

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3947

By: Provenzano

AS INTRODUCED

An Act relating to public indebtedness; amending 62 O.S. 2021, Section 574, which relates to the Bond Issue Proceeds Act; modifying expenditure of certain allocated monies; amending Section 1, Chapter 157, O.S.L. 2023 (70 O.S. Supp. 2023, Section 15-110), which relates to bond issue transparency; prohibiting substitution of previously approved projects with like-kind projects; providing an exception if approved by a certain percentage of electors; and providing an effective date.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 574, is amended to read as follows:

Section 574. A. At any election upon the question of issuing bonds, which if approved would require an ad valorem tax levy or pledging the full faith and credit of the State of Oklahoma, the governmental entity calling such election shall set forth in each proposition to be voted upon the general purpose for which the bond proceeds will be expended. This shall not require the proposition or the bond to recite specific projects and dollar amounts.

1       B. At any election upon the question of issuing bonds, which if  
2 approved would require an ad valorem tax levy or pledging the full  
3 faith and credit of the State of Oklahoma, the governmental entity  
4 calling such election shall set forth in the call of election, in a  
5 legally qualified newspaper of general circulation in the area  
6 wherein said bond issue proceeds are to be expended, a general  
7 statement of all purposes and specific projects for which seventy  
8 percent (70%) of the proceeds shall be expended, with a further  
9 listing of the dollar amounts to be expended on each specific  
10 project. The dollar figure left unlisted as to specific projects  
11 shall not exceed thirty percent (30%) of the total amount of the  
12 bond issue.

13       C. If any such bond issue is approved at an election, the  
14 particular governmental entity shall expend all of the proceeds of  
15 such bond issue for the purposes set out in the proposition voted  
16 upon and shall expend not less than ~~eighty-five percent (85%)~~  
17 seventy percent (70%) of the monies allocated to each specific  
18 project, unless such project can be completed for a smaller amount  
19 of money, on that project as published according to Section 4(B) of  
20 this act and for which the bond issue was approved. Provided,  
21 however, that if any money becomes available from any source outside  
22 the bond proceeds for any specific project, the outside funds would  
23 be used to reduce the amount of bond funds to be expended on that  
24 specific project. In such event, the governmental entity may expend  
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1 that amount less than the specified ~~eighty five percent (85%)~~  
2 seventy percent (70%) and may use the surplus funds on other  
3 projects within the same general purpose or to reduce the sinking  
4 fund. This section shall not apply in the event a final judicial  
5 determination or federal or state laws, regulations or rules  
6 preclude the undertaking or completion of a specific project.

7 SECTION 2. AMENDATORY Section 1, Chapter 157, O.S.L.  
8 2023 (70 O.S. Supp. 2023, Section 15-110), is amended to read as  
9 follows:

10 Section 15-110. A. When a school district board of education  
11 calls an election for the purpose of issuing bonds pursuant to  
12 Section 15-102 of Title 70 of the Oklahoma Statutes, the school  
13 district shall, at least thirty (30) days prior to the election,  
14 post on its website a copy of the bond proposal, including each  
15 project to be funded by the bond proceeds, the purpose of the  
16 project, a description of each project, and the estimated cost for  
17 each project.

18 B. If electors approve the issuing of bonds at an election, the  
19 school district shall continue to post on its website the bond  
20 information required by subsection A of this section for the  
21 duration of the bond and one year after completion of all bond  
22 projects. The information posted on the school district website  
23 shall also include updates when there is a material change in the  
24 scope of the projects and their purpose as stated at the time the  
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1 board of education calls the bond election. The updated information  
2 shall be posted online within thirty (30) days following approval of  
3 the project changes by the board of education.

4 C. This act shall not apply to any bond projects approved by  
5 electors prior to the effective date of this act.

6 D. School district boards of education shall not substitute  
7 previously approved bond issue projects with like-kind projects.

8 Any proposed substitution of a bond issue project shall be put to a  
9 vote of the electorate during a regularly scheduled election and  
10 shall be approved by a sixty percent (60%) vote of the electorate.

11 SECTION 3. This act shall become effective November 1, 2024.

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