

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 HOUSE BILL 1583

By: Caldwell

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5
6 AS INTRODUCED

7 An Act relating to public finance; amending 62 O.S.
8 2011, Sections 695.7 and 695.7a, as amended by
9 Sections 5 and 6, Chapter 275, O.S.L. 2012 (62 O.S.
10 Supp. 2016, Sections 695.7 and 695.7a), which relate
11 to the Oklahoma State Bond Advisor; providing for
12 employment of the State Bond Advisor by the State
13 Treasurer; modifying provisions related to the
14 selection of the State Bond Advisor by the Council of
15 Bond Oversight; modifying provisions related to
16 confirmation; modifying provisions related to payroll
17 and other services; requiring approval by the State
18 Treasurer; and providing an effective date.

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1 to or deemed desirable in the issuance of such obligations as well
2 as the negotiation of other matters essential to provide the best
3 current price and terms of the issuance of such obligations for the
4 benefit of Oklahoma firms, farms, individuals and local communities,
5 who shall have the title "Oklahoma State Bond Advisor".

6 ~~2. When appointing~~ hiring a person to the position of Oklahoma
7 State Bond Advisor, the ~~Council~~ State Treasurer shall conduct a
8 national search in seeking requests for proposals for the position.
9 ~~The person selected as the Oklahoma State Bond Advisor shall be~~
10 ~~approved by an affirmative vote of three of the members of the~~
11 ~~Council and appointed to the position, subject to the advice and~~
12 ~~consent of the Senate.~~

13 ~~3. The Oklahoma State Bond Advisor may be removed for cause by~~
14 ~~an affirmative vote of three of the members of the Council, after a~~
15 ~~public hearing.~~

16 B. The Oklahoma State Bond Advisor may employ the necessary
17 staff to carry out the duties of the Bond Advisor and the duties of
18 the Council of Bond Oversight, with approval of the ~~Council~~. ~~The~~
19 ~~Office of the State Bond Advisor shall be a separate state agency as~~
20 ~~set forth in Section 695.7a of this title~~ State Treasurer.

21 C. 1. Except as provided in Section 695.8 of this title, prior
22 to engaging the services of underwriters, bond or other legal
23 counsel, financial advisors, consultants, a financial institution to
24 serve as trustee, paying agent or in any fiduciary capacity in

1 connection with any program, indenture or general resolution of the
2 State Governmental Entity, or any other experts, except as provided
3 in Section 5062.8 of Title 74 of the Oklahoma Statutes, the State
4 Governmental Entity shall, in conjunction with a State Governmental
5 Entity Financing, request proposals for such services from a
6 plurality of persons engaged in the particular activity for such
7 services and the selection of such persons shall be made on the
8 basis of the response to the request which is the most economical
9 and will provide competent service which furthers the best interest
10 of the State Governmental Entity and the state. In negotiating
11 requests for proposals to engage such services, the State
12 Governmental Entity shall seek the advice and assistance of the
13 Oklahoma State Bond Advisor. Under no circumstances shall
14 proprietary inducements be granted. The Oklahoma State Bond Advisor
15 shall provide assistance and advice to State Governmental Entities
16 with respect to the issuance of obligations by the State
17 Governmental Entities, review, negotiate, and approve or disapprove
18 the fees and expenses for goods and services requisite to or deemed
19 desirable in the issuance of State Governmental Entity obligations
20 and State Governmental Entity Financing and shall represent the
21 interests of the state before rating agencies and credit enhancement
22 providers.

23 2. Any State Governmental Entity or Local Governmental Entity
24 proposing to make a significant modification to the terms of any

1 State Governmental Entity Financing, including modification of
2 collateral by substitution, swap, or other derivative product shall
3 first obtain the written approval of the Oklahoma State Bond
4 Advisor. If the Oklahoma State Bond Advisor denies approval, the
5 State Governmental Entity or Local Governmental Entity may request
6 the Council to review and approve proposed modifications.

7 D. The Oklahoma State Bond Advisor shall serve as an advisor to
8 the Governor and to the Legislature with respect to issuance of
9 indebtedness reviewed by the Council and shall prepare an annual
10 report to be submitted to the Governor, the President Pro Tempore of
11 the Senate and the Speaker of the House of Representatives as of
12 January 15 each year. The report shall contain a summary of the
13 issuance of indebtedness by State Governmental Entities and Local
14 Governmental Entities during the preceding year and such other
15 information as the State Bond Advisor may be required to submit or
16 as may be relevant.

17 E. The Oklahoma State Bond Advisor or any member of the
18 immediate family of the Oklahoma State Bond Advisor shall not have
19 any direct or indirect financial or contractual relationship with
20 any firm or corporation or any officer, partner or principal
21 stockholder of any firm or corporation directly involved in public
22 finance.

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1 SECTION 2. AMENDATORY 62 O.S. 2011, Section 695.7a, as
2 amended by Section 6, Chapter 275, O.S.L. 2012 (62 O.S. Supp. 2016,
3 Section 695.7a), is amended to read as follows:

4 Section 695.7a ~~A.~~ The Oklahoma State Bond Advisor may contract
5 with the Office of Personnel Management or another state agency for
6 payroll or other administrative services, subject to the approval of
7 the State Treasurer.

8 ~~B. The Office of the State Bond Advisor is authorized to rent,~~
9 ~~lease, or own appropriate office space and property to conduct its~~
10 ~~business.~~

11 SECTION 3. This act shall become effective November 1, 2017.

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13 56-1-6588 MAH 01/17/17

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