

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE  
4 FOR

5 HOUSE BILL NO. 2389

By: Osborn (Leslie) and Wallace  
of the House

and

David and Fields of the  
Senate

6  
7  
8  
9  
10 COMMITTEE SUBSTITUTE

11 An Act relating to public finance; authorizing  
12 issuance of certain net amount of obligations by  
13 Oklahoma Capitol Improvement Authority for funding of  
14 certain projects for the State Department of Health;  
15 providing for debt retirement payments; directing how  
16 title is to be held and when it is to be transferred;  
17 authorizing capitalization of certain interest for  
18 specified period of time; stating legislative intent;  
19 requiring Authority to pay certain fees and costs  
20 under certain circumstances; providing methods of  
21 issuance for obligations; authorizing hiring of  
22 certain professionals; authorizing payment of certain  
23 costs by creating reserves; limiting maturity of  
24 obligations; providing for utilization of certain  
interest earnings; providing tax exemption; providing  
for investment of certain monies; requiring  
compliance with certain statutory provisions;  
providing for codification; providing an effective  
date; and declaring an emergency.

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

1           SECTION 1.           NEW LAW           A new section of law to be codified  
2 in the Oklahoma Statutes as Section 347 of Title 73, unless there is  
3 created a duplication in numbering, reads as follows:

4           A. The Oklahoma Capitol Improvement Authority is authorized to  
5 issue notes, bonds, or other evidences of obligation in an amount  
6 necessary to generate net proceeds of Fifty-eight Million Five  
7 Hundred and Fifty-five Thousand Dollars (\$58,555,000.00) after  
8 providing for costs of issuance, credit enhancement, reserves, and  
9 other associated expenses related to financing. Net proceeds of the  
10 financing will be deposited into a construction fund to provide for  
11 the financing of acquisition of real property, together with  
12 improvements located thereon, and personal property, to construct  
13 buildings and other improvements to real property and to acquire  
14 property for office space and to provide funding for the  
15 construction of a new State Health Laboratory for the State  
16 Department of Health with debt retirement payments to be made as  
17 provided in this section.

18           B. The Authority may hold title to the real and personal  
19 property and improvements until such time as any obligations issued  
20 for this purpose are retired or defeased and may lease the real  
21 property and improvements to the State Department of Health. Upon  
22 final redemption or defeasance of the obligations created pursuant  
23 to this section, title to the real and personal property and  
24

1 improvements shall be transferred from the Authority to the  
2 Department.

3 C. For the purpose of paying the costs for acquisition and  
4 construction of the real property and improvements and personal  
5 property and providing funding for the project authorized in  
6 subsection A of this section, and for the purpose authorized in  
7 subsection D of this section, the Authority is hereby authorized to  
8 borrow monies on the credit of the income and revenues to be derived  
9 from the leasing of such real and personal property and improvements  
10 and, in anticipation of the collection of such income and revenues,  
11 to issue negotiable obligations in one or more series. The  
12 Authority is authorized to capitalize interest on the obligations  
13 issued pursuant to this section for a period of time not to exceed  
14 one (1) year from the date of issuance. Excluding any capitalized  
15 interest period, it is the intent of the Legislature to appropriate  
16 to the State Department of Health sufficient monies to make rental  
17 payments for the purposes of retiring obligations created pursuant  
18 to this section.

19 D. To the extent funds are available from the proceeds of the  
20 borrowing authorized by subsection C of this section, the Authority  
21 shall provide for the payment of professional fees and associated  
22 costs related to the project authorized in subsection A of this  
23 section.

24

1 E. The Authority may issue obligations in one or more series  
2 and in conjunction with other issues of Authority. The Authority is  
3 authorized to hire bond counsel, financial consultants, and other  
4 professionals as it may deem necessary to provide for the efficient  
5 sale of the obligations and may utilize a portion of the proceeds of  
6 any borrowing to create such reserves as may be deemed necessary and  
7 to pay costs associated with the issuance and administration of such  
8 obligations.

9 F. The obligations authorized under this section may be sold at  
10 either competitive or negotiated sale, as determined by the  
11 Authority, and in such form and at such prices as may be authorized  
12 by the Authority. The Authority may enter into agreements with such  
13 credit enhancers and liquidity providers as may be determined  
14 necessary to efficiently market the obligations. The obligations  
15 may mature and have such provisions for redemption as shall be  
16 determined by the Authority, but in no event shall the final  
17 maturity of such obligations occur later than twenty (20) years from  
18 the first principal maturity date.

19 G. Any interest earnings on funds or accounts created for the  
20 purposes of this section may be utilized as partial payment of the  
21 annual debt service or for the purposes directed by the Authority.

22 H. The obligations issued under this section, the transfer  
23 thereof and the interest earned on such obligations, including any  
24 profit derived from the sale thereof, shall not be subject to

1 taxation of any kind by the State of Oklahoma, or by any county,  
2 municipality or political subdivision therein.

3 I. The Authority may direct the investment of all monies in any  
4 funds created in connection with the offering of the obligations  
5 authorized under this section. The investments shall be made in a  
6 manner consistent with the investment guidelines of the State  
7 Treasurer. The Authority may place additional restrictions on the  
8 investment of such monies if necessary to enhance the marketability  
9 of the obligations.

10 J. Insofar as they are not in conflict with the provisions of  
11 this section, the provisions of Section 151 et seq. of Title 73 of  
12 the Oklahoma Statutes shall apply to this section.

13 SECTION 2. This act shall become effective July 1, 2017.

14 SECTION 3. It being immediately necessary for the preservation  
15 of the public peace, health or safety, an emergency is hereby  
16 declared to exist, by reason whereof this act shall take effect and  
17 be in full force from and after its passage and approval.

18

19 56-1-7873 MAH 05/08/17

20

21

22

23

24