An Act

ENROLLED HOUSE
BILL NO. 2434

By: Miller and Martin (Scott) of the House

and

Johnson (Mike) and Myers of the Senate

An Act relating to transportation finance; amending Section 2, Chapter 285, O.S.L. 2008 (73 O.S. Supp. 2009, Section 341), which relates to authorizing issuance of certain obligations by the Oklahoma Capitol Improvement Authority; modifying net proceeds; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 2, Chapter 285, O.S.L. 2008 (73 O.S. Supp. 2009, Section 341), is amended to read as follows:

Section 341. A. Subject to the limitations with respect to the authorized date of issuance provided by paragraphs 1 and 2 of this subsection, the Oklahoma Capitol Improvement Authority is authorized to issue notes, bonds, or other evidences of obligation in an amount necessary to generate net proceeds of:

1. One Hundred Fifty Million Dollars ($150,000,000.00), no earlier than August 1, 2009, after providing for costs of issuance, credit enhancement, reserves, and other associated expenses related to the financing; and

2. In addition to the amount of net proceeds specified by paragraph 1 of this subsection, ~~One Hundred Fifty Million Dollars ($150,000,000.00)~~ Two Hundred Fifteen Million Dollars ($215,000,000.00), no earlier than August 1, 2010, after providing

for costs of issuance, credit enhancement, reserves, and other associated expenses related to the financing.

B. Net proceeds of the financing will be deposited into a construction fund to provide for the financing of acquisition of real property, together with improvements located thereon, and personal property, to construct, maintain and improve those state highway and state bridge assets identified in the Oklahoma Transportation Commission Construction Work Plan for the federal fiscal years 2007 through 2014 (FFY-2007 through FFY-2014) as specifically identified in the Appendix of this act and which is incorporated by reference as if fully set out herein.

C. The Transportation Commission or the Department of Transportation shall use the proceeds identified in subsection B of this section according to the priority of the enumerated project as it appears for the applicable federal fiscal year in the Construction Work Plan described in subsection B of this section in order to facilitate the completion of the enumerated projects, giving consideration to the ability to match federal funding and such other factors as the Transportation Commission or the Department of Transportation shall deem fiscally prudent.

D. Earnings that result from the investment of the construction fund may be used for the projects authorized in this section or for other legal purposes approved by the Authority.

E. The Authority and the Transportation Commission and the Department of Transportation are authorized to enter into such agreements as may be necessary to authorize the Authority to hold title to the real and personal property and improvements until such time as any obligations issued for the purpose set forth in subsection B of this section are retired or defeased and the Authority may lease the real property and improvements to the Transportation Commission or the Department of Transportation for the purposes authorized by this section. Upon final redemption or defeasance of the obligations created pursuant to this section, title to the real and personal property and improvements shall be transferred from the Oklahoma Capitol Improvement Authority to the Transportation Commission or the Department of Transportation.

F. For the purpose of paying the costs for acquisition and construction of the real property and improvements and personal property and making the repairs, refurbishments, and improvements to real and personal property, and providing funding for the project

authorized in this section, and for the purpose authorized in subsection H 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 real and personal property and improvements and, in anticipation of the collection of such income and revenues, to issue negotiable obligations in one or more series.

G. It is the intent of the Legislature to appropriate to the Department of Transportation sufficient monies to make rental payments for the purposes of retiring the obligations created pursuant to this section.

H. To the extent funds are available from the proceeds of the borrowing authorized by subsection A of this section, the Oklahoma Capitol Improvement Authority shall provide for the payment of professional fees and associated costs related to the projects authorized in this section.

I. 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.

J. The bond indenture or other instrument pursuant to which the Oklahoma Capitol Improvement Authority becomes obligated for the repayment of principal and interest of the proceeds from the sale of obligations authorized in subsection A of this section shall provide that all obligations are to be repaid from the source of revenue specified in this section.

K. The bonds or other obligations issued pursuant to this section shall not at any time be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any such political subdivision.

L. Such bonds or other obligations shall contain on the face thereof a statement that neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged, or may hereafter be pledged, to the payment of the principal of or the interest on such bonds.

M. 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 fifteen (15) years from the first principal maturity date.

N. 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.

O. 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.

P. 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.

Q. 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~~ this title shall apply to this section.

R. The Oklahoma Capitol Improvement Authority may initiate proceedings for purposes of validating the obligations authorized pursuant to the provisions of this section according to the provisions of Section 14.1 of Title 20 of the Oklahoma Statutes not later than one hundred twenty (120) days after the effective date of this act.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and 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 25th day of May, 2010.

Presiding Officer of the House of Representatives

Passed the Senate the 25th day of May, 2010.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Governor this 26th **day of** May, **20** 10, **at** 1:47 **o'clock** P **M.**

By:

Approved by the Governor of the State of Oklahoma the 10th **day of** June, **20** 10, **at** 1:01 **o'clock** A **M.**

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this 11th **day of** June, **20** 10, **at** 4:18 **o'clock** P **M.**

By: