

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 58th Legislature (2021)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2944

By: Wallace and Hilbert of the
House

and

Thompson and Hall of the
Senate

11 COMMITTEE SUBSTITUTE

12 An Act relating to the Oklahoma Capitol Improvement
13 Authority; authorizing issuance of obligations;
14 providing for authorized use of proceeds; providing
15 for net proceeds amount; authorizing acquisition of
16 title to certain assets by Oklahoma Capitol
17 Improvement Authority; providing for transfer of
18 title upon redemption or defeasance; authorizing
19 Oklahoma Capitol Improvement authority to borrow
20 monies on credit of certain income or revenues;
21 authorizing capitalization of interest for prescribed
22 period of time; stating legislative intent with
23 respect to appropriate funds to the Oklahoma Military
24 Department; providing for payment of professional
fees and costs; authorizing issuance of obligations
in one or more series; authorizing engagement of
certain professional services; providing for
competitive or negotiated sale of obligations;
providing for agreements with credit enhancers or
liquidity providers; prescribing final maturity;
authorizing use of interest for certain purposes;
providing for exemption from state and local
taxation; providing for investment of funds;
providing for restrictions; providing for
applicability of certain statutory provisions;
authorizing use of surplus net proceeds for

1 acquisition and improvement of real property for
2 joint operations center by the Oklahoma Military
3 Department; imposing time limit for issuance of
4 obligations; providing for effect of termination of
5 issuing capacity on previously issued obligations;
6 providing for codification; providing an effective
7 date; and declaring an emergency.

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

9 SECTION 1. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 381 of Title 73, unless there is
11 created a duplication in numbering, reads as follows:

12 A. In addition to any other authorization provided by law, the
13 Oklahoma Capitol Improvement Authority is authorized to issue
14 obligations to acquire real property, together with improvements
15 located thereon, and to acquire personal property, to develop and
16 construct buildings, parking facilities and other improvements to
17 real property, to provide funding for repairs, planning, staging,
18 refurbishments, and for funding of construction of a new Oklahoma
19 National Guard Museum in a total amount necessary to generate Forty-
20 five Million Dollars (\$45,000,000.00) in project funds with debt
21 retirement payments to be made as provided in this section.

22 B. The Authority may hold title to the real and personal
23 property and improvements until such time as any obligations issued
24 for this purpose are retired or defeased and may lease the real
property and improvements and the tangible personal property the

1 acquisition of which or improvement or refurbishment of which is
2 authorized by subsection A and subsection J of this section to the
3 Oklahoma Military Department. Upon final redemption or defeasance
4 of the obligations created pursuant to this section, title to the
5 real and personal property and improvements shall be transferred
6 from the Authority to the Oklahoma Military Department.

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 making the repairs, planning, staging, refurbishments
10 and improvements to real and personal property, and for the purpose
11 authorized in subsection D of this section the Authority is hereby
12 authorized to borrow monies on the credit of the income and revenues
13 to be derived from the leasing of such real and personal property,
14 parking facilities and improvements and, in anticipation of the
15 collection of such income and revenues, to issue negotiable
16 obligations in a total amount necessary to generate Forty-five
17 Million Dollars (\$45,000,000.00) in project funds, whether issued in
18 one or more series. The Authority is authorized to capitalize
19 interest on the obligations issued pursuant to the authority granted
20 by this section for a period not to exceed two (2) years from the
21 date of issuance. Excluding any capitalized interest period, it is
22 the intent of the Legislature to appropriate to the Oklahoma
23 Military Department sufficient monies to make rental payments for
24 the purposes of retiring the obligations created pursuant to this

1 section. To the extent funds are available from the proceeds of the
2 borrowing authorized by this subsection, the Authority shall provide
3 for the payment of professional fees and associated costs related to
4 the projects authorized in this act.

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

13 E. The obligations authorized under this section may be sold at
14 either competitive or negotiated sale, as determined by the
15 Authority, and in such form and at such prices as may be authorized
16 by the Authority. The Authority may enter into agreements with such
17 credit enhancers and liquidity providers as may be determined
18 necessary to efficiently market the obligations. The obligations
19 may mature and have such provisions for redemption as shall be
20 determined by the Authority, but in no event shall the final
21 maturity of such obligations occur later than twenty-five (25) years
22 from the first principal maturity date.

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

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

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

16 I. Insofar as they are not in conflict with the provisions of
17 this section, the provisions of Sections 151 through 186 of Title 73
18 of the Oklahoma Statutes shall apply to this section.

19 J. To the extent net proceeds from the issuance of obligations
20 authorized by this section are in excess of authorized or required
21 expenditures for the projects as described by subsection A of this
22 section, the balance of such net proceeds shall be utilized for the
23 acquisition and improvements to real property to be used by the
24 Oklahoma Military Department for a joint operations center.

1 K. Unless at least fifty percent (50%) of the proceeds
2 authorized by the provisions of this section have been obtained by
3 sale of obligations by the Authority within three (3) years from the
4 effective date of this act, the provisions of this section shall
5 cease to have the force or effect of law with respect to any further
6 issuance of obligations by the Authority otherwise authorized by
7 this section. The provisions of this subsection shall not be
8 construed to limit the liability of the Authority with respect to
9 obligations issued pursuant to this section if the obligations were
10 issued prior to the termination of the remaining issuing capacity
11 nor shall the provisions of this subsection be construed in any way
12 to impair rights of any person or entity which has purchased any
13 obligations of the Authority pursuant to the provisions of this
14 section which were authorized at the time of such purchase.

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

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

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21 COMMITTEE REPORT BY: COMMITTEE ON JOINT COMMITTEE ON APPROPRIATIONS
22 AND BUDGET, dated 05/17/2021 - DO PASS, As Amended.

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