

1 **SENATE FLOOR VERSION**

February 8, 2017

2 **AS AMENDED**

3 SENATE BILL NO. 236

By: David

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6
7 **[public finance - Oklahoma Capitol Improvement**
8 **Authority - ~~effective date~~ -**
9 **emergency]**

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

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

15 A. The Oklahoma Capitol Improvement Authority is authorized to
16 issue notes, bonds, or other evidences of obligation in an amount
17 necessary to generate net proceeds of Fifty-Eight Million Five
18 Hundred and Fifty-five Thousand Dollars (\$58,555,000.00) after
19 providing for costs of issuance, credit enhancement, reserves, and
20 other associated expenses related to financing. Net proceeds of the
21 financing will be deposited into a construction fund to provide for
22 the financing of acquisition of real property, together with
23 improvements located thereon, and personal property, to construct
24 buildings and other improvements to real property and to acquire

1 property for office space and to provide funding for the
2 construction of a new State Health Laboratory for the State
3 Department of Health with debt retirement payments to be made as
4 provided in this section.

5 B. The Authority may hold title to the real and personal
6 property and improvements until such time as any obligations issued
7 for this purpose are retired or defeased and may lease the real
8 property and improvements to the State Department of Health. Upon
9 final redemption or defeasance of the obligations created pursuant
10 to this section, title to the real and personal property and
11 improvements shall be transferred from the Authority to the
12 Department.

13 C. For the purpose of paying the costs for acquisition and
14 construction of the real property and improvements and personal
15 property and providing funding for the project authorized in
16 subsection A of this section, and for the purpose authorized in
17 subsection D of this section, the Authority is hereby authorized to
18 borrow monies on the credit of the income and revenues to be derived
19 from the leasing of such real and personal property and improvements
20 and, in anticipation of the collection of such income and revenues,
21 to issue negotiable obligations in one or more series. The
22 Authority is authorized to capitalize interest on the obligations
23 issued pursuant to this section for a period of time not to exceed
24 one (1) year from the date of issuance. Excluding any capitalized

1 interest period, it is the intent of the Legislature to appropriate
2 to the State Department of Health sufficient monies to make rental
3 payments for the purposes of retiring obligations created pursuant
4 to this section.

5 D. To the extent funds are available from the proceeds of the
6 borrowing authorized by subsection C of this section, the Authority
7 shall provide for the payment of professional fees and associated
8 costs related to the project authorized in subsection A of this
9 section.

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

18 F. The obligations authorized under this section may be sold at
19 either competitive or negotiated sale, as determined by the
20 Authority, and in such form and at such prices as may be authorized
21 by the Authority. The Authority may enter into agreements with such
22 credit enhancers and liquidity providers as may be determined
23 necessary to efficiently market the obligations. The obligations
24 may mature and have such provisions for redemption as shall be

1 determined by the Authority, but in no event shall the final
2 maturity of such obligations occur later than twenty (20) years from
3 the first principal maturity date.

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

7 H. The obligations issued under this section, the transfer
8 thereof and the interest earned on such obligations, including any
9 profit derived from the sale thereof, shall not be subject to
10 taxation of any kind by the State of Oklahoma, or by any county,
11 municipality or political subdivision therein.

12 I. The Authority may direct the investment of all monies in any
13 funds created in connection with the offering of the obligations
14 authorized under this section. The investments shall be made in a
15 manner consistent with the investment guidelines of the State
16 Treasurer. The Authority may place additional restrictions on the
17 investment of such monies if necessary to enhance the marketability
18 of the obligations.

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

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

23 ~~SECTION 3. It being immediately necessary for the preservation~~
24 ~~of the public peace, health or safety, an emergency is hereby~~

1 ~~declared to exist, by reason whereof this act shall take effect and~~
2 ~~be in full force from and after its passage and approval.~~

3 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
4 February 8, 2017 - DO PASS AS AMENDED
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