

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

HOUSE BILL 3571

By: McBride

AS INTRODUCED

An Act relating to the Oklahoma Capitol Improvement Authority; authorizing issuance of obligations; providing for authorized use of proceeds; providing for net proceeds amount; authorizing acquisition of title to certain assets by Oklahoma Capitol Improvement Authority; providing for transfer of title upon redemption or defeasance; authorizing Oklahoma Capitol Improvement Authority to borrow monies on credit of certain income or revenues; authorizing capitalization of interest for prescribed period of time; stating legislative intent with respect to appropriation of funds to the Office of Management and Enterprise Services; providing for payment of professional fees and costs; authorizing issuance of obligations in one or more series; authorizing engagement of certain professional services; providing for competitive or negotiated sale of obligations; providing for agreements with credit enhancers or liquidity providers; prescribing final maturity; authorizing use of interest for certain purposes; providing for exemption from state and local taxation; providing for investment of funds; providing for restrictions; providing for applicability of certain statutory provisions; imposing time limit for issuance of obligations; providing for effect of termination of issuing capacity on previously issued obligations; providing for codification; and providing an effective date.

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

1       SECTION 1.       NEW LAW       A new section of law to be codified

2 in the Oklahoma Statutes as Section 382 of Title 73, unless there is  
3 created a duplication in numbering, reads as follows:

4       A. In addition to any other authorization provided by law, the  
5 Oklahoma Capitol Improvement Authority is authorized to issue  
6 obligations to acquire real property, together with improvements  
7 located thereon, and personal property to construct improvements to  
8 real property and to provide funding for repairs, refurbishments,  
9 and improvements to real and personal property of the Jim Thorpe  
10 Office Building and associated furniture, fixtures, and equipment in  
11 a total amount not to exceed Seventy Million Dollars  
12 (\$70,000,000.00). The funds shall be used for the renovation,  
13 repair, and remodeling of the Jim Thorpe Office Building.

14       B. The Authority may hold title to the property and  
15 improvements until such time as any obligations issued for this  
16 purpose are retired or defeased and may lease the property and  
17 improvements to the Office of Management and Enterprise Services.  
18 Upon final redemption or defeasance of the obligations created  
19 pursuant to this section, title to the property and improvements  
20 shall be transferred from the Oklahoma Capitol Improvement Authority  
21 to the Office of Management and Enterprise Services.

22       C. For the purposes of paying the costs for construction of the  
23 real property and improvements, and providing funding for the  
24 project authorized in subsection A of this section, and for the

1 purpose authorized in subsection D of this section, the Authority is  
2 hereby authorized to borrow monies on the credit of the income and  
3 revenues to be derived from the leasing of such property and  
4 improvements and, in anticipation of the collection of such income  
5 and revenues, to issue negotiable obligations in a total amount not  
6 to exceed Seventy Million Dollars (\$70,000,000.00) whether issued in  
7 one or more series. The Authority is authorized to capitalize  
8 interest on the obligations issued pursuant to this section for a  
9 period of not to exceed one (1) year from the date of issuance. For  
10 subsequent fiscal years, it is the intent of the Legislature to  
11 appropriate to the Office of Management and Enterprise Services  
12 sufficient monies to make rental payments for the purpose of  
13 retiring the obligations created pursuant to this section. To the  
14 extent funds are available from the proceeds of the borrowing  
15 authorized by this subsection, the Oklahoma Capitol Improvement  
16 Authority shall provide for the payment of professional fees and  
17 associated costs related to the project authorized in subsection A  
18 of this section; provided, that no such fees or costs may be paid if  
19 such payments would jeopardize the tax-advantaged status of the  
20 bonds under federal law.

21 D. The Authority may issue obligations in one or more series  
22 and in conjunction with other issues of the Authority. The  
23 Authority is authorized to hire bond counsel, financial consultants,  
24 and such other professionals as it may deem necessary to provide for

1 the efficient sale of the obligations and may utilize a portion of  
2 the proceeds of any borrowing to create such reserves as may be  
3 deemed necessary and to pay costs associated with the issuance and  
4 administration of such obligations.

5 E. The obligations authorized under this section may be sold at  
6 either competitive or negotiated sale, as determined by the  
7 Authority, and in such form and at such prices as may be authorized  
8 by the Authority. The Authority may enter into agreements with such  
9 credit enhancers and liquidity providers as may be determined  
10 necessary to efficiently market the obligations. The obligations  
11 may mature and have such provisions for redemption as shall be  
12 determined by the Authority, but in no event shall the final  
13 maturity of such obligations occur later than twenty-five (25) years  
14 from the first principal maturity date.

15 F. Any interest earnings on funds or accounts created for the  
16 purposes of this section may be utilized as partial payment of the  
17 annual debt service or for the purposes directed by the Authority.

18 G. The obligations issued under this section, the transfer  
19 thereof, and the interest earned on such obligations, including any  
20 profit derived from the sale thereof, shall not be subject to  
21 taxation of any kind by the State of Oklahoma, or by any county,  
22 municipality, or political subdivision therein.

23 H. The Authority may direct the investment of all monies in any  
24 funds or accounts created in connection with the offering of the

1 obligations authorized under this section. Such investments shall  
2 be made in a manner consistent with the investment guidelines of the  
3 State Treasurer. The Authority may place additional restrictions on  
4 the investment of such monies if necessary to enhance the  
5 marketability of the obligations.

6 I. Insofar as they are not in conflict with the provisions of  
7 this section, the provisions of Section 151 et seq. of Title 73 of  
8 the Oklahoma Statutes shall apply to this section.

9 J. Unless at least fifty percent (50%) of the proceeds  
10 authorized by the provisions of this section have been obtained by  
11 sale of obligations by the Authority within three (3) years from the  
12 effective date of this act, the provisions of this section shall  
13 cease to have the force or effect of law with respect to any further  
14 issuance of obligations by the Authority otherwise authorized by  
15 this section. The provisions of this subsection shall not be  
16 construed to limit the liability of the Authority with respect to  
17 obligations issued pursuant to this section if the obligations were  
18 issued prior to the termination of the remaining issuing capacity  
19 nor shall the provisions of this subsection be construed in any way  
20 to impair rights of any person or entity which has purchased any  
21 obligations of the Authority pursuant to the provisions of this  
22 section which were authorized at the time of such purchase.

SECTION 2. This act shall become effective November 1, 2022.

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