

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

SUBCOMMITTEE RECOMMENDATION

FOR ENGROSSED

SENATE BILL NO. 1780

By: Jech, Daniels, Pemberton,  
Murdock, Dossett (J.J.),  
Pederson, David, Coleman,  
Quinn, Rader, Floyd,  
Bergstrom, Kirt, Kidd, and  
Burns of the Senate

and

Frix, Dobrinski,  
Patzkowsky, Luttrell, and  
Mize of the House

SUBCOMMITTEE RECOMMENDATION

An Act relating to public finance; authorizing the Oklahoma Capitol Improvement Authority to issue obligations to provide funding for repairs, acquisitions, refurbishments, and improvements to real and personal property for the museums and sites of the Oklahoma Historical Society; prohibiting certain expenditures; directing how title is to be held and when it is to be transferred; authorizing lease of property; authorizing the borrowing of monies on certain credit and the issuance of negotiable obligations in certain amount; authorizing Authority to capitalize interest for certain period; stating legislative intent; authorizing payment of certain costs contingent upon 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; authorizing the Authority to enter certain agreements; limiting period of 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;

1 requiring provision to cease the effect of law if  
2 certain portion of proceeds authorized are obtained  
3 in certain period; prohibiting the interpretation of  
4 limiting certain liability of the Authority or  
5 certain impairment of rights; providing for  
6 codification; and providing an effective date.

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

8 SECTION 1. NEW LAW A new section of law to be codified  
9 in the Oklahoma Statutes as Section 312 of Title 73, unless there is  
10 created a duplication in numbering, reads as follows:

11 A. In addition to any other authorization provided by law, the  
12 Oklahoma Capitol Improvement Authority is authorized to issue  
13 obligations to acquire real property, together with improvements  
14 located thereon, and personal property, for purposes of  
15 construction, repair and rehabilitation, and improvements to real  
16 and personal property, of existing Oklahoma Historical Society  
17 facilities in a total amount necessary to generate net proceeds of  
18 Forty-six Million Dollars (\$46,000,000.00) after providing for cost  
19 of issuance, credit enhancement, reserves, and other associated  
20 expenses related to the financing. Provided, no proceeds authorized  
21 by this section shall be expended on the Oklahoma Museum of Popular  
22 Culture created by Section 2294 of Title 74 of the Oklahoma  
23 Statutes.

24 B. The Authority may hold title to the real and personal  
property and improvements until such time as any obligations issued

1 for this purpose are retired or defeased and may lease the real  
2 property and improvements and the tangible personal property the  
3 acquisition of which or improvement or refurbishment of which is  
4 authorized by subsection A and subsection J of this section to the  
5 Oklahoma Historical Society, museums, and sites. Upon final  
6 redemption or defeasance of the obligations created pursuant to this  
7 section, title to the real and personal property and improvements  
8 shall be transferred from the Authority to the Oklahoma Historical  
9 Society.

10 C. For the purpose of paying the costs for acquisition and  
11 construction of the real property and improvements and personal  
12 property and making the repairs, planning, staging, refurbishments  
13 and improvements to real and personal property, and for the purpose  
14 authorized in subsection D of this section, the Authority is hereby  
15 authorized to borrow monies on the credit of the income and revenues  
16 to be derived from the leasing of such real and personal property,  
17 parking facilities and improvements and, in anticipation of the  
18 collection of such income and revenues, to issue negotiable  
19 obligations in a total amount necessary to generate Forty-six  
20 Million Dollars (\$46,000,000.00) in project funds, whether issued in  
21 one or more series. The Authority is authorized to capitalize  
22 interest on the obligations issued pursuant to the authority granted  
23 by this section for a period not to exceed two (2) years from the  
24 date of issuance. Excluding any capitalized interest period, it is

1 the intent of the Legislature to appropriate to the Oklahoma  
2 Historical Society sufficient monies to make rental payments for the  
3 purposes of retiring the obligations created pursuant to this  
4 section. To the extent funds are available from the proceeds of the  
5 borrowing authorized by this subsection, the Authority shall provide  
6 for the payment of professional fees and associated costs related to  
7 the projects authorized in this act.

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

16 E. The obligations authorized under this section may be sold at  
17 either competitive or negotiated sale, as determined by the  
18 Authority, and in such form and at such prices as may be authorized  
19 by the Authority. The Authority may enter into agreements with such  
20 credit enhancers and liquidity providers as may be determined  
21 necessary to efficiently market the obligations. The obligations  
22 may mature and have such provisions for redemption as shall be  
23 determined by the Authority, but in no event shall the final  
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1 maturity of such obligations occur later than twenty-five (25) years  
2 from the first principal maturity date.

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

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

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

18 I. Insofar as they are not in conflict with the provisions of  
19 this section, the provisions of Sections 151 through 186 of Title 73  
20 of the Oklahoma Statutes shall apply to this section.

21 J. Unless at least fifty percent (50%) of the proceeds  
22 authorized by the provisions of this section have been obtained by  
23 sale of obligations by the Authority within three (3) years from the  
24 effective date of this act, the provisions of this section shall

1 cease to have the force or effect of law with respect to any further  
2 issuance of obligations by the Authority otherwise authorized by  
3 this section. The provisions of this subsection shall not be  
4 construed to limit the liability of the Authority with respect to  
5 obligations issued pursuant to this section if the obligations were  
6 issued prior to the termination of the remaining issuing capacity  
7 nor shall the provisions of this subsection be construed in any way  
8 to impair rights of any person or entity which has purchased any  
9 obligations of the Authority pursuant to the provisions of this  
10 section which were authorized at the time of such purchase.

11 SECTION 2. This act shall become effective November 1, 2022.

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