An Act

(1ST EXTRAORDINARY SESSION)
ENROLLED HOUSE
BILL NO. 1002

By: Wallace and Martinez of the House

and

Thompson (Roger) and Hall of the Senate

An Act relating to the Legacy Capital Financing Act; authorizing certain citation; declaring purpose; creating the Legacy Capital Financing Fund; placing fund with the Oklahoma Capitol Improvement Authority; providing revolving fund characteristics; authorizing and limiting uses; requiring specific adherence; requiring certain budgeting procedures; authorizing memoranda of understanding; limiting memoranda of understanding; clarifying legal status; limiting certain authorizations; providing for Fund Recapitalization Payments; providing calculation and schedule for repayment; clarifying application for certain scenarios; announcing moral obligation policy; providing process for suspension or restrictions of repayments; authorizing certain actions related to property acquisition, improvements, and disposal; requiring certain annual reporting; clarifying required report content; amending 73 O.S. 2021, Section 161, which relates to the powers of the Oklahoma Capitol Improvement Authority; empowering the Authority to administer the Legacy Capital Financing Act; providing for codification; and declaring an emergency.

SUBJECT: Legacy Capital Financing Act

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 187A of Title 73, unless there is created a duplication in numbering, reads as follows:

A. Sections 1 and 2 of this act shall be known and may be cited as the "Legacy Capital Financing Act".

B. The purpose of the Legacy Capital Financing Act is to provide increased self-financing and liquidity options to the state in order to facilitate advanced financing for current and future capital needs of the state's agencies, departments, and subdivisions to enable, maintain, or improve the performance of the duties and missions assigned to such entities benefiting the health, safety, and welfare of the citizens of Oklahoma. Such advanced financing provides a benefit to the state by reducing or eliminating related financing and interest costs associated with private financing, as well as accelerating the timeline of project completions.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 187B of Title 73, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Capitol Improvement Authority to be designated the "Legacy Capital Financing Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Oklahoma Capitol Improvement Authority eligible under law and directed for deposit. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma Capitol Improvement Authority for capital projects specifically and exclusively as authorized by law. Such budgeting and expenditure shall strictly adhere to the specific terms, limitations, purposes, and requirements described in such authorizations and in this act. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

B. 1. The Oklahoma Capitol Improvement Authority shall be authorized to enter into memoranda of understanding with agencies, departments, and subdivisions of the state as provided by law and as deemed necessary by the Authority to administer expenditures from and deposits to the Legacy Capital Financing Fund; provided that such memoranda of understanding do not conflict with or impede the administration of capital projects specifically authorized by law. Such memoranda of understanding shall not constitute a legal obligation of the State of Oklahoma.

2. a. Unless specified otherwise in the applicable authorizing legislation, all distributions from the Legacy Capital Financing Fund shall be returned to the Fund over a twenty-year period. Such distributions shall be returned in the form of LCF Recapitalization Payments as provided in subparagraph b of this paragraph.

b. The annual LCF Recapitalization Payment required of entities in receipt of Legacy Capital Financing Fund distributions shall be equal to one-twentieth (1/20) of the amount distributed to the entity. Such payment shall be collected by the Oklahoma Capitol Improvement Authority in equal monthly installments and deposited to the Legacy Capital Financing Fund; provided, that in the year of initial distribution no monthly payment shall be made until the second month after such distribution. Upon such second month, all monthly payments for such state fiscal year up to that point shall become payable.

c. (1) By authorizing distributions from the Legacy Capital Financing Fund and making recipients of such funds responsible for LCF Recapitalization Payments, the Legislature voluntarily subjects itself to the moral obligation that the Legislature shall appropriate to recipient state agencies, otherwise receiving legislative appropriations, the first annual required LCF Recapitalization Payment for the state fiscal year for which the distribution was authorized, and that such appropriated amount shall remain in the agency's appropriation base for the duration of the LCF Recapitalization period for such project.

(2) The Legislature, as it deems necessary for the best interests of the state, may suspend or restructure for a period of time such LCF Recapitalization Payments through the adoption of a concurrent resolution.

C. Limited to the extent required for projects specifically authorized through the Legacy Capital Financing Act, the Oklahoma Capitol Improvement Authority shall be authorized to:

1. Acquire real property together with improvements located thereon and personal property;

2. Provide for the construction of improvements to real property and to provide funding for repairs, refurbishments, and improvements to real and personal property;

3. Hold title to property and improvements as necessary to comply with legal directives and authorizations; and

4. Lease, transfer, and otherwise legally dispose of property and improvements as necessary to comply with legal directives and authorizations.

D. No later than January 15 annually, the Oklahoma Capitol Improvement Authority shall submit electronically to the Governor, the Speaker of the Oklahoma House of Representatives, the President Pro Tempore of the Oklahoma State Senate, the Appropriations and Budget Chair of the Oklahoma House of Representatives, and the Appropriations Chair of the Oklahoma State Senate a report detailing impacts to the balance of the Legacy Capital Financing Fund occurring in the prior calendar year, including, but not limited to, all distributions, expenditures, collections, deposits and investment returns of the Legacy Capital Financing Fund.

SECTION 3. AMENDATORY 73 O.S. 2021, Section 161, is amended to read as follows:

Section 161. In addition to all other powers expressly conferred, the Authority is hereby authorized and empowered:

1. To adopt bylaws for the regulation of its affairs and the conduct of its business;

2. To adopt an official seal and alter the same at pleasure;

3. To fix and revise from time to time rent for the use of any Authority building; provided that the rents when so fixed, plus revenues derived from other sources, shall produce sufficient revenue:

a. to pay the annual cost of the operation, maintenance, and repair of such building,

b. to pay as and when due the principal and interest on the bonds issued to pay for such building, and

c. to accumulate and maintain reserves for such purposes;

4. To acquire, hold and dispose of real and personal property in the exercise of its powers and the performance of its duties under this act;

5. To acquire by purchase or otherwise, on such terms and conditions and in such manner as it may deem proper, or by the exercise of the power of condemnation in the manner hereinafter provided, such public or private property and interests therein as it may deem necessary for carrying out the provisions of this act. The exercise of the power of condemnation shall be in accordance with and subject to the provisions of any and all existing laws and statutes applicable to the exercise of the power of condemnation of property for public use. In any condemnation proceedings the court having jurisdiction of the suit, action or proceeding may make such orders as may be just to the Authority and to the owners of the property to be condemned and may require an undertaking or other security to secure such owners against any loss or damage by reason of the failure of the Authority to accept and pay for the property, but neither such undertaking or security nor any act or obligation of the Authority shall impose any liability upon the state or the Authority except such as may be paid from the funds provided under the provisions of the act;

6. To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this act, and particularly to make and enter into contracts and agreements with the departments and agencies of the State of Oklahoma and/or federal government relating to the rent, amortization of cost and use of the building by such departments and agencies, or relating to the construction, improvement, repair, and maintenance of the highway infrastructure in this state;

7. To employ employees and agents as may be necessary in its judgment, including but not limited to legal counsel and such other professionals as may be needed for the issuance and administration of bonds issued under the provisions of this title and to fix their compensation; provided, that all such expenses shall be payable solely from the proceeds of bonds issued under this act or from revenues derived from the building;

8. To receive and accept from any federal agency grants or payments for or in aid of the construction of any project, and to receive and accept aid or contributions from any source of either money, property, labor or other things of value to be held, used and applied only for the purposes for which such grants and contributions may be made;

9. To do any and all things necessary to comply with rules, regulations or requirements of any state or federal agency administering any law enacted by the Congress of the United States to aid or encourage the construction or use of such building; ~~and~~

10. To do all things necessary or convenient to carry out the powers expressly granted in this act; and

11. To administer the Legacy Capital Financing Act.

SECTION 4. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 24th day of May, 2023.

Presiding Officer of the House of Representatives

Passed the Senate the 26th day of May, 2023.

Brent Howard

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 26th day of May, 2023, at 6:21 o'clock p. M.

By: Summer Cerny

Approved by the Governor of the State of Oklahoma this _____ day of _____, 20_____, at _____ o'clock _____ 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 June, 2023, at 9:51 o'clock A M.

By: Brian Bingman

OFFICE OF

THE GOVERNOR
STATE OF OKLAHOMA

No. HB 1002x

OKLAHOMA CITY, OKLA., June 2, 20 23

TIME SIGNED: _____

TO THE HONORABLE SPEAKER OF THE HOUSE
AND MEMBERS OF THE OKLAHOMA HOUSE OF REPRESENTATIVES
FIRST ***EXTRAORDINARY*** SESSION OF THE
FIFTY-NINTH OKLAHOMA LEGISLATURE

ENROLLED HOUSE BILL NO. 1002x:

Both because I support fiscal discipline and strongly oppose an increase in recurring expenditures, and because I am disheartened by other aspects of the budget package, I have not signed House Bill 1002x.

Subject to objections to the unique process by which the Bill made its way to my desk, the Bill will become law without signature.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA

_____

Delivered to HOUSE by: Summer Curry
Date/Time: 6/2/23; 11:37 am

HOUSE:

By Kris Mathison
Date/Time 6/2/23 11:41 am

RECEIVED
JUN 02 2023
OKLAHOMA SECRETARY OF STATE