

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL 622

6 By: Stanislowski

7 COMMITTEE SUBSTITUTE

8 An Act relating to turnpikes; amending 69 O.S. 2011,
9 Section 1709, which relates to turnpike revenue
10 bonds; modifying certain time period for bond
11 maturity; and providing an effective date.

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

13 SECTION 1. AMENDATORY 69 O.S. 2011, Section 1709, is
14 amended to read as follows:

15 Section 1709. A. The Authority may provide by resolution, at
16 one time or from time to time, for the issuance of turnpike revenue
17 bonds of the Authority for the purpose of paying all or any part of
18 the cost of any one or more turnpike projects. The Authority, when
19 it finds that it would be economical and beneficial to do so, may
20 combine two or more, or any part thereof, or all of its proposed
21 projects into one unit and consider the same as one project to the
22 same extent and with like effect as if the same were a single
23 project. The principal of and the interest on the bonds shall be
24 payable solely from the funds provided for such payment. The bonds

1 of each issue shall be dated, shall bear interest at such rate or
2 rates not exceeding the limitations pertaining to public trust
3 indebtedness from time to time expressed in subsection E of Section
4 176 of Title 60 of the Oklahoma Statutes, shall mature at such time
5 or times not exceeding ~~forty (40)~~ thirty (30) years from their date
6 or dates, as may be determined by the Authority, and may be made
7 redeemable before maturity at the option of the Authority at such
8 price or prices and pursuant to such terms and conditions as may be
9 fixed by the Authority prior to the issuance of the bonds. The
10 Authority shall determine the form of the bonds, including any
11 interest coupons to be attached thereto, and the manner of execution
12 of the bonds, and shall fix the denomination or denominations of the
13 bonds and the place or places of payment of principal and interest,
14 which may be at any bank or trust company within or without the
15 state. If any officer whose signature or facsimile of whose
16 signature appears on any bonds or coupons shall cease to be said
17 officer before the delivery of the bonds, the signature or the
18 facsimile shall nevertheless be valid and sufficient for all
19 purposes the same as if the person had remained in office until such
20 delivery. All bonds issued pursuant to the provisions of this
21 article shall have all the qualities and incidents of negotiable
22 instruments subject to the negotiable instruments law of this state.
23 The bonds may be issued in coupon or in registered form, or both, as
24 the Authority may determine, and provisions may be made for the

1 registration of any coupon bonds as to principal alone and also as
2 to both principal and interest, and for the reconversion into coupon
3 bonds of any bonds registered as to both principal and interest.
4 The Authority may sell the bonds in such amounts and in such manner,
5 either at public or private sale, and for such price, as it may
6 determine to be in the best interest of this state, but in no event
7 at a discount in excess of that from time to time expressed in said
8 subsection E of Section 176 of Title 60 of the Oklahoma Statutes.

9 B. The proceeds of the bonds of each issue shall be used solely
10 for the payment of the cost of the turnpike project for which such
11 bonds have been issued, and shall be disbursed in such manner and
12 pursuant to such restrictions, if any, as the Authority may provide
13 in the resolution authorizing the issuance of such bonds or in the
14 trust agreement securing the same. If the proceeds of the bonds of
15 any issue, by error of estimates or otherwise, shall be less than
16 such cost, additional bonds may in like manner be issued to provide
17 the amount of such deficit, and, unless otherwise provided for in
18 the resolution authorizing the issuance of such bonds or in the
19 trust agreement securing the same, shall be deemed to be of the same
20 issue and shall be entitled to payment from the same fund without
21 preference or priority of the bonds first issued. If the proceeds
22 of the bonds of any issue shall exceed such cost, the surplus shall
23 be deposited to the credit of the sinking fund for such bonds, or

24

1 shall be used by the Authority in implementing any other power
2 expressly granted to the Authority in this article.

3 C. Prior to the preparation of definitive bonds, the Authority,
4 subject to like restrictions, may issue interim receipts or
5 temporary bonds, with or without coupons, exchangeable for
6 definitive bonds when such bonds have been executed and are
7 available for delivery. The Authority may also provide for the
8 replacement of any bonds which have become mutilated or were
9 destroyed or lost. Bonds may be issued pursuant to the provisions
10 of this article without obtaining the consent of any department,
11 division, commission, board, bureau, or agency of this state, and
12 without any other proceedings or the occurrence of any other
13 conditions or things than those proceedings, conditions, or things
14 that are specifically required by this article.

15 D. The Authority is hereby authorized to provide that the
16 bonds:

17 1. Be made payable from time to time on demand or tender for
18 purchase by the owner provided a credit facility supports such
19 bonds, unless the Authority specifically determines that a credit
20 facility is not required;

21 2. Be additionally supported by a credit facility;

22 3. Be made subject to redemption prior to maturity, with or
23 without premium, on such notice and at such time or times and with
24 such redemption provisions as may be determined by the Authority or

1 with such variations as may be permitted in connection with a par
2 formula;

3 4. Bear interest at a rate or rates that may vary as permitted
4 pursuant to a par formula and for such period or periods of time,
5 all as may be determined by the Authority; and

6 5. Be made the subject of a remarketing agreement whereby an
7 attempt is made to remarket the bonds to new purchasers prior to
8 their presentment for payment to the provider of the credit facility
9 or to the Authority.

10 No credit facility, repayment agreement, par formula or
11 remarketing agreement shall become effective without the approval of
12 the Authority.

13 E. As used in this section, the following terms shall have the
14 following meanings:

15 1. "Credit facility" means an agreement entered into by the
16 Authority with any bank, savings and loan association or other
17 banking institution; an insurance company, reinsurance company,
18 surety company, or other insurance institution; a corporation,
19 investment banker or other investment institution; or any other
20 financial institution providing for prompt payment of all or any
21 part of the principal, whether at maturity, presentment for
22 purchase, redemption or acceleration, redemption premium, if any,
23 and interest on any bonds payable on demand or tender by the owner
24 issued in accordance with this section, in consideration of the

1 Authority's agreeing to repay the provider of such credit facility
2 in accordance with the terms and provisions of such repayment
3 agreement; provided, that any such repayment agreement shall provide
4 that the obligation of the Authority thereunder shall have only such
5 sources of payment as are permitted for the payment of the bonds
6 issued under this article; and

7 2. "Par formula" means any provision or formula adopted by the
8 Authority to provide for the adjustment, from time to time, of the
9 interest rate or rates borne by any such bonds so that the purchase
10 price of such bonds in the open market would be as close to par as
11 possible.

12 F. Nothing in any law heretofore enacted or enacted at the
13 present session of the Legislature shall be deemed to limit or
14 restrict the right of the Authority to issue bonds or other
15 obligations the interest income, in whole or in part, on which is
16 subject, directly or indirectly, to federal income taxation.

17 G. The Authority may enter into transactions utilizing
18 derivative products, and other financial products intended to hedge
19 interest rate risk, including any option to enter into or terminate
20 any of them, that the Authority deems to be necessary or desirable
21 in connection with any bonds issued prior to, at the same time as,
22 or after entering into such arrangement and containing terms and
23 provisions, and may be with such parties, as determined by the
24 Authority. Provided, any action taken by the Authority pursuant to

1 this subsection must first be approved by the Oklahoma State Bond
2 Advisor and the Council of Bond Oversight pursuant to the provisions
3 of the Oklahoma Bond Oversight and Reform Act.

4 SECTION 2. This act shall become effective November 1, 2015.

5
6 55-1-1446 JD 2/18/2015 9:48:15 AM
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24