An Act

ENROLLED HOUSE
BILL NO. 3168

By: Hickman of the House

and

Bingman of the Senate

An Act relating to the State Capitol Building; authorizing the Oklahoma Capitol Improvement Authority to issue obligations for repair, refurbishment and improvement of the State Capitol Building; providing for transfer of title upon occurrence of certain events; authorizing the borrowing of money for construction of improvements and repairs to the State Capitol Building; stating legislative intent; providing for payment of certain fees and costs; authorizing procedure for issuance of obligations and hiring of certain professionals; providing for use of certain interest earnings; exempting certain obligations, transfers, and interest from taxation; providing for investment and oversight; authorizing certain use of interest; authorizing use of certain proceeds for exterior repairs; requiring expenditure of proceeds to be approved by the State Capitol Repair Expenditure Oversight Committee; providing for codification; and providing an effective date.

SUBJECT: State Capitol Building

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 346 of Title 73, unless there is created a duplication in numbering, reads as follows:

A. In addition to any other authorization provided by law, the Oklahoma Capitol Improvement Authority is authorized to issue

obligations to acquire real property, together with improvements located thereon, and personal property to construct improvements to real property and to provide funding for repairs, refurbishments and improvements to real and personal property of the State Capitol Building and associated furniture, fixtures and equipment in a total amount not to exceed One Hundred Twenty-five Million Dollars ($125,000,000.00). The funds shall be used for the renovation, repair and remodeling of the State Capitol Building.

B. The Authority may hold title to the property and improvements until such time as any obligations issued for this purpose are retired or defeased and may lease the property and improvements to the Office of Management and Enterprise Services. Upon final redemption or defeasance of the obligations created pursuant to this section, title to the property and improvements shall be transferred from the Oklahoma Capitol Improvement Authority to the Office of Management and Enterprise Services.

C. For the purposes of paying the costs for construction of the real property and improvements, and providing funding for the project authorized in subsection A of this section, and for the purpose authorized in subsection D of this section, the Authority is hereby authorized to borrow monies on the credit of the income and revenues to be derived from the leasing of such property and improvements and, in anticipation of the collection of such income and revenues, to issue negotiable obligations in a total amount not to exceed One Hundred Twenty-five Million Dollars ($125,000,000.00) whether issued in one or more series. The Authority is authorized to capitalize interest on the obligations issued pursuant to this section for a period of not to exceed one (1) year from the date of issuance. For subsequent fiscal years, it is the intent of the Legislature to appropriate to the Office of Management and Enterprise Services sufficient monies to make rental payments for the purpose of retiring the obligations created pursuant to this section. To the extent funds are available from the proceeds of the borrowing authorized by this subsection, the Oklahoma Capitol Improvement Authority shall provide for the payment of professional fees and associated costs related to the project authorized in subsection A of this section; provided, that no such fees or costs may be paid if such payments would jeopardize the tax-advantaged status of the bonds under federal law.

D. The Authority may issue obligations in one or more series and in conjunction with other issues of the Authority. The Authority is authorized to hire bond counsel, financial consultants,

and such other professionals as it may deem necessary to provide for the efficient sale of the obligations and may utilize a portion of the proceeds of any borrowing to create such reserves as may be deemed necessary and to pay costs associated with the issuance and administration of such obligations.

E. The obligations authorized under this section may be sold at either competitive or negotiated sale, as determined by the Authority, and in such form and at such prices as may be authorized by the Authority. The Authority may enter into agreements with such credit enhancers and liquidity providers as may be determined necessary to efficiently market the obligations. The obligations may mature and have such provisions for redemption as shall be determined by the Authority, but in no event shall the final maturity of such obligations occur later than twenty (20) years from the first principal maturity date. The first principal maturity date for each series of bonds sold under this authorization shall occur no later than eighteen (18) months from its delivery date. No bonds shall be delivered prior to July 1, 2018.

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

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

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

I. The proceeds from the sale of obligations issued pursuant to the provisions of this section that are needed for repairs, refurbishments and improvements to real and personal property of the State Capitol Building, and associated furniture, fixtures and equipment for the State Capitol shall be subject to the approval of the State Capitol Repair Expenditure Oversight Committee created pursuant to Section 345 of Title 73 of the Oklahoma Statutes.

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

SECTION 2. This act shall become effective November 1, 2016.

Passed the House of Representatives the 9th day of March, 2016.

Presiding Officer of the House
of Representatives

Passed the Senate the 26th day of May, 2016.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 26th

day of May, 2016, at 3:48 o'clock P M.

By: Audrey Rockwell

Approved by the Governor of the State of Oklahoma this 6th

day of June, 2016, at 3:31 o'clock P M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 6th

day of June, 2016, at 4:53 o'clock P. M.

By: Chris Benge