

# An Act

ENROLLED SENATE  
BILL NO. 1343

By: Howard and Hall of the  
Senate

and

Moore of the House

An Act relating to municipal and county bonds; amending 19 O.S. 2021, Section 781, which relates to authorization of county bonds; providing exception; updating statutory language; amending 63 O.S. 2021, Section 1-719, which relates to bonds of counties, 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.

SUBJECT: Bonds

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

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

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

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

Section 1-719. Any county, city, or town is hereby authorized to issue bonds for constructing and equipping a hospital, community mental health facility, public health center, or related health facility, to be owned and operated by such county, city, or town in accordance with standards approved by the State Commissioner of Health; provided, that such bonds may be issued to construct a jointly owned and operated hospital, community mental health facility, public health center, or related health facility, by two or more counties, or by one or more counties and a city or cities, or by two or more cities. ~~Such~~ Except as provided in the Municipal and County Economic and Community Development Bonds Act pursuant to Section 800 et seq. of Title 62 of the Oklahoma Statutes, the bonds shall be issued upon the assent thereto of three-fifths (3/5) of the voters of the subdivision issuing the bonds, voting at an election held for that purpose. The proposition voted on shall state specifically the type of hospital facility to be constructed. Such election shall be called by the governing board or managing body of such subdivision. Notice of the election shall be published for two (2) successive weeks in a weekly or daily newspaper, having a general circulation in the subdivision. The bonds shall be made to mature serially as now provided by law<sup>7</sup> and shall be sold at an advertised sale under existing laws. The rate of interest shall not exceed eight percent (8%) per annum. The bonds shall be submitted to the Attorney General for his approval as ex officio Bond Commissioner of the state.

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

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

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

2. "Annual maturing principal plus interest shall be as nearly equal as practicable throughout the term of the issue" means that the total annual or fiscal year debt service, except for short

periods, must be approximately equal for every annual or fiscal period, provided each net annual or fiscal year debt service payment in relation to all other net annual or fiscal year payments must be made within a dollar amount range not to exceed twice the stated denomination of the bonds;

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

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

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

- a. industrial facilities, including manufacturing, maintenance, servicing, warehouse, wholesale distribution, and transportation facilities,
- b. tourism facilities, including recreation or entertainment facilities, theme parks, cultural and historic sites,
- c. sports facilities, including arenas, stadiums, ballparks, and golf courses,
- d. agricultural facilities, including grain elevators, cotton gins, compresses, livestock barns, and other commodity processing facilities,
- e. defense industry facilities, including office facilities, security facilities, and the acquisition of land for clear zones or to implement noise abatement zoning,
- f. redevelopment programs, including the acquisition of real property in a designated blighted area and the rehabilitation of such property, the clearing and preparation of land for redevelopment, the transfer of

interests in the property to nongovernmental persons for fair market value, and the relocation of occupants of the real property acquired,

- g. governmental facilities~~7~~ including city halls, courthouses, administration buildings, ~~and~~ police and fire stations, county jails, detention facilities, and emergency or first response facilities,
- h. community facilities~~7~~ including parks, senior citizens centers, shelters for homeless or abused persons, and juvenile centers,
- i. public infrastructure facilities~~7~~ including highways, roads, streets, bridges, sewers, traffic control systems and devices, telecommunications systems, wastewater and water distribution and supply systems, curbing, sidewalks and any similar public improvements, gas and electric production, distribution and transmission facilities, common utility or service facilities, landscaping, parking, and water detention/retention systems, ~~and~~
- j. economic development programs~~7~~ including but not limited to job creation payments, low interest, and/or forgivable loans, and
- k. public health facilities including but not limited to county or public hospitals, clinics, emergency medical 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 27th day of April, 2022.

\_\_\_\_\_  
Presiding Officer of the House  
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_