

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 3168

By: Hickman

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7 COMMITTEE SUBSTITUTE

8 An Act relating to the State Capitol Building;
9 authorizing the Oklahoma Capitol Improvement
10 Authority to issue obligations for repair,
11 refurbishment and improvement of the State Capitol
12 Building; providing for transfer of title upon
13 occurrence of certain events; authorizing the
14 borrowing of money for construction of improvements
15 and repairs to the State Capitol Building; stating
16 legislative intent; providing for payment of certain
17 fees and costs; authorizing procedure for issuance
18 and hiring of certain professionals; providing for
19 use of certain interest earnings; exempting certain
20 obligations, transfers, and interest from taxation;
21 providing for investment and oversight; authorizing
22 certain use of interest; authorizing use of certain
23 proceeds for exterior repairs; requiring expenditure
24 of proceeds to be approved by the State Capitol
Repair Expenditure Oversight Committee; providing for
codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 346 of Title 73, unless there is
created a duplication in numbering, reads as follows:

1 A. In addition to any other authorization provided by law, the
2 Oklahoma Capitol Improvement Authority is authorized to issue
3 obligations to acquire real property, together with improvements
4 located thereon, and personal property to construct improvements to
5 real property and to provide funding for repairs, refurbishments and
6 improvements to real and personal property of the State Capitol
7 Building and associated furniture, fixtures and equipment in a total
8 amount not to exceed One Hundred Twenty-five Million Dollars
9 (\$125,000,000.00). The funds shall be used for the renovation,
10 repair and remodeling of the State Capitol Building.

11 B. The Authority may hold title to the property and
12 improvements until such time as any obligations issued for this
13 purpose are retired or defeased and may lease the property and
14 improvements to the Office of Management and Enterprise Services.
15 Upon final redemption or defeasance of the obligations created
16 pursuant to this section, title to the property and improvements
17 shall be transferred from the Oklahoma Capitol Improvement Authority
18 to the Office of Management and Enterprise Services.

19 C. For the purposes of paying the costs for construction of the
20 real property and improvements, and providing funding for the
21 project authorized in subsection A of this section, and for the
22 purpose authorized in subsection D of this section, the Authority is
23 hereby authorized to borrow monies on the credit of the income and
24 revenues to be derived from the leasing of such property and

1 improvements and, in anticipation of the collection of such income
2 and revenues, to issue negotiable obligations in a total amount not
3 to exceed One Hundred Twenty-five Million Dollars (\$125,000,000.00)
4 whether issued in one or more series. The Authority is authorized
5 to capitalize interest on the obligations issued pursuant to this
6 section for a period of not to exceed one (1) year from the date of
7 issuance. For subsequent fiscal years, it is the intent of the
8 Legislature to appropriate to the Office of Management and
9 Enterprise Services sufficient monies to make rental payments for
10 the purpose of retiring the obligations created pursuant to this
11 section. To the extent funds are available from the proceeds of the
12 borrowing authorized by this subsection, the Oklahoma Capitol
13 Improvement Authority shall provide for the payment of professional
14 fees and associated costs related to the project authorized in
15 subsection A of this section; provided, that no such fees or costs
16 may be paid if such payments would jeopardize the tax-advantaged
17 status of the bonds under federal law.

18 D. The Authority may issue obligations in one or more series
19 and in conjunction with other issues of the Authority. The
20 Authority is authorized to hire bond counsel, financial consultants,
21 and such other professionals as it may deem necessary to provide for
22 the efficient sale of the obligations and may utilize a portion of
23 the proceeds of any borrowing to create such reserves as may be
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1 deemed necessary and to pay costs associated with the issuance and
2 administration of such obligations.

3 E. The obligations authorized under this section may be sold at
4 either competitive or negotiated sale, as determined by the
5 Authority, and in such form and at such prices as may be authorized
6 by the Authority. The Authority may enter into agreements with such
7 credit enhancers and liquidity providers as may be determined
8 necessary to efficiently market the obligations. The obligations
9 may mature and have such provisions for redemption as shall be
10 determined by the Authority, but in no event shall the final
11 maturity of such obligations occur later than twenty (20) years from
12 the first principal maturity date. The first principal maturity
13 date for each series of bonds sold under this authorization shall
14 occur no later than eighteen (18) months from its delivery date. No
15 bonds shall be delivered prior to July 1, 2018.

16 F. Any interest earnings on funds or accounts created for the
17 purposes of this section may be utilized as partial payment of the
18 annual debt service or for the purposes directed by the Authority.

19 G. The obligations issued under this section, the transfer
20 thereof and the interest earned on such obligations, including any
21 profit derived from the sale thereof, shall not be subject to
22 taxation of any kind by the State of Oklahoma, or by any county,
23 municipality or political subdivision therein.

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

8 I. The proceeds from the sale of obligations issued pursuant to
9 the provisions of this section that are needed for repairs,
10 refurbishments and improvements to real and personal property of the
11 State Capitol Building, and associated furniture, fixtures and
12 equipment for the State Capitol shall be subject to the approval of
13 the State Capitol Repair Expenditure Oversight Committee created
14 pursuant to Section 345 of Title 73 of the Oklahoma Statutes.

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

18 SECTION 2. This act shall become effective November 1, 2016.

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