

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1611

By: Boren

AS INTRODUCED

An Act relating to the Oklahoma Turnpike Authority; amending 69 O.S. 2021, Section 1709, which relates to turnpike revenue bonds; establishing a bond debt ceiling; updating statutory language; and providing an effective date.

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

SECTION 1. AMENDATORY 69 O.S. 2021, Section 1709, is amended to read as follows:

Section 1709. A. The Oklahoma Turnpike Authority may provide by resolution, at one time or from time to time, for the issuance of turnpike revenue bonds of the Authority for the purpose of paying all or any part of the cost of any one or more turnpike projects in such amount or amounts not to exceed Two Billion Seven Hundred Ten Million Dollars (\$2,710,000,000.00) in total aggregate indebtedness outstanding at any time. The Authority, when it finds that it would be economical and beneficial to do so, may combine two or more, or any part thereof, or all of its proposed projects into one unit and consider the same as one project to the same extent and with like effect as if the same were a single project. The principal of and

1 the interest on the bonds shall be payable solely from the funds
2 provided for such payment. The bonds of each issue shall be dated,
3 shall bear interest at such rate or rates not exceeding the
4 limitations pertaining to public trust indebtedness from time to
5 time expressed in subsection E of Section 176 of Title 60 of the
6 Oklahoma Statutes, shall mature at such time or times not exceeding
7 forty (40) years from their date or dates, as may be determined by
8 the Authority, and may be made redeemable before maturity at the
9 option of the Authority at such price or prices and pursuant to such
10 terms and conditions as may be fixed by the Authority prior to the
11 issuance of the bonds. The Authority shall determine the form of
12 the bonds, including any interest coupons to be attached thereto,
13 and the manner of execution of the bonds, and shall fix the
14 denomination or denominations of the bonds and the place or places
15 of payment of principal and interest, which may be at any bank or
16 trust company within or without the state. If any officer whose
17 signature or facsimile of whose signature appears on any bonds or
18 coupons shall cease to be ~~said~~ such officer before the delivery of
19 the bonds, the signature or the facsimile shall nevertheless be
20 valid and sufficient for all purposes the same as if the person had
21 remained in office until such delivery. All bonds issued pursuant
22 to the provisions of this article shall have all the qualities and
23 incidents of negotiable instruments subject to the negotiable
24 instruments law of this state. The bonds may be issued in coupon or

1 in registered form, or both, as the Authority may determine, and
2 provisions may be made for the registration of any coupon bonds as
3 to principal alone and also as to both principal and interest, and
4 for the reconversion into coupon bonds of any bonds registered as to
5 both principal and interest. The Authority may sell the bonds in
6 such amounts and in such manner, either at public or private sale,
7 and for such price, as it may determine to be in the best interest
8 of this state, but in no event at a discount in excess of that from
9 time to time expressed in ~~said~~ subsection E of Section 176 of Title
10 60 of the Oklahoma Statutes.

11 B. The proceeds of the bonds of each issue shall be used solely
12 for the payment of the cost of the turnpike project for which such
13 bonds have been issued, and shall be disbursed in such manner and
14 pursuant to such restrictions, if any, as the Authority may provide
15 in the resolution authorizing the issuance of such bonds or in the
16 trust agreement securing the same. If the proceeds of the bonds of
17 any issue, by error of estimates or otherwise, shall be less than
18 such cost, additional bonds may in like manner be issued to provide
19 the amount of such deficit, and, unless otherwise provided for in
20 the resolution authorizing the issuance of such bonds or in the
21 trust agreement securing the same, shall be deemed to be of the same
22 issue and shall be entitled to payment from the same fund without
23 preference or priority of the bonds first issued. If the proceeds
24 of the bonds of any issue shall exceed such cost, the surplus shall

1 be deposited to the credit of the sinking fund for such bonds, or
2 shall be used by the Authority in implementing any other power
3 expressly granted to the Authority in this article.

4 C. Prior to the preparation of definitive bonds, the Authority,
5 subject to like restrictions, may issue interim receipts or
6 temporary bonds, with or without coupons, exchangeable for
7 definitive bonds when such bonds have been executed and are
8 available for delivery. The Authority may also provide for the
9 replacement of any bonds which have become mutilated or were
10 destroyed or lost. Bonds may be issued pursuant to the provisions
11 of this article without obtaining the consent of any department,
12 division, commission, board, bureau, or agency of this state, and
13 without any other proceedings or the occurrence of any other
14 conditions or things than those proceedings, conditions, or things
15 that are specifically required by this article.

16 D. The Authority is hereby authorized to provide that the
17 bonds:

18 1. Be made payable from time to time on demand or tender for
19 purchase by the owner provided a credit facility supports such
20 bonds, unless the Authority specifically determines that a credit
21 facility is not required;

22 2. Be additionally supported by a credit facility;

23 3. Be made subject to redemption prior to maturity, with or
24 without premium, on such notice and at such time or times and with

1 such redemption provisions as may be determined by the Authority or
2 with such variations as may be permitted in connection with a par
3 formula;

4 4. Bear interest at a rate or rates that may vary as permitted
5 pursuant to a par formula and for such period or periods of time,
6 all as may be determined by the Authority; and

7 5. Be made the subject of a remarketing agreement whereby an
8 attempt is made to remarket the bonds to new purchasers prior to
9 their presentment for payment to the provider of the credit facility
10 or to the Authority.

11 No credit facility, repayment agreement, par formula or
12 remarketing agreement shall become effective without the approval of
13 the Authority.

14 E. As used in this section, the following terms shall have the
15 following meanings:

16 1. "Credit facility" means an agreement entered into by the
17 Authority with any bank, savings and loan association or other
18 banking institution; an insurance company, reinsurance company,
19 surety company, or other insurance institution; a corporation,
20 investment banker or other investment institution; or any other
21 financial institution providing for prompt payment of all or any
22 part of the principal, whether at maturity, presentment for
23 purchase, redemption or acceleration, redemption premium, if any,
24 and interest on any bonds payable on demand or tender by the owner

1 issued in accordance with this section, in consideration of the
2 Authority's agreeing to repay the provider of such credit facility
3 in accordance with the terms and provisions of such repayment
4 agreement; provided, that any such repayment agreement shall provide
5 that the obligation of the Authority thereunder shall have only such
6 sources of payment as are permitted for the payment of the bonds
7 issued under this article; and

8 2. "Par formula" means any provision or formula adopted by the
9 Authority to provide for the adjustment, from time to time, of the
10 interest rate or rates borne by any such bonds so that the purchase
11 price of such bonds in the open market would be as close to par as
12 possible.

13 F. Nothing in any law heretofore enacted or enacted at the
14 present session of the Legislature shall be deemed to limit or
15 restrict the right of the Authority to issue bonds or other
16 obligations the interest income, in whole or in part, on which is
17 subject, directly or indirectly, to federal income taxation.

18 G. The Authority may enter into transactions utilizing
19 derivative products, and other financial products intended to hedge
20 interest rate risk, including any option to enter into or terminate
21 any of them, that the Authority deems to be necessary or desirable
22 in connection with any bonds issued prior to, at the same time as,
23 or after entering into such arrangement and containing terms and
24 provisions, and may be with such parties, as determined by the

1 Authority. Provided, any action taken by the Authority pursuant to
2 this subsection must first be approved by the ~~Oklahoma State Bond~~
3 ~~Adviser~~ Deputy Treasurer for Debt Management and the Council of Bond
4 Oversight pursuant to the provisions of the Oklahoma Bond Oversight
5 and Reform Act.

6 SECTION 2. This act shall become effective November 1, 2024.

7
8 59-2-3239 MSBB 1/11/2024 4:20:58 PM
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25