

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL 1124

6 By: Sacchieri

7 COMMITTEE SUBSTITUTE

8 An Act relating to sinking funds; requiring rate of
9 certain levy to be sufficient for redemption of bond
10 in certain period; requiring a reduction of the rate
11 of certain levy for certain period upon the
12 redemption of certain bond before the date of
13 maturity; prohibiting the issuance of certain
14 obligation for certain period; requiring the State
15 Auditor and Inspector to enforce certain provisions;
16 authorizing the promulgation of rules; requiring the
17 transfer of certain funds and limitation on the
18 issuance of bonds for any subsequent notice of
19 noncompliance; providing for codification; and
20 providing an effective date.

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

22 SECTION 1. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 452 of Title 62, unless there is
24 created a duplication in numbering, reads as follows:

25 A. For every sinking fund created for bonds issued by any
26 school district, not including technology center school districts,
27 for which an ad valorem tax is levied for the redemption of such
28 obligations, the millage rate shall be sufficient for the redemption

1 of the bond and the payment of interest or judgment in the same
2 period for which the bond was proposed by the district.

3 B. If the revenues collected from the levy and deposited to the
4 sinking fund are in amounts that provide for redemption of the bond
5 prior to the date of maturity and such bond is redeemed below par
6 prior to the date of maturity of the obligation, the tax levied for
7 the redemption of such bond shall be reduced to zero for at least
8 one (1) full tax year subsequent to the year in which such bond was
9 redeemed. The district shall not issue any new bond, for the same
10 purpose or by the same authorization for which the previous bond
11 redeemed below par prior to the date of maturity was issued, for at
12 least one (1) year from the date the previous bond was redeemed.

13 C. The State Auditor and Inspector shall enforce the provisions
14 of this section. The State Auditor and Inspector may promulgate
15 rules and require the submission of certain documentation to enforce
16 the provisions of this section.

17 D. Any school district that does not comply with the provisions
18 of subsection B of this section shall receive a notice of
19 noncompliance from the State Auditor and Inspector. Any school
20 district that receives any subsequent notice of noncompliance shall
21 transfer five percent (5%) of the allocation of State Aid of such
22 district, pursuant to the provisions of Section 18-200.1 of Title 70
23 of the Oklahoma Statutes, to the Education Reform Revolving Fund,
24 created pursuant to Section 18-400 of Title 70 of the Oklahoma

1 Statutes, for the school year subsequent to the year of
2 noncompliance. Provided, for a school district receiving any
3 subsequent notice of noncompliance that does not receive an
4 allocation of State Aid, no issuance of any bond or obligation shall
5 exceed an amount that would necessitate the levy of a tax exceeding
6 a rate equal to fifty percent (50%) of the maximum levy rate
7 authorized by the district for such levy, until such time the
8 district becomes compliant.

9 SECTION 2. This act shall become effective November 1, 2025.

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