

1 STATE OF OKLAHOMA

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

3 SENATE BILL 169

By: Thompson

4
5
6
7 AS INTRODUCED

8 An Act relating to public finance; authorizing the
9 Oklahoma Capitol Improvement Authority to issue
10 obligations in certain net amount to provide funding
11 for acquiring real and personal property, making
12 improvements and construction of two new correctional
13 facilities; providing for debt retirement payments;
14 directing how title is to be held and when it is to
15 be transferred; authorizing capitalization of certain
16 interest for a specified period of time; stating
17 legislative intent; authorizing payment of certain
18 fees and costs by certain entity; providing methods
19 for issuance of obligations; authorizing hiring
20 certain professionals for certain purposes; providing
21 for sale of obligations by certain methods; limiting
22 maturity of obligations; providing for use of certain
23 interest earnings; exempting certain obligations,
24 transfers, and interest from taxation; providing for
investment and oversight; requiring compliance with
certain statutory provisions; providing for
codification; and providing an effective date.

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

21 SECTION 1. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 347 of Title 73 unless there is
23 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 notes,
3 bonds or other evidences of obligation in an amount necessary to
4 generate net proceeds of One Billion Dollars (\$1,000,000,000.00)
5 after providing for costs of issuance, credit enhancement, reserves
6 and other associated expenses related to the financing. Net
7 proceeds of the financing will be deposited into a construction fund
8 to provide for the financing of acquisition of real property,
9 together with improvements located thereon, and personal property,
10 to construct buildings and other improvements to real property and
11 to provide funding for construction of two (2) new medium security
12 correctional facilities for the Oklahoma Department of Corrections
13 with debt retirement payments to be made as provided in this
14 section.

15 B. The Authority may hold title to the properties until such
16 time as any obligations issued for this purpose are retired or
17 defeased and may lease the real property and improvements to the
18 Oklahoma Department of Corrections. Upon final redemption or
19 defeasance of the obligations created pursuant to this section,
20 title to the real and personal property and improvements shall be
21 transferred from the Authority to the Oklahoma Department of
22 Corrections.

23 C. For the purposes of paying the costs for the acquisition and
24 construction of the real properties and improvements and personal

1 property and improvements to real and personal property and
2 providing funding for the project authorized in subsection A of this
3 section, and for the purpose authorized in subsection D of this
4 section, the Authority is hereby authorized to borrow monies on the
5 credit of the income and revenues to be derived from the leasing of
6 such properties and, in anticipation of the collection of such
7 income and revenues, to issue negotiable obligations in a total
8 amount not to exceed One Billion Dollars (\$1,000,000,000.00) whether
9 issued in one or more series. The Authority is authorized to
10 capitalize interest on the obligations issued pursuant to this
11 section for a period of time not to exceed one (1) year from the
12 date of issuance. Excluding any capitalized interest period, it is
13 the intent of the Legislature to appropriate to the Oklahoma
14 Department of Corrections sufficient monies to make rental payments
15 for the purpose of retiring the obligations created pursuant to this
16 section. To the extent funds are available from the proceeds of the
17 borrowing authorized by this subsection, the Oklahoma Capitol
18 Improvement Authority shall provide for the payment of professional
19 fees and associated costs related to the project authorized in
20 subsection A of this section.

21 D. The Authority may issue obligations in one or more series
22 and in conjunction with other issues of the Authority. The
23 Authority is authorized to hire bond counsel, financial consultants
24 and such other professionals as it may deem necessary to provide for

1 the efficient sale of the obligations and may utilize a portion of
2 the proceed of any borrowing to create such reserves as may be
3 deemed necessary and to pay costs associated with the issuance and
4 administration of such obligations.

5 E. The obligations authorized under this section may be sold at
6 either competitive or negotiated sale, as determined by the
7 Authority. The Authority may enter into agreements with such credit
8 enhancers and liquidity providers as may be determined necessary to
9 efficiently market the obligations. The obligations may mature and
10 have such provisions for redemption as shall be determined by the
11 Authority, but in no event shall the final maturity of such
12 obligations occur later than thirty (30) years from the first
13 principal maturity date.

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

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

22 H. The Authority may direct the investment of all monies in any
23 funds or accounts created in connection with the offering of the
24 obligations authorized under this section. Such investments shall

1 be made in a manner consistent with the investment guidelines of the
2 State Treasurer. The Authority may place additional restrictions on
3 the investment of such monies if necessary to enhance the
4 marketability of the obligations.

5 I. Insofar as they are not in conflict with the provisions of
6 this section, the provisions of Section 151 et seq. of Title 73 of
7 the Oklahoma Statutes shall apply to this section.

8 SECTION 2. This act shall become effective November 1, 2017.

9

10 56-1-724 CP 1/12/2017 5:32:41 PM

11

12

13

14

15

16

17

18

19

20

21

22

23

24