

1 ENGROSSED HOUSE  
2 BILL NO. 3168

By: Hickman of the House

3 and

4 Bingman of the Senate

5  
6 An Act relating to the State Capitol Building;  
7 authorizing the Oklahoma Capitol Improvement  
8 Authority to issue obligations for repair,  
9 refurbishment and improvement of the State Capitol  
10 Building; providing for transfer of title upon  
11 occurrence of certain events; authorizing the  
12 borrowing of money for construction of improvements  
13 and repairs to the State Capitol Building; stating  
14 legislative intent; providing for payment of certain  
15 fees and costs; authorizing procedure for issuance  
16 and hiring of certain professionals; providing for  
17 use of certain interest earnings; exempting certain  
18 obligations, transfers, and interest from taxation;  
19 providing for investment and oversight; authorizing  
20 certain use of interest; authorizing use of certain  
21 proceeds for exterior repairs; requiring expenditure  
22 of proceeds to be approved by the State Capitol  
23 Repair Expenditure Oversight Committee; providing for  
24 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:

A. In addition to any other authorization provided by law, the  
Oklahoma Capitol Improvement Authority is authorized to issue  
obligations to acquire real property, together with improvements

1 located thereon, and personal property to construct improvements to  
2 real property and to provide funding for repairs, refurbishments and  
3 improvements to real and personal property of the State Capitol  
4 Building and associated furniture, fixtures and equipment in a total  
5 amount not to exceed One Hundred Twenty-five Million Dollars  
6 (\$125,000,000.00). The funds shall be used for the renovation,  
7 repair and remodeling of the State Capitol Building.

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

16       C. For the purposes of paying the costs for construction of the  
17 real property and improvements, and providing funding for the  
18 project authorized in subsection A of this section, and for the  
19 purpose authorized in subsection D of this section, the Authority is  
20 hereby authorized to borrow monies on the credit of the income and  
21 revenues to be derived from the leasing of such property and  
22 improvements and, in anticipation of the collection of such income  
23 and revenues, to issue negotiable obligations in a total amount not  
24 to exceed One Hundred Twenty-five Million Dollars (\$125,000,000.00)

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

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

23 E. The obligations authorized under this section may be sold at  
24 either competitive or negotiated sale, as determined by the

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

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

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

20 H. The Authority may direct the investment of all monies in any  
21 funds or accounts created in connection with the offering of the  
22 obligations authorized under this section. Such investments shall  
23 be made in a manner consistent with the investment guidelines of the  
24 State Treasurer. The Authority may place additional restrictions on

1 the investment of such monies if necessary to enhance the  
2 marketability of the obligations.

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

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 November 1, 2016.

14 Passed the House of Representatives the 9th day of March, 2016.

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Presiding Officer of the House  
of Representatives

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Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2016.

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Presiding Officer of the Senate

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