

1 **SENATE FLOOR VERSION**

2 February 17, 2025

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 1124

6 By: Sacchieri and Hamilton

7 [ sinking funds - levy - bond - obligation - rules -  
8 noncompliance - codification - effective date ]  
9

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

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

14 A. For every sinking fund created for bonds issued by any  
15 school district, not including technology center school districts,  
16 for which an ad valorem tax is levied for the redemption of such  
17 obligations, the millage rate shall be sufficient for the redemption  
18 of the bond and the payment of interest or judgment in the same  
19 period for which the bond was proposed by the district.

20 B. If the revenues collected from the levy and deposited to the  
21 sinking fund are in amounts that provide for redemption of the bond  
22 prior to the date of maturity and such bond is redeemed below par  
23 prior to the date of maturity of the obligation, the tax levied for  
24 the redemption of such bond shall be reduced to zero for at least

1 one (1) full tax year subsequent to the year in which such bond was  
2 redeemed. The district shall not issue any new bond, for the same  
3 purpose or by the same authorization for which the previous bond  
4 redeemed below par prior to the date of maturity was issued, for at  
5 least one (1) year from the date the previous bond was redeemed.

6 C. The State Auditor and Inspector shall enforce the provisions  
7 of this section. The State Auditor and Inspector may promulgate  
8 rules and require the submission of certain documentation to enforce  
9 the provisions of this section.

10 D. Any school district that does not comply with the provisions  
11 of subsection B of this section shall receive a notice of  
12 noncompliance from the State Auditor and Inspector. Any school  
13 district that receives any subsequent notice of noncompliance shall  
14 transfer five percent (5%) of the allocation of State Aid of such  
15 district, pursuant to the provisions of Section 18-200.1 of Title 70  
16 of the Oklahoma Statutes, to the Education Reform Revolving Fund,  
17 created pursuant to Section 18-400 of Title 70 of the Oklahoma  
18 Statutes, for the school year subsequent to the year of  
19 noncompliance. Provided, for a school district receiving any  
20 subsequent notice of noncompliance that does not receive an  
21 allocation of State Aid, no issuance of any bond or obligation shall  
22 exceed an amount that would necessitate the levy of a tax exceeding  
23 a rate equal to fifty percent (50%) of the maximum levy rate

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1 authorized by the district for such levy, until such time the  
2 district becomes compliant.

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

4 COMMITTEE REPORT BY: COMMITTEE ON REVENUE AND TAXATION  
5 February 17, 2025 - DO PASS AS AMENDED BY CS

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