

# An Act

ENROLLED HOUSE  
BILL NO. 2915

By: Wallace and Caldwell (Trey)  
of the House

and

Hall, Rosino, and Bullard  
of the Senate

An Act relating to transportation infrastructure finance; authorizing issuance of certain obligations by the Oklahoma Capitol Improvement Authority; authorizing the Oklahoma Capitol Improvement Authority to enter into loan agreements with the United States Department of Transportation; stating amount of net proceeds; imposing certain restrictions related to timing of issuance; clarifying the treatment of capitalized interest; requiring certain deposit of proceeds; providing for the use of net proceeds; specifying authorized use of proceeds; providing for priority of expenditures; providing for disposition of certain earnings; authorizing agreements between the Oklahoma Capitol Improvement Authority and Transportation Commission or the Department of Transportation; specifying content of 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;  
providing for disposition of interest earnings;  
providing an exemption from taxation; requiring  
initial exclusion within certain time period;  
limiting time period for authorization; providing an  
exception; providing for investment of proceeds;  
providing for applicability of certain statutory  
provisions and clarifying legislative intent with  
respect to such applicability; authorizing Oklahoma  
Capitol Improvement Authority to initiate certain  
judicial proceedings; providing for codification; and  
declaring an emergency.

SUBJECT: Transportation infrastructure finance

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

B. Net proceeds of the financing shall be deposited into a construction fund to provide for the financing of the acquisition of

real property, together with improvements located thereon, and personal property, to construct, maintain and improve those state highway and state bridge assets identified as follows:

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

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

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

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

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

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

F. For the purpose of paying the costs for acquisition and construction of the real property and improvements and personal property and making the repairs, refurbishments, and improvements to real and personal property, and providing funding for the projects authorized in this section, and for the purpose authorized in subsection H of this section, the Authority is hereby authorized to borrow monies on the credit of the income and revenues to be derived

from the leasing of such real and personal property and improvements and, in anticipation of the collection of such income and revenues, to issue negotiable obligations in one or more series.

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

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

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

J. The bond indenture or other instrument pursuant to which the Oklahoma Capitol Improvement Authority becomes obligated for the repayment of principal and interest of the proceeds from the sale of obligations or the execution of a loan with the United States Department of Transportation authorized in subsection A of this section shall provide that all obligations are to be repaid from the source of revenue specified in this section. Such bond indenture or other instrument may provide for the pledge of such revenue and the associated funds and accounts established thereunder as security for paying such obligations.

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

L. Such bonds or other obligations shall contain on the face thereof a statement that neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged,

or may thereafter be pledged, to the payment of the principal of or the interest on such bonds or other obligations.

M. The obligations authorized under this section may be sold at either competitive, negotiated sale or directly placed with the United States Department of Transportation as determined by the Authority and in such form and at such prices as may be authorized by the Authority. The Authority may enter into agreements with such credit enhancers and liquidity providers to market the obligations efficiently. The obligations may mature and have such provisions for redemption as shall be determined by the Authority, but in no event shall the final maturity of such obligations occur later than thirty (30) years from the first principal maturity date.

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

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

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

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

R. Insofar as they are not in conflict with provisions of this section, Section 151 et seq. of Title 73 of the Oklahoma Statutes shall apply to this section. The Legislature intends that the Oklahoma Capitol Improvement Authority shall have the same powers to

require the Oklahoma Department of Transportation to use and occupy the capital improvements and real property financed by the Oklahoma Capitol Improvement Authority, and to pay rent for such use and occupancy, as the Oklahoma Capitol Improvement Authority has under paragraph 3 of Section 161 and Section 163 of Title 73 of the Oklahoma Statutes with respect to buildings.

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

SECTION 2. 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 28th day of May, 2024.

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Presiding Officer of the House  
of Representatives

Passed the Senate the 30th day of May, 2024.

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Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_