

1 ENGROSSED HOUSE
2 BILL NO. 2915

By: Wallace and Caldwell (Trey)
of the House

3 and

4 Hall, Rosino, and Bullard
5 of the Senate

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7
8 An Act relating to transportation infrastructure
9 finance; authorizing issuance of certain obligations
10 by the Oklahoma Capitol Improvement Authority;
11 authorizing the Oklahoma Capitol Improvement
12 Authority to enter into loan agreements with the
13 United States Department of Transportation; stating
14 amount of net proceeds; imposing certain restrictions
15 related to timing of issuance; clarifying the
16 treatment of capitalized interest; requiring certain
17 deposit of proceeds; providing for the use of net
18 proceeds; specifying authorized use of proceeds;
19 providing for priority of expenditures; providing for
20 disposition of certain earnings; authorizing
21 agreements between the Oklahoma Capitol Improvement
22 Authority and Transportation Commission or the
23 Department of Transportation; specifying content of
24 agreements; providing for effect of redemption or
defeasance; authorizing borrowing of monies and
issuance of negotiable obligations; authorizing
issuance in series; stating legislative intent with
respect to appropriations to the Department of
Transportation; authorizing payment of certain fees
and costs; authorizing the hiring of professionals to
perform certain services; authorizing utilization of
proceeds portion for certain purpose; authorizing the
pledging of revenues as security; providing
obligations not general obligations of the State of
Oklahoma; providing full faith and credit not pledged
to repayment; requiring certain statement be
contained on the obligations face; prescribing
procedures for sale of obligations; authorizing
credit enhancement and liquidity agreements;
requiring final maturation within certain period;

1 providing for disposition of interest earnings;
2 providing an exemption from taxation; requiring
3 initial exclusion within certain time period;
4 limiting time period for authorization; providing an
5 exception; providing for investment of proceeds;
6 providing for applicability of certain statutory
7 provisions and clarifying legislative intent with
8 respect to such applicability; authorizing Oklahoma
9 Capitol Improvement Authority to initiate certain
10 judicial proceedings; providing for codification; and
11 declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 350.2 of Title 73, unless there
is created a duplication in numbering, reads as follows:

A. Subject to the limitations with respect to the authorized
date of issuance provided by this subsection, the Oklahoma Capitol
Improvement Authority is authorized to issue notes, bonds, or other
evidences of obligation, and to execute federal loans with the
United States Department of Transportation pursuant to the
Transportation Infrastructure Finance and Innovation Act (codified
as 23 U.S.C., Sections 601 through 609), in an amount necessary to
generate net proceeds not to exceed the amount of Five Hundred
Million Dollars (\$500,000,000.00), no earlier than July 1, 2024,
after providing for costs of issuance, credit enhancement, reserves,
capitalized interest and other associated expenses related to
financing. The principal amount of any note, bond, or other

1 evidence of obligation issued to the United States Department of
2 Transportation in connection with any federal loan authorized
3 hereunder may be increased following the disbursement of loan
4 proceeds by the amount of interest that may be capitalized and added
5 to principal in accordance with the terms of the federal loan
6 agreement.

7 B. Net proceeds of the financing shall be deposited into a
8 construction fund to provide for the financing of the acquisition of
9 real property, together with improvements located thereon, and
10 personal property, to construct, maintain and improve those state
11 highway and state bridge assets identified as follows:

12 1. The bridge on U.S. Highway 70 over Lake Texoma in Marshall
13 and Bryan Counties;

14 2. U.S. Highway 81 realignment in Grady County near Chickasha;

15 3. Interstate 35 in Cleveland, McClain, Garvin, Murray, Carter
16 and Love Counties.

17 C. The Transportation Commission or the Department of
18 Transportation shall use the proceeds for projects described in
19 subsection B of this section in order to facilitate the completion
20 of the enumerated projects, giving consideration to the ability to
21 match federal funding and such other factors as the Transportation
22 Commission or the Department of Transportation shall deem fiscally
23 prudent.

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1 D. Earnings that result from the investment of the construction
2 fund may be used for the projects authorized in this section or for
3 other legal purposes approved by the Authority.

4 E. The Authority and the Transportation Commission or the
5 Department of Transportation are authorized to enter into such
6 agreements as may be necessary to authorize the Authority to hold
7 title to the real and personal property and improvements until any
8 obligation issued for the purpose set forth in subsection B of this
9 section are retired or defeased. The Authority may lease the real
10 property and improvements to the Transportation Commission or the
11 Department of Transportation for the purposes authorized by this
12 section. Upon final redemption of defeasance of the obligations
13 created pursuant to this section, title to the real and personal
14 property and improvements shall be transferred from the Oklahoma
15 Capitol Improvement Authority to the Transportation Commission or
16 the Department of Transportation.

17 F. For the purpose of paying the costs for acquisition and
18 construction of the real property and improvements and personal
19 property and making the repairs, refurbishments, and improvements to
20 real and personal property, and providing funding for the projects
21 authorized in this section, and for the purpose authorized in
22 subsection H of this section, the Authority is hereby authorized to
23 borrow monies on the credit of the income and revenues to be derived
24 from the leasing of such real and personal property and improvements

1 and, in anticipation of the collection of such income and revenues,
2 to issue negotiable obligations in one or more series.

3 G. It is the intent of the Legislature to appropriate to the
4 Department of Transportation sufficient monies to make rental
5 payments for the purposes of retiring the obligations created
6 pursuant to this section.

7 H. To the extent funds are available from the proceeds of the
8 borrowing authorized by subsection A of this section, the Oklahoma
9 Capitol Improvement Authority shall provide for the payment of the
10 professional fees and associated costs related to the projects
11 authorized in this section.

12 I. The Authority may issue obligations in one or more series
13 and in conjunction with other issues of the Authority. The
14 Authority is authorized to hire bond counsel, financial consultants
15 and such other professionals as it may deem necessary to provide for
16 the efficient sale of the obligations or the issuance of obligations
17 to the United States Department of Transportation in connection with
18 federal loans, as described in subsection A of this section, and may
19 utilize a portion of the proceeds of any borrowing to create such
20 reserves as may be deemed necessary and to pay costs associated with
21 the issuance and administration of such obligations.

22 J. The bond indenture or other instrument pursuant to which the
23 Oklahoma Capitol Improvement Authority becomes obligated for the
24 repayment of principal and interest of the proceeds from the sale of

1 obligations or the execution of a loan with the United States
2 Department of Transportation authorized in subsection A of this
3 section shall provide that all obligations are to be repaid from the
4 source of revenue specified in this section. Such bond indenture or
5 other instrument may provide for the pledge of such revenue and the
6 associated funds and accounts established thereunder as security for
7 paying such obligations.

8 K. The bonds or other obligations issued pursuant to this
9 section shall not at any time be deemed to constitute a debt of the
10 state or any political subdivision thereof or a pledge of the faith
11 and credit of the state or any such political subdivision.

12 L. Such bonds or other obligations shall contain on the face
13 thereof a statement that neither the faith and credit nor the taxing
14 power of the state or any political subdivision thereof is pledged,
15 or may thereafter be pledged, to the payment of the principal of or
16 the interest on such bonds or other obligations.

17 M. The obligations authorized under this section may be sold at
18 either competitive, negotiated sale or directly placed with the
19 United States Department of Transportation as determined by the
20 Authority and in such form and at such prices as may be authorized
21 by the Authority. The Authority may enter into agreements with such
22 credit enhancers and liquidity providers to market the obligations
23 efficiently. The obligations may mature and have such provisions
24 for redemption as shall be determined by the Authority, but in no

1 event shall the final maturity of such obligations occur later than
2 thirty (30) years from the first principal maturity date.

3 N. Any interest earnings on funds or accounts created for this
4 section may be utilized as partial payment of the annual debt
5 service or for the purposes directed by the Authority.

6 O. The obligations issued under this section, the transfer
7 thereof and the interest earned on such obligations, including any
8 profit derived from the sale thereof, shall not be subject to
9 taxation of any kind by the State of Oklahoma, or by any county,
10 municipality or political subdivision therein.

11 P. Obligations authorized under this section shall have an
12 initial execution no later than five (5) years from the effective
13 date of this act. If no obligations have been issued by the end of
14 such five-year period, the authorization provided by this section
15 shall be null and void. Provided that an issuance of a portion of
16 the obligations authorized in subsection A of this section during
17 such five-year period shall satisfy the issuance requirement of this
18 subsection.

19 Q. The Authority may direct the investment of all monies in any
20 funds or accounts created in connection with the offering of the
21 obligations authorized under this section. Such investments shall
22 be made in a manner consistent with the investment guidelines of the
23 State Treasurer. The Authority may place additional restrictions on
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1 the investment of such monies, if necessary, to enhance the
2 marketability of the obligations.

3 R. Insofar as they are not in conflict with provisions of this
4 section, Section 151 et seq. of Title 73 of the Oklahoma Statutes
5 shall apply to this section. The Legislature intends that the
6 Oklahoma Capitol Improvement Authority shall have the same powers to
7 require the Oklahoma Department of Transportation to use and occupy
8 the capital improvements and real property financed by the Oklahoma
9 Capitol Improvement Authority, and to pay rent for such use and
10 occupancy, as the Oklahoma Capitol Improvement Authority has under
11 paragraph 3 of Section 161 and Section 163 of Title 73 of the
12 Oklahoma Statutes with respect to buildings.

13 S. The Oklahoma Capitol Improvement Authority may initiate
14 proceedings for purposes of validating the obligations authorized
15 pursuant to the provision of this section according to the
16 provisions of Section 14.1 of Title 20 of the Oklahoma Statutes not
17 later than one hundred twenty (120) days after the effective date of
18 this act.

19 SECTION 2. It being immediately necessary for the preservation
20 of the public peace, health or safety, an emergency is hereby
21 declared to exist, by reason whereof this act shall take effect and
22 be in full force from and after its passage and approval.

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1 Passed the House of Representatives the 28th day of May, 2024.

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4 Presiding Officer of the House
5 of Representatives

6 Passed the Senate the ____ day of _____, 2024.

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9 Presiding Officer of the Senate