# An Act

ENROLLED SENATE
BILL NO. 86

By: Hall of the Senate

and

Moore of the House

An Act relating to higher education; amending 70 O.S. 2021, Section 3510, which relates to the Board of Regents of Oklahoma Colleges; adding statutory reference; allowing the Regional University System of Oklahoma (RUSO) to issue certain obligations for certain purposes; amending 70 O.S. 2021, Sections 3980.2, 3980.3, and 3980.4, which relate to the Oklahoma Higher Education Promise of Excellence Act of 2005; adding statutory reference; stating legislative intent that RUSO become an issuer of certain obligations; modifying certain definitions; modifying certain authority to issue certain indebtedness; authorizing RUSO to issue indebtedness for certain projects; providing for pledging of certain revenue for repayment; updating references; updating statutory language; and making language gender neutral.

SUBJECT: Higher education

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

SECTION 1. AMENDATORY 70 O.S. 2021, Section 3510, is amended to read as follows:

Section 3510. The Board of Regents of Oklahoma Colleges, also known as the Regional University System of Oklahoma (RUSO) pursuant to Section 3507.1 of this title, shall have the supervision, management, and control of the University of Central Oklahoma, East

Central University, Northeastern State University, Northwestern Oklahoma State University, Southeastern Oklahoma State University, and Southwestern Oklahoma State University; and it shall have the following additional powers and duties:

(a) Adopt such rules and regulations as it deems necessary to govern each of the institutions under its jurisdiction.

(b) Employ and fix the compensation and duties of such personnel as it deems necessary~~,~~ including architects, attorneys, engineers, and other professional and technical persons for its operation and for the operation of the institutions under its jurisdiction. Any of such personnel having custody of public funds or other public property may be required to furnish corporate surety bonds in such amounts as may be deemed necessary by the Board, payable to ~~the State of Oklahoma~~ this state and conditioned upon a faithful accounting of all such funds and property.

(c) Enter into contracts, purchase supplies, materials and equipment, and incur such other expenses as may be necessary to make any of its powers effective.

(d) Authorize officials at the several institutions under its jurisdiction to act in its behalf in the making of contracts, or in carrying out the powers conferred upon it.

(e) Receive and make disposition of monies, grants, and property from federal agencies, and administer the same in accordance with federal requirements.

(f) Accept gifts of real and personal property, money, and other things, and use or dispose of the same in accordance with the directions of the donors or grantors thereof.

(g) Direct the disposition of all monies appropriated by the Legislature or by the Congress or derived from the sale of bonds or received from any other source by the institutions under its jurisdiction.

(h) Acquire and take title to real and personal property in its name, on behalf of any of the institutions under its jurisdiction, and convey, exchange, or dispose of, or otherwise manage or control,

such property in the interest of such institutions~~,~~ including the granting of leases, permits, easements, and licenses over or upon any such real property. The Board shall have the power to institute any legal action in the name of the Board before any court having jurisdiction of such actions. The Board shall have custody of abstracts of title and instruments affecting the ownership of or title to real property acquired for or belonging to such institutions.

(i) Have supervision and charge of the construction of all buildings at institutions under its jurisdiction.

(j) Determine the need for and cause to be constructed dormitories and other buildings, on a self-liquidating basis, at any institution under its jurisdiction.

(k) Establish and maintain plans for tenure and retirement of employees of the Board and of the institutions under its jurisdiction, and for payment of deferred compensation of such employees; and provide hospital and medical benefits, accident, health, and life insurance, and annuity contracts, for such employees and their dependents. The Board may pay for all or a part of the cost thereof for employees, with funds available for the operation of the institution. Amounts payable by an employee for such insurance or annuity contracts may, with the consent of the employee, be deducted from his or her salary.

(l) Maintain an inventory of all property belonging to each of the institutions under its jurisdiction.

(m) Audit all accounts against the funds allocated to the institutions under its jurisdiction.

(n) Provide penalties and forfeitures by way of damages and otherwise for the violation of rules and regulations of the Board, which may be sued for and collected in the name of the Board before any court having jurisdiction of such actions.

(o) Do all things necessary or convenient to carry out the powers expressly granted to it by Article XIII-B of the Oklahoma Constitution and the Statutes of Oklahoma, or to make institutions

under its jurisdiction effective for the purposes for which they are maintained or operated.

(p) Issue, on behalf of the institutions supervised and managed by RUSO, special and limited obligations for purposes of such capital projects as RUSO may deem proper.

SECTION 2. AMENDATORY 70 O.S. 2021, Section 3980.2, is amended to read as follows:

Section 3980.2. A. It is the intent of the Legislature to authorize the Board of Regents of the University of Oklahoma, acting for the benefit of the University of Oklahoma, the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, acting for the benefit of Oklahoma State University, the Oklahoma State Regents for Higher Education, acting for the benefit of other institutions within The Oklahoma State System of Higher Education, the Board of Regents of Oklahoma Colleges, also known as the Regional University System of Oklahoma (RUSO) pursuant to Section 3507.1 of this title, acting for the benefit of the institutions supervised and managed by RUSO, and the Oklahoma Capitol Improvement Authority to become issuers of obligations according to the provisions and for the purposes authorized by ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of 2005.

B. Obligations issued by any of the authorized issuers pursuant to ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of 2005 supported by appropriation of revenues from the Oklahoma Education Lottery Trust Fund pursuant to Section 41 of Article X of the Oklahoma Constitution shall be considered and deemed to have been authorized for the purposes of construction or acquisition of educational facilities or equipment owned by or under the control of the Oklahoma State Regents for Higher Education within the meaning of paragraph 4 of subsection B of Section 41 of Article X of the Oklahoma Constitution and/or capital outlay projects within the meaning of paragraph 5 of subsection B of Section 41 of Article X of the Oklahoma Constitution.

C. Obligations issued pursuant to the authority of ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of 2005 shall not be deemed or considered to be general obligations of ~~the State of Oklahoma~~ this state, but shall be limited and special obligations

of the authorized issuer for the benefit of the applicable institutions within The Oklahoma State System of Higher Education under their respective auspices and control.

D. Neither the appropriations powers of the Legislature pursuant to Article V of the Oklahoma Constitution nor the powers described by Section 3 of Article XIII-A of the Oklahoma Constitution with respect to monies lawfully appropriated to the Oklahoma State Regents for Higher Education nor the power of the Legislature to impose taxes, generally, shall be pledged to the repayment of any obligations issued pursuant to the provisions of ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of 2005 and any obligation issued by any authorized issuer hereunder shall affirmatively state this restriction.

E. It is the intent of the Legislature to improve the ability of the Oklahoma State Regents for Higher Education and the other specifically designated Boards of Regents within The Oklahoma State System of Higher Education to finance capital improvements and to provide a method by which the total revenues available to each respective authorized issuer of obligations, or revenues available within The Oklahoma State System of Higher Education as prescribed by ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of 2005, may be pledged to the repayment of the obligations, resulting in a higher credit rating and an interest cost savings to The Oklahoma State System of Higher Education.

SECTION 3. AMENDATORY 70 O.S. 2021, Section 3980.3, is amended to read as follows:

Section 3980.3. As used in ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of 2005, and unless the context clearly requires otherwise:

1. "Authorized issuer" means:

   a. the Oklahoma State Regents for Higher Education acting for the benefit of any institution within The Oklahoma State System of Higher Education other than the University of Oklahoma or Oklahoma State University,

b. the Board of Regents of the University of Oklahoma acting for the benefit of the University of Oklahoma,

c. the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, acting for the benefit of Oklahoma State University, ~~and~~

d. the Board of Regents of Oklahoma Colleges, also known as the Regional University System of Oklahoma (RUSO) pursuant to Section 3507.1 of this title, acting for the benefit of the institutions supervised and managed by RUSO, and

e. the Oklahoma Capitol Improvement Authority;

2. "Bonds" means any bonds, notes, obligations, debentures, interim certificates, grant and revenue anticipation notes, interest in a lease, lease certificates of participation, lease purchase agreements, commercial paper, variable interest rate obligations of any kind, or other evidences of indebtedness, whether or not the interest on which is includable in the gross income of the recipients thereof for federal income tax purposes, issued by an authorized issuer pursuant to ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of 2005;

3. "Regents" means either the Oklahoma State Regents for Higher Education, the Board of Regents of the University of Oklahoma ~~or~~, the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, or RUSO; and

4. "State Regents" means the Oklahoma State Regents for Higher Education.

SECTION 4. AMENDATORY 70 O.S. 2021, Section 3980.4, is amended to read as follows:

Section 3980.4. A. The Oklahoma State Regents for Higher Education shall be authorized to issue indebtedness for capital projects to benefit each and every institution within The Oklahoma State System of Higher Education except the University of Oklahoma and Oklahoma State University.

B. The Board of Regents of the University of Oklahoma shall be authorized to issue indebtedness for capital projects to benefit the University of Oklahoma as provided by paragraph (n) of Section 3305 of this title. The Board of Regents of the University of Oklahoma, acting for the benefit of the University of Oklahoma, shall be authorized to pledge any lawfully available source of revenue other than revenues appropriated by the Legislature from tax receipts, but inclusive of revenues derived from the Oklahoma Education Lottery Act accruing to the credit of the University of Oklahoma to the repayment of obligations issued pursuant to this subsection and, with respect to obligations issued for the purpose specified in Section 160.1 of Title 62 of the Oklahoma Statutes, inclusive of monies accruing to the credit of the Comprehensive Cancer Center Debt Service Revolving Fund.

C. The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges shall be authorized to issue indebtedness for capital projects to benefit Oklahoma State University pursuant to paragraph 16 of Section 3412 of this title. The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, acting for the benefit of Oklahoma State University, shall be authorized to pledge any lawfully available source of revenue, other than revenues appropriated by the Legislature from tax receipts, but inclusive of revenues derived from the Oklahoma Education Lottery Act, accruing to the credit of Oklahoma State University to the repayment of obligations issued pursuant to this subsection.

D. The Board of Regents of Oklahoma Colleges, also known as the Regional University System of Oklahoma (RUSO) pursuant to Section 3507.1 of this title, shall be authorized to issue indebtedness for capital projects to benefit the institutions supervised and managed by RUSO. RUSO shall be authorized to pledge any lawfully available source of revenue, other than revenue appropriated by the Legislature from tax receipts, but inclusive of revenues derived from the Oklahoma Education Lottery Act, accruing to the credit of institutions supervised and managed by RUSO to the repayment of obligations issued pursuant to this subsection.

E. The Oklahoma State Regents for Higher Education shall be required to affirmatively approve the issuance of obligations pursuant to the provisions of ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of 2005 by either the Board of Regents of

the University of Oklahoma, acting for the benefit of the University of Oklahoma ~~or~~, the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, acting for the benefit of Oklahoma State University, or RUSO, acting for the benefit of institutions supervised and managed by RUSO. For each of the proposed bond issues authorized pursuant to ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of 2005, a Statement of Essential Facts shall be prepared by the issuing Board of Regents for the use and information of prospective bond purchasers. It shall be the duty of the Oklahoma State Regents for Higher Education to examine such Statement of Essential Facts and determine that, based upon such facts and projections, the projected revenue will satisfy the financial obligation to be incurred under the proposed bond issue. If the facts are found by the State Regents to be substantially accurate and if the State Regents find that, based upon such facts and projections, the projected revenue will satisfy the financial obligation to be incurred under the proposed bond issue, then the Oklahoma State Regents for Higher Education shall certify such to the Governor, the Speaker of the ~~Oklahoma~~ House of Representatives, and the President Pro Tempore of the ~~Oklahoma State~~ Senate. The certificate shall be made in substantially the following form:

The Oklahoma State Regents for Higher Education do hereby certify that the provisions of this section have been complied with in proper order, for the bond issue mentioned above.

~~E.~~ F. All obligations except refunding or defeasance obligations proposed to be issued by an authorized issuer pursuant to the Oklahoma Higher Education Promise of Excellence Act of 2005 shall be subject to final approval by the Legislature as provided by this subsection. The authorized issuer shall communicate the proposed projects and the terms of the financing to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the ~~State~~ Senate prior to the time any such obligations are sold. The communication required by this subsection shall be made not later than April 1 each year. The communication to such elected officials shall occur upon the same date for purposes of computing the time within which action must be taken as further prescribed by this subsection. The Legislature shall have a period of forty-five calendar days from the date as of which the information is communicated to the presiding officers of both chambers in order to pass a Concurrent Resolution disapproving the

proposed issuance. If the Concurrent Resolution has not received a majority of votes of those elected to and constituting both the ~~Oklahoma~~ House of Representatives and the ~~Oklahoma State~~ Senate by the end of the forty-fifth day following the date upon which the proposed issuance is communicated to the presiding officers of both chambers, the proposed issuance shall be deemed to have been approved by the Legislature.

~~F.~~ G. With the approval of the Oklahoma State Regents for Higher Education, the total revenues described by subsection B and subsection C of this section may be pledged to the repayment of obligations issued by either the Board of Regents of the University of Oklahoma or obligations issued by the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges in order to obtain the highest possible credit rating. If the Board of Regents of the University of Oklahoma and the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges agree to the use of the total revenues available to each such Board of Regents pursuant to this subsection for a project that benefits either the University of Oklahoma or Oklahoma State University or both such comprehensive universities, there shall be an agreement executed by both such Boards of Regents describing the project, the principal amount of the indebtedness, the terms of the financing, and such other matters as the two Boards of Regents may mutually agree. Such agreement shall be executed prior to the sale of any obligations by either Board of Regents with respect to the proposed project or projects. The agreement shall provide for one or the other Board of Regents to be the authorized issuer with respect to the project or projects. The agreement shall also provide for the ownership or control of any real or personal property to be improved or acquired with the proceeds from the sale of any such obligations~~,~~ including any requirements for the transfer of real or personal property from one comprehensive university to the other comprehensive university if such transfer is required in order to promote or ensure the marketability of any obligations sold by either Board of Regents.

~~G.~~ H. The Oklahoma State Regents for Higher Education may pledge all lawfully available revenues, other than revenues appropriated by the Legislature from tax receipts, but inclusive of revenues derived from the Oklahoma Education Lottery Act, and other than the revenues described by subsection B ~~or subsection~~, C, or D

of this section, to the repayment of obligations issued by the State Regents.

~~H.~~ I. The authorized issuers shall be subject to the following restrictions governing the issuance of the obligations authorized by ~~this act~~ the Oklahoma Higher Education Promise of Excellence Act of 2005:

1. Obligations used to pay for the following assets shall be repaid in a period not to exceed five (5) years:

a. computers,

b. portable telecommunications equipment costing less than Fifty Thousand Dollars ($50,000.00),

c. motor vehicles, and

d. any other item of tangible personal property with an original useful life of six (6) years or less;

2. Obligations used to pay for the following assets shall be repaid in a period not to exceed ten (10) years:

a. equipment with an original cost of less than One Hundred Thousand Dollars ($100,000.00)~~,~~ per item, and

b. renovation of existing structures, unless the cost of the renovation exceeds the fair market value of the existing structure or unless the improvement extends the useful life of the existing structure, but in no case shall the maturity period exceed the period by which the life of the existing structure is extended; and

3. Obligations used to pay for all other assets shall be repaid in a period not to exceed thirty (30) years and in no case shall the latest maturity date of an obligation exceed the expected useful life of the asset.

Passed the Senate the 7th day of March, 2023.

Presiding Officer of the Senate

Passed the House of Representatives the 25th day of April, 2023.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 26th

day of April, 20 23, at 12:35 o'clock p. M.

By: Jamie Cummings

Approved by the Governor of the State of Oklahoma this 2nd

day of May, 20 23, at 9:12 o'clock a. M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 2nd

day of May, 20 23, at 1:49 o'clock p M.

By: Brian Bingman