HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

ENGROSSED SENATE
BILL NO. 1938

By: Thompson and Rader of the Senate

and

Wallace and Hilbert of the House

An Act relating to high-hazard dam structures; authorizing Oklahoma Capitol Improvement Authority to acquire title to certain property; authorizing Oklahoma Capitol Improvement Authority to issue certain obligations; authorizing capitalization of interest for a specified time period; stating legislative intent with respect to certain debt payments; providing for payment of professional expenses or fees; authorizing issuance of obligations in series; prescribing procedures related to sale of obligations; prescribing maturity; authorizing use of interest for certain partial payment; providing for exemption from income tax; providing for investment of bond proceeds; providing for codification; and declaring an emergency.

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 343.1 of Title 73, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Capitol Improvement Authority is hereby authorized to acquire real property or interests therein, together with improvements located thereon, and personal property and invest capital into improvements for purposes of construction, repair and rehabilitation of high-hazard dams through and with the assistance of local conservation districts, all pursuant to the Conservation District Act.

The Authority may hold title to the real property and improvements until such time as any obligations issued for this purpose are retired or defeased and may lease the real property and improvements to the Oklahoma Conservation Commission. Upon final redemption or defeasance of the obligations created pursuant to this section, title to the real property and improvements shall be transferred from the Authority to the Oklahoma Conservation Commission.

B. For the purpose of paying the costs for acquisition of the real property and improvements and personal property authorized in subsection A of this section, and for the purpose authorized in subsection C of this section, the Authority is hereby authorized to borrow monies on the credit of the income and revenues to be derived from the leasing of such real property and improvements and, in anticipation of collection of such income and revenues, issue negotiable obligations in the amount sufficient to generate net proceeds of Seventeen Million Five Hundred Thousand Dollars

($17,500,000.00) after providing for costs of issuance, credit enhancement, reserves and other associated expenses related to the financing. The Authority is authorized to capitalize interest on the obligations issued pursuant to the authority granted by this section for a period not to exceed one (1) year from the date of issuance. It is the intent of the Legislature to appropriate to the Oklahoma Conservation Commission sufficient monies to make rental payments for the purposes of retiring the obligations created pursuant to this section.

C. To the extent funds are available, the Authority shall provide for the payment of professional fees and associated costs approved by the Authority.

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

E. The obligations authorized under this section may be sold at either competitive or negotiated sale, as determined by the Authority, and in such form and at such prices as may be authorized by the Authority. The Authority may enter into agreements with such

credit enhancers and liquidity providers as may be determined necessary to efficiently market the obligations. The obligations may mature and have such provisions for redemption as shall be determined by the Authority, but in no event shall the final maturity of such obligations occur later than twenty (20) years from the first principal maturity date.

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

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

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

SECTION 2. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby

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

DIRECT TO CALENDAR.