

1 ENGROSSED SENATE AMENDMENTS
TO
2 ENGROSSED HOUSE
BILL NO. 1583

By: Caldwell, Cleveland,
Dunnington, Virgin, Bennett
(Forrest), Echols, Osborn
(Leslie) and Martin of the
House

and

Loveless of the Senate

9 An Act relating to public finance; providing for
consolidation of the Office of the State Bond Advisor
10 with the Office of the State Treasurer; *** repealing
62 O.S. 2011, Section 695.7a, as amended by Section
11 6, Chapter 275, O.S.L. 2012 (62 O.S. Supp. 2016,
Section 695.7a), which relates to the administration
12 of the Office of the State Bond Advisor; providing
for codification; and providing an effective date.

15 AUTHOR: Add the following Senate Coauthors: Sparks, Griffin and
Sharp

17 AMENDMENT NO. 1. Page 5, line 8, by restoring all stricken
language.

19 AMENDMENT NO. 2. Page 5, line 14, by restoring all stricken
language.

21 AMENDMENT NO. 3. Page 3, line 1, insert a new Section 2 to read
"SECTION 2. AMENDATORY Section 4, Chapter 275, O.S.L.
22 2012 (62 O.S. Supp. 2016, Section 695.6a), is amended to read as
23 follows:
24

1 Section 695.6a. A. The Council of Bond Oversight shall consist
2 of five (5) members as follows:

3 1. One member shall be appointed by the President Pro Tempore
4 of the Senate;

5 2. One member shall be appointed by the Speaker of the House of
6 Representatives;

7 3. Two members shall be appointed by the Governor, with the
8 advice and consent of the Senate; and

9 4. ~~The Director of State Finance~~ State Treasurer or his or her
10 designee shall be a member.

11 B. Three members shall constitute a quorum. The affirmative
12 vote of three members shall be necessary for any action to be taken
13 by the Council.

14 C. Members appointed to the Council shall serve a term of four
15 (4) years and may be removed for cause by the appointing authority.
16 Members may be reappointed for additional terms.

17 D. A vacancy on the Council shall be filled in the same manner
18 as the original appointment, to hold office during the unexpired
19 term for which the member was appointed. The Council shall elect
20 one of its members chair and may elect such other officers as it
21 deems necessary. No vacancy in the membership of the Council shall
22 impair the right of the Council to exercise all duties of the
23 Council.

1 E. The Oklahoma State Bond Advisor, as provided in Section
2 695.7 of Title 62 of the Oklahoma Statutes, shall provide support
3 staff as necessary to implement the purposes and functions of the
4 Council.

5 F. The Attorney General shall provide legal counsel to the
6 Council.

7 G. No member of the Oklahoma State Legislature shall be
8 eligible to serve as a member of the Council."

9 and renumber subsequent sections

10 AMENDMENT NO. 4. Page 1, strike the title to read

11 "[public finance - consolidation of the Office of the
12 State Bond Advisor with the Office of the State
13 Treasurer - repealer - codification - effective date]"

14 Passed the Senate the 25th day of April, 2017.

15

16

Presiding Officer of the Senate

17

18 Passed the House of Representatives the ____ day of _____,

19 2017.

20

21

Presiding Officer of the House
of Representatives

22

23

24

1 ENGROSSED HOUSE
2 BILL NO. 1583

By: Caldwell, Cleveland,
Dunnington, Virgin, Bennett
(Forrest), Echols, Osborn
(Leslie) and Martin of the
House

and

Loveless of the Senate

3
4
5
6
7
8
9 An Act relating to public finance; providing for
10 consolidation of the Office of the State Bond Advisor
11 with the Office of the State Treasurer; providing for
12 transfer of funds; providing for transfer of books,
13 papers, records, property, functions, powers, duties
14 and obligations; providing for transfer of personnel;
15 providing for continuation of rules, regulations,
16 acts, orders, determinations and decisions; amending
17 62 O.S. 2011, Sections 695.7, as amended by Section
18 5, Chapter 275, O.S.L. 2012 and 695.8a, as amended by
19 Section 466, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
20 2016, Sections 695.7 and 695.8a), which relate to the
21 Oklahoma State Bond Advisor and the Bond Oversight
22 Revolving Fund; providing for employment of the State
23 Bond Advisor by the State Treasurer; modifying
24 provisions related to the selection of the State Bond
Advisor by the Council of Bond Oversight; modifying
provisions related to confirmation; modifying
references to State Bond Advisor; defining term;
requiring certain disclosure by public finance
service providers; providing for disclosure of
financial contributions in excess of specified dollar
amount; imposing deadline; prescribing required
content; requiring disclosure of financial
contributions prior to selection of public finance
service providers by certain governmental entities;
requiring disclosure to be made to certain persons;
providing exception; repealing 62 O.S. 2011, Section
695.7a, as amended by Section 6, Chapter 275, O.S.L.
2012 (62 O.S. Supp. 2016, Section 695.7a), which
relates to the administration of the Office of the

1 State Bond Advisor; providing for codification; and
2 providing an effective date.

3
4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

5 SECTION 1. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 373 of Title 74, unless there is
7 created a duplication in numbering, reads as follows:

8 A. The Office of the State Bond Advisor is hereby consolidated
9 into the Office of the State Treasurer.

10 B. Any funds appropriated to, in the possession of, or
11 allocated to the Office of the State Bond Advisor shall be deemed to
12 be funds of and shall be transferred to the Office of the State
13 Treasurer.

14 C. All books, papers, records, property, functions, powers,
15 duties and obligations of the Office of the State Bond Advisor are
16 hereby transferred to the Office of the State Treasurer.

17 D. All personnel of the Office of the State Bond Advisor are
18 hereby transferred to the Office of the State Treasurer.

19 E. All rules, regulations, acts, orders, determinations and
20 decisions pertaining to the functions and powers herein transferred
21 and assigned to the Office of the State Treasurer, in force at the
22 time of such transfer or assignment, shall continue in force and
23 effect until duly modified or abrogated by the State Treasurer or
24 until otherwise provided by law.

1 SECTION 2. AMENDATORY 62 O.S. 2011, Section 695.7, as
2 amended by Section 5, Chapter 275, O.S.L. 2012 (62 O.S. Supp. 2016,
3 Section 695.7), is amended to read as follows:

4 Section 695.7 A. ~~1. The Council of Bond Oversight~~ State
5 Treasurer shall engage the services of a person knowledgeable in the
6 current state of the art of national and international standards for
7 the issuance of obligations by governmental entities and experienced
8 in the negotiation of fees for various goods and services requisite
9 to or deemed desirable in the issuance of such obligations as well
10 as the negotiation of other matters essential to provide the best
11 current price and terms of the issuance of such obligations for the
12 benefit of the State of Oklahoma ~~firms, farms, individuals and local~~
13 ~~communities~~, who shall have the title "Oklahoma State Bond Advisor".

14 ~~2. When appointing~~ hiring a person to the position of Oklahoma
15 State Bond Advisor, the ~~Council~~ State Treasurer shall conduct a
16 national search in seeking requests for proposals for the position.
17 ~~The person selected as the Oklahoma State Bond Advisor shall be~~
18 ~~approved by an affirmative vote of three of the members of the~~
19 ~~Council and appointed to the position, subject to the advice and~~
20 ~~consent of the Senate.~~

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

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

6 C. 1. Except as provided in Section 695.8 of this title, prior
7 to engaging the services of underwriters, bond or other legal
8 counsel, financial advisors, consultants, a financial institution to
9 serve as trustee, paying agent or in any fiduciary capacity in
10 connection with any program, indenture or general resolution of the
11 State Governmental Entity, or any other experts, except as provided
12 in Section 5062.8 of Title 74 of the Oklahoma Statutes, the State
13 Governmental Entity shall, in conjunction with a State Governmental
14 Entity Financing, request proposals for such services from a
15 plurality of persons engaged in the particular activity for such
16 services and the selection of such persons shall be made on the
17 basis of the response to the request which is the most economical
18 and will provide competent service which furthers the best interest
19 of the State Governmental Entity and the state. In negotiating
20 requests for proposals to engage such services, the State
21 Governmental Entity shall seek the advice and assistance of the
22 Oklahoma State Bond Advisor. Under no circumstances shall
23 proprietary inducements be granted. The Oklahoma State Bond Advisor
24 shall provide assistance and advice to State Governmental Entities

1 with respect to the issuance of obligations by the State
2 Governmental Entities, review, negotiate, and approve or disapprove
3 the fees and expenses for goods and services requisite to or deemed
4 desirable in the issuance of State Governmental Entity obligations
5 and State Governmental Entity Financing and shall represent the
6 interests of the state before rating agencies and credit enhancement
7 providers.

8 2. Any State Governmental Entity ~~or Local Governmental Entity~~
9 proposing to make a significant modification to the terms of any
10 State Governmental Entity Financing, including modification of
11 collateral by substitution, swap, or other derivative product shall
12 first obtain the written approval of the Oklahoma State Bond
13 Advisor. If the Oklahoma State Bond Advisor denies approval, the
14 State Governmental Entity ~~or Local Governmental Entity~~ may request
15 the Council of Bond Oversight to review and approve proposed
16 modifications.

17 D. The Oklahoma State Bond Advisor shall serve as an advisor to
18 the Governor and to the Legislature with respect to issuance of
19 indebtedness reviewed by the Council and shall prepare an annual
20 report to be submitted to the Governor, the President Pro Tempore of
21 the Senate and the Speaker of the House of Representatives as of
22 January 15 each year. The report shall contain a summary of the
23 issuance of indebtedness by State Governmental Entities ~~and Local~~
24 ~~Governmental Entities~~ during the preceding year ~~and such other~~

1 ~~information as the State Bond Advisor may be required to submit or~~
2 ~~as may be relevant.~~

3 E. The Oklahoma State Bond Advisor or any member of the
4 immediate family of the Oklahoma State Bond Advisor shall not have
5 any direct or indirect financial or contractual relationship with
6 any firm or corporation or any officer, partner or principal
7 stockholder of any firm or corporation directly involved in public
8 finance.

9 SECTION 3. AMENDATORY 62 O.S. 2011, Section 695.8a, as
10 amended by Section 466, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
11 2016, Section 695.8a), is amended to read as follows:

12 Section 695.8a There is hereby created in the State Treasury a
13 revolving fund for the Office of the State ~~Bond Advisor~~ Treasurer,
14 to be designated the "Bond Oversight Revolving Fund". The fund
15 shall be a continuing fund, not subject to fiscal year limitations,
16 and shall consist of fees collected pursuant to Section 695.8 of
17 this title and any other monies provided for by law. All monies
18 accruing to the credit of said fund are hereby appropriated and may
19 be budgeted and expended by the Office of the State ~~Bond Advisor~~
20 Treasurer for expenses related to the Oklahoma Bond Oversight and
21 Reform Act. Expenditures from said fund shall be made upon warrants
22 issued by the State Treasurer against claims filed as prescribed by
23 law with the Director of the Office of Management and Enterprise
24 Services for approval and payment.

1 SECTION 4. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 695.10A of Title 62, unless
3 there is created a duplication in numbering, reads as follows:

4 A. As used in this section, "public finance service provider"
5 means underwriters, bond or other legal counsel, financial advisors,
6 consultants, and financial institutions who serve as trustee, paying
7 agent or in any fiduciary capacity, who seek to provide services to
8 State Governmental Entities or Local Governmental Entities with
9 regard to the issuance of bonds, notes or other evidences of
10 indebtedness.

11 B. Any public finance service provider shall be required to
12 make a disclosure, upon such form as the State Bond Advisor may
13 prescribe, of any and all direct financial contributions made by the
14 public finance service provider which exceed Five Thousand Dollars
15 (\$5,000.00) in any calendar year on a cumulative basis to any
16 nonprofit organization, regardless of its exempt status pursuant to
17 the provisions of the Internal Revenue Code of 1986, as amended, the
18 primary purpose of which is to provide services to one or more
19 political subdivisions of the state or the membership of which
20 consists primarily of public school administrators, common school
21 districts or common school district boards of education, common
22 school superintendents, career technology districts or career
23 technology district governing boards, municipal government entities,
24 county commissioners or other public officials or local government

1 entity having authority to issue debt obligations either directly or
2 which is the beneficiary of a public trust organized pursuant to the
3 provisions of Section 176 et. seq. of Title 60 of the Oklahoma
4 Statutes.

5 C. In addition, the public finance service provider shall be
6 required to make disclosure of any and all direct financial
7 contributions which exceed One Hundred Dollars (\$100.00) on a
8 cumulative basis during any calendar year made to any elected
9 officials or employees of a State Governmental Entity or Local
10 Governmental Entity to which financial services are to be provided
11 in connection with issuance of debt obligations or contributions
12 made to any individuals associated with any of the nonprofit
13 organizations described by subsection B of this section.

14 D. The disclosure shall be filed annually with the Oklahoma
15 State Bond Advisor not later than January 15, or the first business
16 day after such date if January 15 is not a date upon which the State
17 Treasurer's office is open for business, and shall include an
18 itemized description of all direct financial contributions made to
19 any and all of the entities described by subsections B and C of this
20 section by the public finance service provider during the
21 immediately preceding calendar year.

22 E. Any public finance service provider shall submit a copy of
23 the most recent disclosure document on file with the Oklahoma State
24 Bond Advisor as required pursuant to subsection D of this section

1 prior to the selection of a public finance service provider by any
2 county, city, town, common school district, career technology
3 district or other local government entity or any public trust
4 organized pursuant to the provisions of Section 176 et seq. of Title
5 60 of the Oklahoma Statutes having one or more political
6 subdivisions as its beneficiary or beneficiaries, with respect to
7 the issuance of any obligations described by subsection A of this
8 section. The disclosure document shall be provided to each member
9 of the governing board of the unit of local government to which
10 services will be provided and, if applicable, to each member of the
11 board of trustees of any public trust as described in this
12 subsection to which public finance services will be provided. If
13 the board of trustees of such public trust is comprised of persons
14 who are also members of the governing board of the unit of local
15 government, the disclosure document may be provided to the members
16 of the governing board of the unit of local government and the
17 document will not be required to be provided to any member of the
18 board of trustees of the public trust unless such person is not a
19 member of the governing board of the unit of local government.

20 SECTION 5. REPEALER 62 O.S. 2011, Section 695.7a, as
21 amended by Section 6, Chapter 275, O.S.L. 2012 (62 O.S. Supp. 2016,
22 Section 695.7a), is hereby repealed.

23 SECTION 6. This act shall become effective November 1, 2017.
24

1 Passed the House of Representatives the 14th day of March, 2017.

2
3 _____
4 Presiding Officer of the House
of Representatives

5 Passed the Senate the ____ day of _____, 2017.

6
7
8 _____
9 Presiding Officer of the Senate