

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 HOUSE BILL 1852

By: Fugate

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5
6 AS INTRODUCED

7 An Act relating to the Oklahoma Capitol Improvement
8 Authority; authorizing issuance of indebtedness;
9 stating purpose of issuance; providing for allocation
10 of bond proceeds to the University of Oklahoma and
11 Oklahoma State University; authorizing Authority to
12 hold title to certain assets; providing for transfer
13 of title upon occurrence of certain events;
14 authorizing borrowing of monies based upon certain
15 revenues; stating legislative intent with respect to
16 appropriations; providing for payment of professional
17 fees and costs; prescribing procedures for sale and
18 issuance of obligations; authorizing contracts for
19 liquidity enhancement; prescribing maximum maturity;
20 providing for exemption from certain state and local
21 taxes; providing for use of certain interest
22 earnings; providing for authorized investments;
23 providing for applicability of statutory procedures
24 with respect to the Oklahoma Capitol Improvement
Authority; providing for codification; providing an
effective date; 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 401 of Title 73, unless there is
created a duplication in numbering, reads as follows:

1 A. The Oklahoma Capitol Improvement Authority is authorized to
2 issue notes, bonds, or other evidences of obligation in an amount
3 necessary to generate net proceeds of Two Hundred Seventy Million
4 Dollars (\$270,000,000.00) after providing for costs of issuance,
5 credit enhancement, reserves, and other associated expenses related
6 to financing. Net proceeds of the financing will be deposited into
7 a construction fund to provide for the financing of acquisition of
8 real property, together with improvements located thereon, and
9 personal property, to construct buildings and other improvements to
10 real property and to acquire property for office space and to
11 provide funding for the construction of facilities located on the
12 campus of the University of Oklahoma and Oklahoma State University
13 suitable for research, development and manufacturing of generic
14 drugs, including but not limited to insulin, with debt retirement
15 payments to be made as provided in this section. The total net
16 proceeds shall be allocated by The Oklahoma State Regents for Higher
17 Education equally between the University of Oklahoma and Oklahoma
18 State University.

19 B. The Authority may hold title to the real and personal
20 property and improvements until such time as any obligations issued
21 for this purpose are retired or defeased and may lease the real
22 property and improvements to the Oklahoma State Regents for Higher
23 Education or the Board of Regents for the University of Oklahoma
24 with respect to assets located on that campus or the Board of

1 Regents for the Oklahoma Agricultural and Mechanical Colleges with
2 respect to assets located on the Oklahoma State University campus.
3 Upon final redemption or defeasance of the obligations created
4 pursuant to this section, title to the real and personal property
5 and improvements shall be transferred from the Authority to the
6 applicable Board of Regents.

7 C. For the purpose of paying the costs for acquisition and
8 construction of the real property and improvements and personal
9 property and providing funding for the project authorized in
10 subsection A of this section, and for the purpose authorized in
11 subsection D of this section, the Authority is hereby authorized to
12 borrow monies on the credit of the income and revenues to be derived
13 from the leasing of such real and personal property and improvements
14 and, in anticipation of the collection of such income and revenues,
15 to issue negotiable obligations in one or more series. The
16 Authority is authorized to capitalize interest on the obligations
17 issued pursuant to this section for a period of time not to exceed
18 one (1) year from the date of issuance. Excluding any capitalized
19 interest period, it is the intent of the Legislature to appropriate
20 to the Oklahoma State Regents for Higher Education sufficient monies
21 to make rental payments for the purposes of retiring obligations
22 created pursuant to this section.

23 D. To the extent funds are available from the proceeds of the
24 borrowing authorized by subsection C of this section, the Authority

1 shall provide for the payment of professional fees and associated
2 costs related to the project authorized in subsection A of this
3 section.

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

12 F. The obligations authorized under this section may be sold at
13 either competitive or negotiated sale, as determined by the
14 Authority, and in such form and at such prices as may be authorized
15 by the Authority. The Authority may enter into agreements with such
16 credit enhancers and liquidity providers as may be determined
17 necessary to efficiently market the obligations. The obligations
18 may mature and have such provisions for redemption as shall be
19 determined by the Authority, but in no event shall the final
20 maturity of such obligations occur later than twenty (20) years from
21 the first principal maturity date.

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

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

6 I. The Authority may direct the investment of all monies in any
7 funds created in connection with the offering of the obligations
8 authorized under this section. The investments shall be made in a
9 manner consistent with the investment guidelines of the State
10 Treasurer. The Authority may place additional restrictions on the
11 investment of such monies if necessary to enhance the marketability
12 of the obligations.

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

16 SECTION 2. This act shall become effective July 1, 2021.

17 SECTION 3. It being immediately necessary for the preservation
18 of the public peace, health or safety, an emergency is hereby
19 declared to exist, by reason whereof this act shall take effect and
20 be in full force from and after its passage and approval.

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