

OKLAHOMA HOUSE OF REPRESENTATIVES
COMMITTEE REPORT

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JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET COMMITTEE

HB2944

By: Wallace et al of the House
Thompson et al of the Senate

Title: Appropriations and budget; Budget Coordination Act of 2021;
effective date.

Coauthored By:

Recommendation: **DO PASS AS AMENDED BY CS**

Amendments:

1. Committee Substitute Attached



Chr.
Representative Kevin Wallace

YEAS: 33

Baker, Bennett, Blancett, Boatman, Dills, Echols, Fetgatter, Ford, Goodwin, Hilbert, Hill, Kannady, Lawson, Martinez, McBride, McDugle, McEntire, Miller, Mize, Munson, Newton, Nichols, Osburn, Pfeiffer, Roberts (D), Russ, Sterling, Strom, Virgin, Walke, Wallace, West (J), West (T)

NAYS: 0

CONSTITUTIONAL PRIVILEGE: 0

OKLAHOMA STATE SENATE
JOINT
COMMITTEE REPORT

May 17, 2021

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By: Wallace of the House and Thompson of the Senate

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Recommendation: **DO PASS AS AMENDED**

Aye: Brooks, Dossett (J.J.), Dugger, Floyd, Haste, Howard, Jech, Kidd, Montgomery, Newhouse, Pederson, Pemberton, Rader, Rosino, Simpson, Weaver, Hall, Thompson

Nay:

Constitutional Privilege:

Senator Roger Thompson, Chair

Committee Substitute, motion by Senator HASTE - Adopted (Request No: 8166)

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 2944

By: Wallace and Hilbert of the
House

6 and

7 Thompson and Hall of the
8 Senate

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10 COMMITTEE SUBSTITUTE

11 An Act relating to the Oklahoma Capitol Improvement
12 Authority; authorizing issuance of obligations;
13 providing for authorized use of proceeds; providing
14 for net proceeds amount; authorizing acquisition of
15 title to certain assets by Oklahoma Capitol
16 Improvement Authority; providing for transfer of
17 title upon redemption or defeasance; authorizing
18 Oklahoma Capitol Improvement authority to borrow
19 monies on credit of certain income or revenues;
20 authorizing capitalization of interest for prescribed
21 period of time; stating legislative intent with
22 respect to appropriate funds to the Oklahoma Military
23 Department; providing for payment of professional
24 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
acquisition and improvement of real property for
joint operations center by the Oklahoma Military

1 Department; imposing time limit for issuance of
2 obligations; providing for effect of termination of
3 issuing capacity on previously issued obligations;
4 providing for codification; providing an effective
5 date; and declaring an emergency.

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

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

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

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

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

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

1 borrowing authorized by this subsection, the Authority shall provide
2 for the payment of professional fees and associated costs related to
3 the projects authorized in this act.

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

12 E. 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-five (25) years
21 from the first principal maturity date.

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

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

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

22 K. Unless at least fifty percent (50%) of the proceeds
23 authorized by the provisions of this section have been obtained by
24 sale of obligations by the Authority within three (3) years from the

1 effective date of this act, the provisions of this section shall
2 cease to have the force or effect of law with respect to any further
3 issuance of obligations by the Authority otherwise authorized by
4 this section. The provisions of this subsection shall not be
5 construed to limit the liability of the Authority with respect to
6 obligations issued pursuant to this section if the obligations were
7 issued prior to the termination of the remaining issuing capacity
8 nor shall the provisions of this subsection be construed in any way
9 to impair rights of any person or entity which has purchased any
10 obligations of the Authority pursuant to the provisions of this
11 section which were authorized at the time of such purchase.

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

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

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18 58-1-8335 JM 05/17/21

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