

1 ENGROSSED SENATE
2 BILL NO. 1938

By: Thompson and Rader of the
Senate

3 and

4 Wallace and Hilbert of the
5 House

6
7 An Act relating to high-hazard dam structures;
8 authorizing Oklahoma Capitol Improvement Authority to
9 acquire title to certain property; authorizing
10 Oklahoma Capitol Improvement Authority to issue
11 certain obligations; authorizing capitalization of
12 interest for a specified time period; stating
13 legislative intent with respect to certain debt
14 payments; providing for payment of professional
15 expenses or fees; authorizing issuance of obligations
16 in series; prescribing procedures related to sale of
17 obligations; prescribing maturity; authorizing use of
18 interest for certain partial payment; providing for
19 exemption from income tax; providing for investment
20 of bond proceeds; providing for codification; and
21 declaring an emergency.

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

23 SECTION 1. NEW LAW A new section of law to be codified
24 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

1 rehabilitation of high-hazard dams through and with the assistance
2 of local conservation districts, all pursuant to the Conservation
3 District Act.

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

12 B. For the purpose of paying the costs for acquisition of the
13 real property and improvements and personal property authorized in
14 subsection A of this section, and for the purpose authorized in
15 subsection C of this section, the Authority is hereby authorized to
16 borrow monies on the credit of the income and revenues to be derived
17 from the leasing of such real property and improvements and, in
18 anticipation of collection of such income and revenues, issue
19 negotiable obligations in the amount sufficient to generate net
20 proceeds of Seventeen Million Five Hundred Thousand Dollars
21 (\$17,500,000.00) after providing for costs of issuance, credit
22 enhancement, reserves and other associated expenses related to the
23 financing. The Authority is authorized to capitalize interest on the
24 obligations issued pursuant to the authority granted by this section

1 for a period not to exceed one (1) year from the date of issuance. It
2 is the intent of the Legislature to appropriate to the Oklahoma
3 Conservation Commission sufficient monies to make rental payments
4 for the purposes of retiring the obligations created pursuant to
5 this section.

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

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

17 E. The obligations authorized under this section may be sold at
18 either competitive or negotiated sale, as determined by the
19 Authority, and in such form and at such prices as may be authorized
20 by the Authority. The Authority may enter into agreements with such
21 credit enhancers and liquidity providers as may be determined
22 necessary to efficiently market the obligations. The obligations
23 may mature and have such provisions for redemption as shall be
24 determined by the Authority, but in no event shall the final

1 maturity of such obligations occur later than twenty (20) years from
2 the first principal maturity date.

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

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

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

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

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Passed the Senate the 7th day of May, 2020.

Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____,
2020.

Presiding Officer of the House
of Representatives