

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 1422

By: West (Josh)

COMMITTEE SUBSTITUTE

An Act relating to the Grand River Dam Authority; amending 82 O.S. 2021, Section 870, as amended by Section 1, Chapter 364, O.S.L. 2022 (82 O.S. Supp. 2024, Section 870), which relates to authorization of bonds; increasing maximum bond capacity; updating statutory language; updating statutory references; making language gender neutral; and declaring an emergency.

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

SECTION 1. AMENDATORY 82 O.S. 2021, Section 870, as amended by Section 1, Chapter 364, O.S.L. 2022 (82 O.S. Supp. 2024, Section 870), is amended to read as follows:

Section 870. The district shall have power and is hereby authorized to issue from time to time, as the need therefor arises, revenue bonds for its corporate purposes in such amount or amounts not to exceed ~~One Billion Four Hundred Ten Million Dollars (\$1,410,000,000.00), or in the event that the Oklahoma Department of Commerce has approved an application under the provisions of division (1) of subparagraph a of paragraph 1 of subsection E of~~

1 ~~Section 4 of the Large-scale Economic Activity and Development Act~~
2 ~~of 2022 not to exceed Two Billion Dollars (\$2,000,000,000.00), Three~~
3 Billion Six Hundred Million Dollars (\$3,600,000,000.00) outstanding
4 at any time as are necessary, incidental or convenient to the
5 exercise of the powers, rights, privileges and functions conferred
6 upon it by ~~this act~~ Section 862 of this title, or any other act or
7 law, and without limitations of the generality of the powers, rights
8 and privileges heretofore granted, for acquiring a steam generating
9 plant or plants and related facilities, and to extend, improve and
10 reconstruct the same; and for constructing, installing and acquiring
11 dams, reservoirs, hydroelectric power plants, or any electrical
12 generating plant or plants or any other electrical power or
13 generating facilities; or any plant or plants for the production of
14 steam for heating and processing purposes; and all and any
15 facilities of every kind necessary, incidental or convenient for the
16 production and generation of electric power and energy; and for
17 acquiring, constructing and installing transmission lines,
18 substations and all facilities necessary, incidental or convenient
19 to the sale, resale, interchange and distribution of electric power
20 and energy; and for carrying on the business and functions of the
21 district, as is now or hereafter may be authorized by law; and for
22 acquiring additions and improvements to and extensions of
23 facilities, at any time existing, of the district; and for the
24 acquisition of lands and rights-of-way for such use as is now, or

1 may be, authorized by law for the construction, replacement and
2 repair of any dams, plants or other facilities of the district; and
3 to enable it to finance, in cooperation with any ~~"public agency"~~
4 public agency, as defined under the Interlocal Cooperation Act,
5 Sections 1001 through 1008 of Title 74 of the Oklahoma Statutes, any
6 other agency of government, rural electric ~~co-op~~ cooperative
7 corporation, or any private or public corporation, the development
8 and utilization of electrical energy or the water resources and
9 rights in waters vested in ~~said~~ the district for such purposes as
10 are, or may be, authorized by the laws of Oklahoma, and for
11 financing and refinancing present outstanding obligations of the
12 district, including the payment of any claims, charges or interest
13 on bonds required to be paid. The bonds herein authorized may
14 either be (1) sold for cash, at public or private sale, at such
15 price or prices as the Board shall determine with the advice and
16 assistance of the State Bond Advisor, or (2) may be issued on such
17 terms as the Board shall determine in exchange for property of any
18 kind, real, personal or mixed, or any interest therein which the
19 Board shall deem necessary, incidental or convenient for any such
20 corporate purposes, or (3) may be issued in exchange for like
21 principal amounts of other obligations of the district, matured or
22 unmatured, or (4) may be issued in such principal amounts that when
23 the proceeds thereof are invested in legal and qualified
24 investments, the proceeds together with the resulting proceeds of

1 such investments will be sufficient to retire the outstanding
2 indebtedness or any portion thereof at maturity or at prior
3 redemption or upon purchase or tender for purchase. The proceeds of
4 sale of such bonds shall be deposited in such bank or banks or trust
5 company or trust companies, and shall be paid out pursuant to such
6 terms and conditions as may be agreed upon between the district and
7 the purchasers of such bonds. All such bonds shall be authorized by
8 resolutions of the Board concurred in by at least four of the
9 members thereof, and shall bear such date or dates, mature at such
10 time or times, bear interest at such rate or rates, at such time or
11 times, be in such denominations, be in such form, either coupon or
12 registered, carry such registration privileges as to principal only
13 or as to both principal and interest, and as to exchange of coupon
14 bonds for registered bonds or vice versa, and exchange of bonds of
15 one denomination for bonds of other denominations, be executed in
16 such manner and be payable at such place or places within or without
17 ~~the State of Oklahoma~~ this state as such resolution or resolutions
18 may provide. Any resolution or resolutions, including any related
19 trust indenture or indentures, authorizing any bonds may contain
20 provisions which shall be part of the contract between the district
21 and the holders thereof from time to time (a) reserving the right to
22 redeem such bonds at such time or times, in such amounts and at such
23 prices as may be provided, (b) providing for the setting aside of
24 sinking funds or reserve funds and the regulation and disposition

1 thereof, (c) pledging to secure the payment of the principal of and
2 interest on such bonds and of the sinking fund or reserve fund
3 payments agreed to be made in respect of such bonds all or any part
4 of the gross or net revenues thereafter received by the district in
5 respect of the property, real, personal or mixed, to be acquired or
6 constructed with such bonds or the proceeds thereof, or all or any
7 part of the gross or net revenues thereafter received by the
8 district from whatever source derived and monies and securities held
9 under such resolutions or indentures or contract rights with respect
10 to any of the foregoing, (d) prescribing the purposes to which such
11 bonds or any bonds thereafter to be issued, or the proceeds thereof,
12 may be applied, (e) agreeing to fix and collect rates and charges
13 sufficient to produce revenues adequate to pay the items specified
14 in subparagraphs (a), (b), (c), (d) and (e) of Section 868 of this
15 title and prescribing the use and disposition of all revenues, and
16 the investment of such revenues and other monies pending their
17 expenditures in investments authorized or permitted by law, (f)
18 prescribing limitations upon the issuance of additional bonds and
19 upon the agreements which may be made with the purchasers and
20 successive holders thereof, (g) with regard to the construction,
21 extension, improvement, reconstruction, operation, maintenance and
22 repair of the properties of the district, carrying of insurance upon
23 all or any part of ~~said~~ the properties covering loss or damage or
24 loss of use and occupancy resulting from specified risk, (h) fixing

1 the procedure, if any, by which, if the district shall so desire,
2 the terms of any contract with the holders of such bonds may be
3 amended or abrogated, the amount of bonds the holders of which must
4 consent thereto, and the manner in which such consent may be given,
5 (i) for the execution and delivery by the district to a bank or
6 trust company authorized by law to accept trusts, or to the United
7 States of America or any office or agency thereof, of indentures and
8 agreements for the benefit of the holders of such bonds setting
9 forth any or all of the agreements herein authorized to be made with
10 or from the benefit of the holders of such bonds and such other
11 provisions as may be customary in such indentures or agreements, and
12 (j) such other provisions, not inconsistent with the provisions of
13 ~~the act~~ Section 861 et seq. of this title, as the Board may approve.

14 Any such resolution and any indenture or agreement entered into
15 pursuant thereto may provide that in the event that (a) default
16 shall be made in the payment of the interest on any or all bonds
17 when and as the same shall become due and payable, or (b) default
18 shall be made in the payment of the principal of any or all bonds
19 when and as the same shall become due and payable, whether at the
20 maturity thereof, by call for redemption or otherwise, or (c)
21 default shall be made in the performance for any agreement made with
22 the purchasers or successive holders of any bonds, and such default
23 shall have continued such period, if any, as may be prescribed by
24 ~~said~~ the resolution in respect thereof, the trustee under the

1 indenture or indentures entered into in respect of the bonds
2 authorized thereby, or if there shall be no such indenture, a
3 trustee appointed in the manner provided in such resolution or
4 resolutions by the holders of twenty-five percent (25%) in aggregate
5 principal amount of the bonds authorized thereby and at the time
6 outstanding may, and, upon the written request of the holders of
7 twenty-five percent (25%) in aggregate principal amount of the bonds
8 authorized by such resolution or resolutions at the time
9 outstanding, shall, in his, her, or its own name, but for the equal
10 and proportionate benefit of the holders of all of such bonds, and
11 with or without possession thereof,

12 (1) By mandamus or other suit, action or proceeding at law or
13 in equity, enforce all rights of the holders of such bonds,

14 (2) Bring suit upon such bonds and/or the appurtenant coupons,

15 (3) By action or suit in equity, require the district to
16 account as if it were the trustee of an express trust for the
17 bondholders,

18 (4) By action or suit in equity, enjoin any acts or things
19 which may be unlawful or in violation of the rights of the holders
20 of such bonds, and/or

21 (5) After such notice to the district as such resolution may
22 provide, declare the principal of all of such bonds due and payable,
23 and if all defaults shall have been made good, then with the written
24 consent of the holder or holders of twenty-five percent (25%) in

1 aggregate principal amount of such bonds at the time outstanding
2 annul such declaration and its consequence; provided, however, that
3 the holders of more than a majority in principal amount of the bonds
4 authorized thereby and at the time outstanding by instrument or
5 instruments in writing delivered to such trustee have the right to
6 direct and control any and all action taken or to be taken by such
7 trustee under this paragraph. Any such resolution, indenture or
8 agreement may provide that in any such suit, action or proceeding,
9 any such trustee, whether or not all of such bonds shall have been
10 declared due and payable, and with or without possession of any
11 thereof, shall be entitled as of right to the appointment of a
12 receiver who may enter and take possession of all or any part of the
13 properties of the district and operate and maintain the same, and
14 fix, collect and receive rates and charges sufficient to provide
15 revenues adequate to pay the items set forth in subparagraphs (a),
16 (b), (c), (d) and (e) of Section 868 of this title and the costs and
17 disbursements of such suit, action or proceeding, and to apply such
18 revenues in conformity with the provisions of Section 861 et seq. of
19 this title and the resolution or resolutions authorizing such bonds.
20 In any suit, action or proceeding by any such trustee, the
21 reasonable fees, counsel fees and expense of such trustee and of the
22 receiver or receivers, if any, shall constitute taxable
23 disbursements and all costs and disbursements, and all costs and
24 disbursements allowed by the court shall be a first charge upon any

1 revenues pledged to secure the payment of such bonds. Subject to
2 the provisions of the Oklahoma Constitution ~~of the State of~~
3 ~~Oklahoma~~, the courts of the County of Craig, or other county wherein
4 the domicile may be situated, shall have jurisdiction of any such
5 suit, action or proceeding by any such trustee on behalf of the
6 bondholders and of all property involved therein. In addition to
7 the powers hereinabove specifically provided for, each such trustee
8 shall have and possess all powers necessary or appropriate for the
9 exercise of any thereof, or incident to the general representation
10 of the bondholders in the enforcement of their right.

11 Before any bonds shall be sold by the district, a certified copy
12 of the proceedings for the issuance thereof, including the form of
13 such bonds, together with any other information which the Attorney
14 General of ~~the State of Oklahoma~~ this state may require, shall be
15 submitted to the Attorney General and if he or she shall find that
16 such bonds have been issued in accordance with law he or she shall
17 approve such bonds and execute a certificate to that effect which
18 shall be filed in the Office of the State Auditor and Inspector of
19 ~~the State of Oklahoma~~ this state and be recorded in a record kept
20 for that purpose. No bonds shall be issued until the same shall
21 have been registered by the State Auditor and Inspector, who shall
22 so register the same if the Attorney General shall have filed with
23 the State Auditor and Inspector his or her certificate approving the
24 bonds and the proceedings for the issuance thereof as hereinabove

1 provided. All bonds approved by the Attorney General as aforesaid,
2 and registered by the State Auditor and Inspector as aforesaid, and
3 issued in accordance with the proceedings so approved shall be valid
4 and binding obligations of the district and shall be incontestable
5 for any cause from and after the time of such registration.

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

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