

1 (1ST EXTRAORDINARY SESSION)

ENGROSSED HOUSE

2 BILL NO. 1002

By: Wallace and Martinez of the
House

3
4 and

Thompson (Roger) and Hall
5 of the Senate

6
7 An Act relating to the Legacy Capital Financing Act;
authorizing certain citation; declaring purpose;
8 creating the Legacy Capital Financing Fund; placing
fund with the Oklahoma Capitol Improvement Authority;
9 providing revolving fund characteristics; authorizing
and limiting uses; requiring specific adherence;
10 requiring certain budgeting procedures; authorizing
memoranda of understanding; limiting memoranda of
11 understanding; clarifying legal status; limiting
certain authorizations; providing for Fund
12 Recapitalization Payments; providing calculation and
schedule for repayment; clarifying application for
13 certain scenarios; announcing moral obligation
policy; providing process for suspension or
14 restrictions of repayments; authorizing certain
actions related to property acquisition,
15 improvements, and disposal; requiring certain annual
reporting; clarifying required report content;
16 amending 73 O.S. 2021, Section 161, which relates to
the powers of the Oklahoma Capitol Improvement
17 Authority; empowering the Authority to administer the
Legacy Capital Financing Act; providing for
18 codification; and declaring an emergency.

19
20 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

21 SECTION 1. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 187A of Title 73, unless there
23 is created a duplication in numbering, reads as follows:

1 A. Sections 1 and 2 of this act shall be known and may be cited
2 as the "Legacy Capital Financing Act".

3 B. The purpose of the Legacy Capital Financing Act is to
4 provide increased self-financing and liquidity options to the state
5 in order to facilitate advanced financing for current and future
6 capital needs of the state's agencies, departments, and subdivisions
7 to enable, maintain, or improve the performance of the duties and
8 missions assigned to such entities benefiting the health, safety,
9 and welfare of the citizens of Oklahoma. Such advanced financing
10 provides a benefit to the state by reducing or eliminating related
11 financing and interest costs associated with private financing, as
12 well as accelerating the timeline of project completions.

13 SECTION 2. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 187B of Title 73, unless there
15 is created a duplication in numbering, reads as follows:

16 A. There is hereby created in the State Treasury a revolving
17 fund for the Oklahoma Capitol Improvement Authority to be designated
18 the "Legacy Capital Financing Fund". The fund shall be a continuing
19 fund, not subject to fiscal year limitations, and shall consist of
20 all monies received by the Oklahoma Capitol Improvement Authority
21 eligible under law and directed for deposit. All monies accruing to
22 the credit of said fund are hereby appropriated and may be budgeted
23 and expended by the Oklahoma Capitol Improvement Authority for
24 capital projects specifically and exclusively as authorized by law.

1 Such budgeting and expenditure shall strictly adhere to the specific
2 terms, limitations, purposes, and requirements described in such
3 authorizations and in this act. Expenditures from said fund shall
4 be made upon warrants issued by the State Treasurer against claims
5 filed as prescribed by law with the Director of the Office of
6 Management and Enterprise Services for approval and payment.

7 B. 1. The Oklahoma Capitol Improvement Authority shall be
8 authorized to enter into memoranda of understanding with agencies,
9 departments, and subdivisions of the state as provided by law and as
10 deemed necessary by the Authority to administer expenditures from
11 and deposits to the Legacy Capital Financing Fund; provided that
12 such memoranda of understanding do not conflict with or impede the
13 administration of capital projects specifically authorized by law.
14 Such memoranda of understanding shall not constitute a legal
15 obligation of the State of Oklahoma.

16 2. a. Unless specified otherwise in the applicable
17 authorizing legislation, all distributions from the
18 Legacy Capital Financing Fund shall be returned to the
19 Fund over a twenty-year period. Such distributions
20 shall be returned in the form of LCF Recapitalization
21 Payments as provided in subparagraph b of this
22 paragraph.

23 b. The annual LCF Recapitalization Payment required of
24 entities in receipt of Legacy Capital Financing Fund

1 distributions shall be equal to one-twentieth (1/20th)
2 of the amount distributed to the entity. Such payment
3 shall be collected by the Oklahoma Capitol Improvement
4 Authority in equal monthly installments and deposited
5 to the Legacy Capital Financing Fund; provided, that
6 in the year of initial distribution no monthly payment
7 shall be made until the second month after such
8 distribution. Upon such second month, all monthly
9 payments for such state fiscal year up to that point
10 shall become payable.

11 c. (1) By authorizing distributions from the Legacy
12 Capital Financing Fund and making recipients of
13 such funds responsible for LCF Recapitalization
14 Payments, the Legislature voluntarily subjects
15 itself to the moral obligation that the
16 Legislature shall appropriate to recipient state
17 agencies, otherwise receiving legislative
18 appropriations, the first annual required LCF
19 Recapitalization Payment for the state fiscal
20 year for which the distribution was authorized,
21 and that such appropriated amount shall remain in
22 the agency's appropriation base for the duration
23 of the LCF Recapitalization period for such
24 project.

1 (2) The Legislature, as it deems necessary for the
2 best interests of the state, may suspend or
3 restructure for a period of time such LCF
4 Recapitalization Payments through the adoption of
5 a concurrent resolution.

6 C. Limited to the extent required for projects specifically
7 authorized through the Legacy Capital Financing Act, the Oklahoma
8 Capitol Improvement Authority shall be authorized to:

9 1. Acquire real property together with improvements located
10 thereon and personal property;

11 2. Provide for the construction of improvements to real
12 property and to provide funding for repairs, refurbishments, and
13 improvements to real and personal property;

14 3. Hold title to property and improvements as necessary to
15 comply with legal directives and authorizations; and

16 4. Lease, transfer, and otherwise legally dispose of property
17 and improvements as necessary to comply with legal directives and
18 authorizations.

19 D. No later than January 15 annually, the Oklahoma Capital
20 Improvement Authority shall submit electronically to the Governor,
21 the Speaker of the Oklahoma House of Representatives, the President
22 Pro Tempore of the Oklahoma State Senate, the Appropriations and
23 Budget Chair of the Oklahoma House of Representatives, and the
24 Appropriations Chair of the Oklahoma State Senate a report detailing

1 impacts to the balance of the Legacy Capital Financing Fund
2 occurring in the prior calendar year, including, but not limited to,
3 all distributions, expenditures, collections, deposits and
4 investment returns of the Legacy Capital Financing Fund.

5 SECTION 3. AMENDATORY 73 O.S. 2021, Section 161, is
6 amended to read as follows:

7 Section 161. In addition to all other powers expressly
8 conferred, the Authority is hereby authorized and empowered:

9 1. To adopt bylaws for the regulation of its affairs and the
10 conduct of its business;

11 2. To adopt an official seal and alter the same at pleasure;

12 3. To fix and revise from time to time rent for the use of any
13 Authority building; provided that the rents when so fixed, plus
14 revenues derived from other sources, shall produce sufficient
15 revenue:

16 a. to pay the annual cost of the operation, maintenance,
17 and repair of such building,

18 b. to pay as and when due the principal and interest on
19 the bonds issued to pay for such building, and

20 c. to accumulate and maintain reserves for such purposes;

21 4. To acquire, hold and dispose of real and personal property
22 in the exercise of its powers and the performance of its duties
23 under this act;

1 5. To acquire by purchase or otherwise, on such terms and
2 conditions and in such manner as it may deem proper, or by the
3 exercise of the power of condemnation in the manner hereinafter
4 provided, such public or private property and interests therein as
5 it may deem necessary for carrying out the provisions of this act.
6 The exercise of the power of condemnation shall be in accordance
7 with and subject to the provisions of any and all existing laws and
8 statutes applicable to the exercise of the power of condemnation of
9 property for public use. In any condemnation proceedings the court
10 having jurisdiction of the suit, action or proceeding may make such
11 orders as may be just to the Authority and to the owners of the
12 property to be condemned and may require an undertaking or other
13 security to secure such owners against any loss or damage by reason
14 of the failure of the Authority to accept and pay for the property,
15 but neither such undertaking or security nor any act or obligation
16 of the Authority shall impose any liability upon the state or the
17 Authority except such as may be paid from the funds provided under
18 the provisions of the act;

19 6. To make and enter into all contracts and agreements
20 necessary or incidental to the performance of its duties and the
21 execution of its powers under this act, and particularly to make and
22 enter into contracts and agreements with the departments and
23 agencies of the State of Oklahoma and/or federal government relating
24 to the rent, amortization of cost and use of the building by such

1 departments and agencies, or relating to the construction,
2 improvement, repair, and maintenance of the highway infrastructure
3 in this state;

4 7. To employ employees and agents as may be necessary in its
5 judgment, including but not limited to legal counsel and such other
6 professionals as may be needed for the issuance and administration
7 of bonds issued under the provisions of this title and to fix their
8 compensation; provided, that all such expenses shall be payable
9 solely from the proceeds of bonds issued under this act or from
10 revenues derived from the building;

11 8. To receive and accept from any federal agency grants or
12 payments for or in aid of the construction of any project, and to
13 receive and accept aid or contributions from any source of either
14 money, property, labor or other things of value to be held, used and
15 applied only for the purposes for which such grants and
16 contributions may be made;

17 9. To do any and all things necessary to comply with rules,
18 regulations or requirements of any state or federal agency
19 administering any law enacted by the Congress of the United States
20 to aid or encourage the construction or use of such building; ~~and~~

21 10. To do all things necessary or convenient to carry out the
22 powers expressly granted in this act; and

23 11. To administer the Legacy Capital Financing Act.
24

SECTION 4. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 24th day of May, 2023.

Presiding Officer of the House
of Representatives

Passed the Senate the day of , 2023.

Presiding Officer of the Senate