

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1938

6 By: Thompson and Rader of the
7 Senate

8 and

9 Wallace and Hilbert of the
10 House

11 COMMITTEE SUBSTITUTE

12 An Act relating to high-hazard dam structures;
13 authorizing Oklahoma Capitol Improvement Authority to
14 acquire title to certain property; authorizing
15 Oklahoma Capitol Improvement Authority to issue
16 certain obligations; authorizing capitalization of
17 interest for a specified time period; stating
18 legislative intent with respect to certain debt
19 payments; providing for payment of professional
20 expenses or fees; authorizing issuance of obligations
21 in series; prescribing procedures related to sale of
22 obligations; prescribing maturity; authorizing use of
23 interest for certain partial payment; providing for
24 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

1 with improvements located thereon, and personal property and invest
2 capital into improvements for purposes of construction, repair and
3 rehabilitation of high-hazard dams through and with the assistance
4 of local conservation districts, all pursuant to the Conservation
5 District Act.

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

14 B. For the purpose of paying the costs for acquisition of the
15 real property and improvements and personal property authorized in
16 subsection A of this section, and for the purpose authorized in
17 subsection C 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 property and improvements and, in
20 anticipation of collection of such income and revenues, issue
21 negotiable obligations in the amount sufficient to generate net
22 proceeds of Seventeen Million Five Hundred Thousand Dollars
23 (\$17,500,000.00) after providing for costs of issuance, credit
24 enhancement, reserves and other associated expenses related to the

1 financing. The Authority is authorized to capitalize interest on the
2 obligations issued pursuant to the authority granted by this section
3 for a period not to exceed one (1) year from the date of issuance. It
4 is the intent of the Legislature to appropriate to the Oklahoma
5 Conservation Commission sufficient monies to make rental payments
6 for the purposes of retiring the obligations created pursuant to
7 this section.

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

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

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

1 may mature and have such provisions for redemption as shall be
2 determined by the Authority, but in no event shall the final
3 maturity of such obligations occur later than twenty (20) years from
4 the first principal maturity date.

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

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

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

20 SECTION 2. It being immediately necessary for the preservation
21 of the public peace, health or safety, an emergency is hereby
22 declared to exist, by reason whereof this act shall take effect and
23 be in full force from and after its passage and approval.

24 57-2-4084 CP 5/6/2020 9:33:06 AM