

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL 1083

By: Thompson and Hall of the
Senate

and

Wallace and Hilbert of the
House

COMMITTEE SUBSTITUTE

An Act relating to public finance; amending Section 1, Chapter 338, O.S.L. 2017 (73 O.S. Supp. 2020, Section 347), which relates to financing authority for construction of the State Health Laboratory; providing certain deadline for authorized actions; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 1, Chapter 338, O.S.L. 2017 (73 O.S. Supp. 2020, Section 347), is amended to read as follows:

Section 347. A. The Oklahoma Capitol Improvement Authority is authorized to issue notes, bonds, or other evidences of obligation in an amount necessary to generate net proceeds of Fifty-eight Million Five Hundred ~~and~~ Fifty-five Thousand Dollars

1 (\$58,555,000.00) after providing for costs of issuance, credit
2 enhancement, reserves, and other associated expenses related to
3 financing. Net proceeds of the financing will be deposited into a
4 construction fund to provide for the financing of acquisition of
5 real property, together with improvements located thereon, and
6 personal property, to construct buildings and other improvements to
7 real property and to acquire property for office space and to
8 provide funding for the construction of a new State Health
9 Laboratory for the State Department of Health with debt retirement
10 payments to 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 State Department of Health. Upon
15 final redemption or defeasance of the obligations created pursuant
16 to this section, title to the real and personal property and
17 improvements shall be transferred from the Authority to the
18 Department.

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 providing funding for the project authorized in
22 subsection A of this section, and for the purpose authorized in
23 subsection D of this section, the Authority is hereby authorized to
24 borrow monies on the credit of the income and revenues to be derived

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

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

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

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

11 G. 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 Authority.

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

3 J. Insofar as they are not in conflict with the provisions of
4 this section, the provisions of Section 151 et seq. of Title 73 of
5 the Oklahoma Statutes shall apply to this section.

6 K. Upon the effective date of this act, if the Oklahoma Capitol
7 Improvement Authority has not issued notes, bonds or other evidences
8 of obligation authorized pursuant to this section on or before July
9 1, 2025, the provisions of this section shall cease to be operative
10 after July 1, 2025.

11 SECTION 2. This act shall become effective July 1, 2021.

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

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