

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 SENATE BILL 1377

By: Hall

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6 AS INTRODUCED

7 An Act relating to higher education; amending 70 O.S.  
8 2021, Section 3510, which relates to the Board of  
9 Regents of Oklahoma Colleges; allowing the Board to  
10 issue certain obligations for certain purposes;  
11 amending 70 O.S. 2021, Sections 3980.2, 3980.3, and  
12 3980.4, which relate to the Oklahoma Higher Education  
13 Promise of Excellence Act of 2005; stating  
14 legislative intent that the Board of Regents of  
15 Oklahoma Colleges become an issuer of certain  
16 obligations; modifying certain definitions; modifying  
17 certain authority to issue certain indebtedness;  
18 authorizing the Board of Regents of Oklahoma Colleges  
19 to issue indebtedness for certain projects; providing  
20 for pledging of certain revenue for repayment;  
21 updating references; updating statutory language;  
22 providing an effective date; and declaring an  
23 emergency.

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

28 SECTION 1. AMENDATORY 70 O.S. 2021, Section 3510, is  
29 amended to read as follows:

30 Section 3510. The Board of Regents of Oklahoma Colleges shall  
31 have the supervision, management, and control of the University of  
32 Central Oklahoma, East Central University, Northeastern State  
33 University, Northwestern State University, Southeastern Oklahoma  
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1 State University, and Southwestern Oklahoma State University; and it  
2 shall have the following additional powers and duties:

3 (a) Adopt such rules and regulations as it deems necessary to  
4 govern each of the institutions under its jurisdiction.

5 (b) Employ and fix the compensation and duties of such personnel  
6 as it deems necessary, including architects, attorneys, engineers,  
7 and other professional and technical persons for its operation and  
8 for the operation of the institutions under its jurisdiction. Any  
9 of such personnel having custody of public funds or other public  
10 property may be required to furnish corporate surety bonds in such  
11 amounts as may be deemed necessary by the Board, payable to the  
12 State of Oklahoma and conditioned upon a faithful accounting of all  
13 such funds and property.

14 (c) Enter into contracts, purchase supplies, materials and  
15 equipment, and incur such other expenses as may be necessary to make  
16 any of its powers effective.

17 (d) Authorize officials at the several institutions under its  
18 jurisdiction to act in its behalf in the making of contracts, or in  
19 carrying out the powers conferred upon it.

20 (e) Receive and make disposition of monies, grants, and property  
21 from federal agencies, and administer the same in accordance with  
22 federal requirements.

1 (f) Accept gifts of real and personal property, money, and other  
2 things, and use or dispose of the same in accordance with the  
3 directions of the donors or grantors thereof.

4 (g) Direct the disposition of all monies appropriated by the  
5 Legislature or by the Congress or derived from the sale of bonds or  
6 received from any other source by the institutions under its  
7 jurisdiction.

8 (h) Acquire and take title to real and personal property in its  
9 name, on behalf of any of the institutions under its jurisdiction,  
10 and convey, exchange, or dispose of, or otherwise manage or control,  
11 such property in the interest of such institutions, including the  
12 granting of leases, permits, easements, and licenses over or upon  
13 any such real property. The Board shall have the power to institute  
14 any legal action in the name of the Board before any court having  
15 jurisdiction of such actions. The Board shall have custody of  
16 abstracts of title and instruments affecting the ownership of or  
17 title to real property acquired for or belonging to such  
18 institutions.

19 (i) Have supervision and charge of the construction of all  
20 buildings at institutions under its jurisdiction.

21 (j) Determine the need for and cause to be constructed  
22 dormitories and other buildings, on a self-liquidating basis, at any  
23 institution under its jurisdiction.

1 (k) Establish and maintain plans for tenure and retirement of  
2 employees of the Board and of the institutions under its  
3 jurisdiction, and for payment of deferred compensation of such  
4 employees; and provide hospital and medical benefits, accident,  
5 health, and life insurance, and annuity contracts, for such  
6 employees and their dependents. The Board may pay for all or a part  
7 of the cost thereof for employees, with funds available for the  
8 operation of the institution. Amounts payable by an employee for  
9 such insurance or annuity contracts may, with the consent of the  
10 employee, be deducted from his salary.

11 (l) Maintain an inventory of all property belonging to each of  
12 the institutions under its jurisdiction.

13 (m) Audit all accounts against the funds allocated to the  
14 institutions under its jurisdiction.

15 (n) Provide penalties and forfeitures by way of damages and  
16 otherwise for the violation of rules and regulations of the Board,  
17 which may be sued for and collected in the name of the Board before  
18 any court having jurisdiction of such actions.

19 (o) Do all things necessary or convenient to carry out the  
20 powers expressly granted to it by Article XIII-B of the Constitution  
21 and the Statutes of Oklahoma, or to make institutions under its  
22 jurisdiction effective for the purposes for which they are  
23 maintained or operated.

1        (p) Issue, on behalf of the institutions supervised and managed  
2 by the Board, special and limited obligations for purposes of such  
3 capital projects as the Board of Regents may deem proper.

4        SECTION 2.        AMENDATORY        70 O.S. 2021, Section 3980.2, is  
5 amended to read as follows:

6        Section 3980.2. A. It is the intent of the Legislature to  
7 authorize the Board of Regents of the University of Oklahoma, acting  
8 for the benefit of the University of Oklahoma, the Board of Regents  
9 for the Oklahoma Agricultural and Mechanical Colleges, acting for  
10 the benefit of Oklahoma State University, the Oklahoma State Regents  
11 for Higher Education, acting for the benefit of other institutions  
12 within The Oklahoma State System of Higher Education, the Board of  
13 Regents of Oklahoma Colleges, acting for the benefit of the  
14 institutions supervised and managed by the Board of Regents of  
15 Oklahoma Colleges, and the Oklahoma Capitol Improvement Authority to  
16 become issuers of obligations according to the provisions and for  
17 the purposes authorized by ~~this act~~ the Oklahoma Higher Education  
18 Promise of Excellence Act of 2005.

19        B. Obligations issued by any of the authorized issuers pursuant  
20 to ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act  
21 of 2005 supported by appropriation of revenues from the Oklahoma  
22 Education Lottery Trust Fund pursuant to Section 41 of Article X of  
23 the Oklahoma Constitution shall be considered and deemed to have  
24 been authorized for the purposes of construction or acquisition of

1 educational facilities or equipment owned by or under the control of  
2 the Oklahoma State Regents for Higher Education within the meaning  
3 of paragraph 4 of subsection B of Section 41 of Article X of the  
4 Oklahoma Constitution and/or capital outlay projects within the  
5 meaning of paragraph 5 of subsection B of Section 41 of Article X of  
6 the Oklahoma Constitution.

7 C. Obligations issued pursuant to the authority of ~~this act~~ the  
8 Oklahoma Higher Education Promise of Excellence Act of 2005 shall  
9 not be deemed or considered to be general obligations of ~~the State~~  
10 ~~of Oklahoma~~ this state, but shall be limited and special obligations  
11 of the authorized issuer for the benefit of the applicable  
12 institutions within The Oklahoma State System of Higher Education  
13 under their respective auspices and control.

14 D. Neither the appropriations powers of the Legislature  
15 pursuant to Article V of the Oklahoma Constitution nor the powers  
16 described by Section 3 of Article XIII-A of the Oklahoma  
17 Constitution with respect to monies lawfully appropriated to the  
18 Oklahoma State Regents for Higher Education nor the power of the  
19 Legislature to impose taxes, generally, shall be pledged to the  
20 repayment of any obligations issued pursuant to the provisions of  
21 ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of  
22 2005 and any obligation issued by any authorized issuer hereunder  
23 shall affirmatively state this restriction.

1 E. It is the intent of the Legislature to improve the ability  
2 of the Oklahoma State Regents for Higher Education and the other  
3 specifically designated Boards of Regents within The Oklahoma State  
4 System of Higher Education to finance capital improvements and to  
5 provide a method by which the total revenues available to each  
6 respective authorized issuer of obligations, or revenues available  
7 within The Oklahoma State System of Higher Education as prescribed  
8 by ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act  
9 of 2005, may be pledged to the repayment of the obligations,  
10 resulting in a higher credit rating and an interest cost savings to  
11 The Oklahoma State System of Higher Education.

12 SECTION 3. AMENDATORY 70 O.S. 2021, Section 3980.3, is  
13 amended to read as follows:

14 Section 3980.3. As used in ~~this act~~ the Oklahoma Higher  
15 Education Promise of Excellence Act of 2005, and unless the context  
16 clearly requires otherwise:

17 1. "Authorized issuer" means:

- 18 a. the Oklahoma State Regents for Higher Education acting  
19 for the benefit of any institution within The Oklahoma  
20 State System of Higher Education other than the  
21 University of Oklahoma ~~or~~, Oklahoma State University,  
22 or any institution under the supervision and  
23 management of the Board of Regents of Oklahoma  
24 Colleges,

- 1           b.    the Board of Regents of the University of Oklahoma  
2                    acting for the benefit of the University of Oklahoma,  
3           c.    the Board of Regents for the Oklahoma Agricultural and  
4                    Mechanical Colleges, acting for the benefit of  
5                    Oklahoma State University, ~~and~~  
6           d.    the Board of Regents of Oklahoma Colleges, acting for  
7                    the benefit of the institutions supervised and managed  
8                    by the Board of Regents of Oklahoma Colleges, and  
9           e.    the Oklahoma Capitol Improvement Authority;

10           2.    "Bonds" means any bonds, notes, obligations, debentures,  
11           interim certificates, grant and revenue anticipation notes, interest  
12           in a lease, lease certificates of participation, lease purchase  
13           agreements, commercial paper, variable interest rate obligations of  
14           any kind, or other evidences of indebtedness, whether or not the  
15           interest on which is includable in the gross income of the  
16           recipients thereof for federal income tax purposes, issued by an  
17           authorized issuer pursuant to ~~this act~~ the Oklahoma Higher Education  
18           Promise of Excellence Act of 2005;

19           3.    "Regents" means either the Oklahoma State Regents for Higher  
20           Education, the Board of Regents of the University of Oklahoma ~~or,~~  
21           the Board of Regents for the Oklahoma Agricultural and Mechanical  
22           Colleges, or the Board of Regents of Oklahoma Colleges; and

23           4.    "State Regents" means the Oklahoma State Regents for Higher  
24           Education.

1 SECTION 4. AMENDATORY 70 O.S. 2021, Section 3980.4, is  
2 amended to read as follows:

3 Section 3980.4. A. The Oklahoma State Regents for Higher  
4 Education shall be authorized to issue indebtedness for capital  
5 projects to benefit each and every institution within The Oklahoma  
6 State System of Higher Education except the University of Oklahoma  
7 ~~and~~, Oklahoma State University, or any institution under the  
8 supervision and management of the Board of Regents of Oklahoma  
9 Colleges.

10 B. The Board of Regents of the University of Oklahoma shall be  
11 authorized to issue indebtedness for capital projects to benefit the  
12 University of Oklahoma as provided by paragraph (n) of Section 3305  
13 of this title. The Board of Regents of the University of Oklahoma,  
14 acting for the benefit of the University of Oklahoma, shall be  
15 authorized to pledge any lawfully available source of revenue other  
16 than revenues appropriated by the Legislature from tax receipts, but  
17 inclusive of revenues derived from the Oklahoma Education Lottery  
18 Act accruing to the credit of the University of Oklahoma to the  
19 repayment of obligations issued pursuant to this subsection and,  
20 with respect to obligations issued for the purpose specified in  
21 Section 160.1 of Title 62 of the Oklahoma Statutes, inclusive of  
22 monies accruing to the credit of the Comprehensive Cancer Center  
23 Debt Service Revolving Fund.

1 C. The Board of Regents for the Oklahoma Agricultural and  
2 Mechanical Colleges shall be authorized to issue indebtedness for  
3 capital projects to benefit Oklahoma State University pursuant to  
4 paragraph 16 of Section 3412 of this title. The Board of Regents  
5 for the Oklahoma Agricultural and Mechanical Colleges, acting for  
6 the benefit of Oklahoma State University, shall be authorized to  
7 pledge any lawfully available source of revenue, other than revenues  
8 appropriated by the Legislature from tax receipts, but inclusive of  
9 revenues derived from the Oklahoma Education Lottery Act, accruing  
10 to the credit of Oklahoma State University to the repayment of  
11 obligations issued pursuant to this subsection.

12 D. The Board of Regents of Oklahoma Colleges shall be  
13 authorized to issue indebtedness for capital projects to benefit the  
14 institutions supervised and managed by the Board of Regents of  
15 Oklahoma Colleges. The Board of Regents of Oklahoma Colleges shall  
16 be authorized to pledge any lawfully available source of revenue,  
17 other than revenue appropriated by the Legislature from tax  
18 receipts, accruing to the credit of institutions supervised and  
19 managed by the Board of Regents of Oklahoma Colleges to the  
20 repayment of obligations issued pursuant to this subsection.

21 E. The Oklahoma State Regents for Higher Education shall be  
22 required to affirmatively approve the issuance of obligations  
23 pursuant to the provisions of ~~this act~~ the Oklahoma Higher Education  
24 Promise of Excellence Act of 2005 by either the Board of Regents of

1 the University of Oklahoma, acting for the benefit of the University  
2 of Oklahoma ~~or~~, the Board of Regents for the Oklahoma Agricultural  
3 and Mechanical Colleges, acting for the benefit of Oklahoma State  
4 University, or the Board of Regents of Oklahoma Colleges, acting for  
5 the benefit of institutions supervised and managed by the Board of  
6 Regents of Oklahoma Colleges. For each of the proposed bond issues  
7 authorized pursuant to ~~this act~~ the Oklahoma Higher Education  
8 Promise of Excellence Act of 2005, a Statement of Essential Facts  
9 shall be prepared by the issuing Board of Regents for the use and  
10 information of prospective bond purchasers. It shall be the duty of  
11 the Oklahoma State Regents for Higher Education to examine such  
12 Statement of Essential Facts and determine that, based upon such  
13 facts and projections, the projected revenue will satisfy the  
14 financial obligation to be incurred under the proposed bond issue.  
15 If the facts are found by the State Regents to be substantially  
16 accurate and if the State Regents find that, based upon such facts  
17 and projections, the projected revenue will satisfy the financial  
18 obligation to be incurred under the proposed bond issue, then the  
19 Oklahoma State Regents for Higher Education shall certify such to  
20 the Governor, the Speaker of the ~~Oklahoma~~ House of Representatives,  
21 and the President Pro Tempore of the ~~Oklahoma State~~ Senate. The  
22 certificate shall be made in substantially the following form:  
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1 The Oklahoma State Regents for Higher Education do hereby  
2 certify that the provisions of this section have been complied with  
3 in proper order, for the bond issue mentioned above.

4 ~~E.~~ F. All obligations except refunding or defeasance  
5 obligations proposed to be issued by an authorized issuer pursuant  
6 to the Oklahoma Higher Education Promise of Excellence Act of 2005  
7 shall be subject to final approval by the Legislature as provided by  
8 this subsection. The authorized issuer shall communicate the  
9 proposed projects and the terms of the financing to the Governor,  
10 the Speaker of the House of Representatives, and the President Pro  
11 Tempore of the ~~State~~ Senate prior to the time any such obligations  
12 are sold. The communication required by this subsection shall be  
13 made not later than April 1 each year. The communication to such  
14 elected officials shall occur upon the same date for purposes of  
15 computing the time within which action must be taken as further  
16 prescribed by this subsection. The Legislature shall have a period  
17 of forty-five calendar days from the date as of which the  
18 information is communicated to the presiding officers of both  
19 chambers in order to pass a Concurrent Resolution disapproving the  
20 proposed issuance. If the Concurrent Resolution has not received a  
21 majority of votes of those elected to and constituting both the  
22 ~~Oklahoma~~ House of Representatives and the ~~Oklahoma State~~ Senate by  
23 the end of the forty-fifth day following the date upon which the  
24 proposed issuance is communicated to the presiding officers of both

1 chambers, the proposed issuance shall be deemed to have been  
2 approved by the Legislature.

3 ~~F.~~ G. With the approval of the Oklahoma State Regents for  
4 Higher Education, the total revenues described by subsection B and  
5 subsection C of this section may be pledged to the repayment of  
6 obligations issued by either the Board of Regents of the University  
7 of Oklahoma or obligations issued by the Board of Regents for the  
8 Oklahoma Agricultural and Mechanical Colleges in order to obtain the  
9 highest possible credit rating. If the Board of Regents of the  
10 University of Oklahoma and the Board of Regents for the Oklahoma  
11 Agricultural and Mechanical Colleges agree to the use of the total  
12 revenues available to each such Board of Regents pursuant to this  
13 subsection for a project that benefits either the University of  
14 Oklahoma or Oklahoma State University or both such comprehensive  
15 universities, there shall be an agreement executed by both such  
16 Boards of Regents describing the project, the principal amount of  
17 the indebtedness, the terms of the financing, and such other matters  
18 as the two Boards of Regents may mutually agree. Such agreement  
19 shall be executed prior to the sale of any obligations by either  
20 Board of Regents with respect to the proposed project or projects.  
21 The agreement shall provide for one or the other Board of Regents to  
22 be the authorized issuer with respect to the project or projects.  
23 The agreement shall also provide for the ownership or control of any  
24 real or personal property to be improved or acquired with the

1 proceeds from the sale of any such obligations, including any  
2 requirements for the transfer of real or personal property from one  
3 comprehensive university to the other comprehensive university if  
4 such transfer is required in order to promote or ensure the  
5 marketability of any obligations sold by either Board of Regents.

6 ~~G.~~ H. The Oklahoma State Regents for Higher Education may  
7 pledge all lawfully available revenues, other than revenues  
8 appropriated by the Legislature from tax receipts, but inclusive of  
9 revenues derived from the Oklahoma Education Lottery Act, and other  
10 than the revenues described by subsection B ~~or subsection~~, C, or D  
11 of this section, to the repayment of obligations issued by the State  
12 Regents.

13 ~~H.~~ I. The authorized issuers shall be subject to the following  
14 restrictions governing the issuance of the obligations authorized by  
15 ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of  
16 2005:

17 1. Obligations used to pay for the following assets shall be  
18 repaid in a period not to exceed five (5) years:

- 19 a. computers,
- 20 b. portable telecommunications equipment costing less  
21 than Fifty Thousand Dollars (\$50,000.00),
- 22 c. motor vehicles, and
- 23 d. any other item of tangible personal property with an  
24 original useful life of six (6) years or less;

1           2. Obligations used to pay for the following assets shall be  
2 repaid in a period not to exceed ten (10) years:

- 3           a. equipment with an original cost of less than One  
4           Hundred Thousand Dollars (\$100,000.00) per item, and
- 5           b. renovation of existing structures, unless the cost of  
6           the renovation exceeds the fair market value of the  
7           existing structure or unless the improvement extends  
8           the useful life of the existing structure, but in no  
9           case shall the maturity period exceed the period by  
10          which the life of the existing structure is extended;  
11          and

12           3. Obligations used to pay for all other assets shall be repaid  
13 in a period not to exceed thirty (30) years and in no case shall the  
14 latest maturity date of an obligation exceed the expected useful  
15 life of the asset.

16           SECTION 5. This act shall become effective July 1, 2022.

17           SECTION 6. It being immediately necessary for the preservation  
18 of the public peace, health or safety, an emergency is hereby  
19 declared to exist, by reason whereof this act shall take effect and  
20 be in full force from and after its passage and approval.

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22           58-2-2969           EB           1/19/2022 8:50:17 AM  
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