

1 ENGROSSED SENATE  
2 BILL NO. 1343

By: Howard and Hall of the  
Senate

3 and

4 Moore of the House  
5

6 An Act relating to municipal and county bonds;  
7 amending 19 O.S. 2021, Section 781, which relates to  
8 authorization of county bonds; providing exception;  
9 updating statutory language; amending 63 O.S. 2021,  
10 Section 1-719, which relates to bonds of counties,  
11 cities, and towns; providing exception; amending 62  
O.S. 2021, Section 802, which relates to definitions;  
modifying definition of qualified economic or  
community development purpose to include certain  
governmental and public health facilities; and  
providing an effective date.

12  
13  
14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 19 O.S. 2021, Section 781, is  
16 amended to read as follows:

17 Section 781. All counties in ~~the State of Oklahoma~~ this state  
18 are hereby authorized to issue bonds for the purpose of purchasing  
19 sites, erecting and constructing county hospitals, including  
20 alterations, additions to, and enlargements of existing hospital  
21 buildings in ~~such~~ the county, such bonds to be issued as hereinafter  
22 provided, except as provided in the Municipal and County Economic  
23 and Community Development Bonds Act pursuant to Section 800 et seq.  
24 of Title 62 of the Oklahoma Statutes.

1       SECTION 2.       AMENDATORY       63 O.S. 2021, Section 1-719, is  
2 amended to read as follows:

3       Section 1-719. Any county, city, or town is hereby authorized  
4 to issue bonds for constructing and equipping a hospital, community  
5 mental health facility, public health center, or related health  
6 facility, to be owned and operated by such county, city, or town in  
7 accordance with standards approved by the State Commissioner of  
8 Health; provided, that such bonds may be issued to construct a  
9 jointly owned and operated hospital, community mental health  
10 facility, public health center, or related health facility, by two  
11 or more counties, or by one or more counties and a city or cities,  
12 or by two or more cities. ~~Such~~ Except as provided in the Municipal  
13 and County Economic and Community Development Bonds Act pursuant to  
14 Section 800 et seq. of Title 62 of the Oklahoma Statutes, the bonds  
15 shall be issued upon the assent thereto of three-fifths (3/5) of the  
16 voters of the subdivision issuing the bonds, voting at an election  
17 held for that purpose. The proposition voted on shall state  
18 specifically the type of hospital facility to be constructed. Such  
19 election shall be called by the governing board or managing body of  
20 such subdivision. Notice of the election shall be published for two  
21 (2) successive weeks in a weekly or daily newspaper, having a  
22 general circulation in the subdivision. The bonds shall be made to  
23 mature serially as now provided by law~~7~~ and shall be sold at an  
24 advertised sale under existing laws. The rate of interest shall not

1 exceed eight percent (8%) per annum. The bonds shall be submitted  
2 to the Attorney General for his approval as ex officio Bond  
3 Commissioner of the state.

4 SECTION 3. AMENDATORY 62 O.S. 2021, Section 802, is  
5 amended to read as follows:

6 Section 802. As used in the Municipal and County Economic and  
7 Community Development Bonds Act:

8 1. "Amortization" means the reduction of bonded indebtedness by  
9 making annual or fiscal year payments of principal and interest  
10 sufficient to pay off bonds by their stated maturity;

11 2. "Annual maturing principal plus interest shall be as nearly  
12 equal as practicable throughout the term of the issue" means that  
13 the total annual or fiscal year debt service, except for short  
14 periods, must be approximately equal for every annual or fiscal  
15 period, provided each net annual or fiscal year debt service payment  
16 in relation to all other net annual or fiscal year payments must be  
17 made within a dollar amount range not to exceed twice the stated  
18 denomination of the bonds;

19 3. "Debt service" means money required, pursuant to the terms  
20 of issuance, for payments of principal and interest due on  
21 outstanding bonds;

22 4. "Level principal debt service payments" means the amount of  
23 principal retired annually or during a fiscal year with respect to  
24 outstanding bonds shall be equal;

1        5. "Qualified economic or community development purpose" means  
2 the use of bond proceeds for the acquisition, construction,  
3 development and/or equipping of the following projects or programs:

4            a. industrial facilities, including manufacturing,  
5 maintenance, servicing, warehouse, wholesale  
6 distribution, and transportation facilities,

7            b. tourism facilities, including recreation or  
8 entertainment facilities, theme parks, cultural and  
9 historic sites,

10           c. sports facilities, including arenas, stadiums,  
11 ballparks, and golf courses,

12           d. agricultural facilities, including grain elevators,  
13 cotton gins, compresses, livestock barns, and other  
14 commodity processing facilities,

15           e. defense industry facilities, including office  
16 facilities, security facilities, and the acquisition  
17 of land for clear zones or to implement noise  
18 abatement zoning,

19           f. redevelopment programs, including the acquisition of  
20 real property in a designated blighted area and the  
21 rehabilitation of such property, the clearing and  
22 preparation of land for redevelopment, the transfer of  
23 interests in the property to nongovernmental persons  
24

- 1           for fair market value, and the relocation of occupants  
2           of the real property acquired,
- 3           g.   governmental facilities~~7~~ including city halls,  
4           courthouses, administration buildings, ~~and~~ police and  
5           fire stations, county jails, detention facilities, and  
6           emergency or first response facilities,
- 7           h.   community facilities~~7~~ including parks, senior citizens  
8           centers, shelters for homeless or abused persons, and  
9           juvenile centers,
- 10          i.   public infrastructure facilities~~7~~ including highways,  
11          roads, streets, bridges, sewers, traffic control  
12          systems and devices, telecommunications systems,  
13          wastewater and water distribution and supply systems,  
14          curbing, sidewalks and any similar public  
15          improvements, gas and electric production,  
16          distribution and transmission facilities, common  
17          utility or service facilities, landscaping, parking,  
18          and water detention/retention systems, ~~and~~
- 19          j.   economic development programs~~7~~ including but not  
20          limited to job creation payments, low interest, and/or  
21          forgivable loans, and
- 22          k.   public health facilities including but not limited to  
23          county or public hospitals, clinics, emergency medical  
24

service facilities, and county health department  
facilities;

6. "Short periods" means the period of time preceding the beginning of full amortization of principal and interest due on bonds;

7. "True interest cost" means the rate used to discount the amounts payable on the respective principal and interest maturity dates which yields a result equal to the purchase price received for bonds; and

8. "Ultimate user" means the industry on whose behalf bonds are issued.

SECTION 4. This act shall become effective November 1, 2022.

Passed the Senate the 8th day of March, 2022.

---

Presiding Officer of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
2022.

Presiding Officer of the House  
of Representatives