments for the purposes of retiring the obligations created
3 pursuant to this section.

4 C. To the extent funds are available, the OCIA shall provide
5 for the payment of professional fees and associated costs approved
6 by the OCIA.

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

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

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

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

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

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

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21 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND NATURAL RESOURCES,
22 dated 02/18/2020 - DO PASS.
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