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March 1, 2022

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.

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

1 and Community Development Bonds Act pursuant to Section 800 et seq.
2 of Title 62 of the Oklahoma Statutes.

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

5 Section 1-719. Any county, city, or town is hereby authorized
6 to issue bonds for constructing and equipping a hospital, community
7 mental health facility, public health center, or related health
8 facility, to be owned and operated by such county, city, or town in
9 accordance with standards approved by the State Commissioner of
10 Health; provided, that such bonds may be issued to construct a
11 jointly owned and operated hospital, community mental health
12 facility, public health center, or related health facility, by two
13 or more counties, or by one or more counties and a city or cities,
14 or by two or more cities. ~~Such~~ Except as provided in the Municipal
15 and County Economic and Community Development Bonds Act pursuant to
16 Section 800 et seq. of Title 62 of the Oklahoma Statutes, the bonds
17 shall be issued upon the assent thereto of three-fifths (3/5) of the
18 voters of the subdivision issuing the bonds, voting at an election
19 held for that purpose. The proposition voted on shall state
20 specifically the type of hospital facility to be constructed. Such
21 election shall be called by the governing board or managing body of
22 such subdivision. Notice of the election shall be published for two
23 (2) successive weeks in a weekly or daily newspaper, having a
24 general circulation in the subdivision. The bonds shall be made to

1 mature serially as now provided by law⁷ and shall be sold at an
2 advertised sale under existing laws. The rate of interest shall not
3 exceed eight percent (8%) per annum. The bonds shall be submitted
4 to the Attorney General for his approval as ex officio Bond
5 Commissioner of the state.

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

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

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

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

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

24

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

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

7 a. industrial facilities, including manufacturing,
8 maintenance, servicing, warehouse, wholesale
9 distribution, and transportation facilities,

10 b. tourism facilities, including recreation or
11 entertainment facilities, theme parks, cultural and
12 historic sites,

13 c. sports facilities, including arenas, stadiums,
14 ballparks, and golf courses,

15 d. agricultural facilities, including grain elevators,
16 cotton gins, compresses, livestock barns, and other
17 commodity processing facilities,

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

22 f. redevelopment programs, including the acquisition of
23 real property in a designated blighted area and the
24 rehabilitation of such property, the clearing and

1 preparation of land for redevelopment, the transfer of
2 interests in the property to nongovernmental persons
3 for fair market value, and the relocation of occupants
4 of the real property acquired,

5 g. governmental facilities⁷ including city halls,
6 courthouses, administration buildings, ~~and~~ police and
7 fire stations, county jails, detention facilities, and
8 emergency or first response facilities,

9 h. community facilities⁷ including parks, senior citizens
10 centers, shelters for homeless or abused persons, and
11 juvenile centers,

12 i. public infrastructure facilities⁷ including highways,
13 roads, streets, bridges, sewers, traffic control
14 systems and devices, telecommunications systems,
15 wastewater and water distribution and supply systems,
16 curbing, sidewalks and any similar public
17 improvements, gas and electric production,
18 distribution and transmission facilities, common
19 utility or service facilities, landscaping, parking,
20 and water detention/retention systems, ~~and~~

21 j. economic development programs⁷ including but not
22 limited to job creation payments, low interest, and/or
23 forgivable loans, and

1 k. public health facilities including but not limited to
2 county or public hospitals, clinics, emergency medical
3 service facilities, and county health department
4 facilities;

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

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

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

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

15 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
16 March 1, 2022 - DO PASS
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