

An Act

ENROLLED HOUSE
BILL NO. 1904

By: Mitchell, Bonny, Nations
Wright and Hilliard of the
House

and

Morgan and Robinson of the
Senate

An Act relating to education; amending 70 O.S. 2001, Section 3951, which relates to higher education endowments; expanding principal of Oklahoma State Regents' Endowment Trust Fund; authorizing additional use for principal of the Trust Fund; authorizing Oklahoma Capitol Improvement Authority to provide advanced funding for certain education program; authorizing Regents for Higher Education to enter into agreements with Authority; authorizing issuance of obligations; providing limitations on obligations; expressing legislative intent; authorizing certain terms and conditions for issuance of obligations; providing for use of interest earnings; exempting certain items from taxation; providing for investment of certain monies; requiring Supreme Court approval as a condition to issuance of obligations; providing for codification; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 2001, Section 3951, is amended to read as follows:

Section 3951. A. There is hereby created a trust fund to be known as the "Oklahoma State Regents' Endowment Trust Fund." The Oklahoma State Regents for Higher Education shall be the trustees of said Trust Fund.

B. The State Regents shall utilize said Trust Fund to implement the provisions of Section ~~2 of this act~~ 3952 of this title.

C. The Trust Fund principal shall consist of monies the Legislature appropriates or transfers to the Oklahoma State Regents for Higher Education for the Trust Fund, the proceeds of any obligations issued pursuant to Section 2 of this act and any monies or assets contributed to the Trust Fund from any other source, public or private. Trust Fund principal shall not be diminished for any reason except to retire obligations issued pursuant to Section 2 of this act if the State Regents fail to make such payments as provided in subsection C of Section 2 of this act.

D. Notwithstanding other provisions of law, income and investment return on Trust Fund principal shall accrue to the Trust Fund for use as provided by authorization of the trustees for the purposes provided in this act. No such income or investment return shall be used for administrative expenses; expenses incurred by the State Regents in the administration of the Trust Fund and of the endowment program established by this act shall be paid from monies appropriated to the State Regents' coordinating board for their general operating budget.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4019 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Capitol Improvement Authority is hereby authorized, consistent with the statutes pertaining to the Oklahoma State Regents' Endowment Trust Fund, to establish a program to provide for the advance funding of the state's contribution to endowed chairs, professorships, lectureships and positions for artists in residence as provided in Section 3952 of Title 70 of the Oklahoma Statutes at the various institutions in The Oklahoma State System of Higher Education. The Oklahoma State Regents for Higher Education are authorized to enter into agreements with the Authority to provide security for any obligations issued for such purpose.

B. The Authority is hereby authorized to issue and sell obligations in such amounts as shall be needed from time to time for the purposes of obtaining funds for the state's matching contribution for endowed chairs, professorships, lectureships and positions for artists in residence; provided, however, that the total principal amount of such obligations shall not exceed in the aggregate Fifty Million Dollars (\$50,000,000.00) outstanding at any one time for the purpose of funding endowed chairs. At least fifty percent (50%) of the endowed chair, professorship or lectureship positions funded as provided for in this subsection shall be for positions that involve research and development. No obligations shall be issued for any endowment account for which matching monies specified in subsection E of Section 3952 of Title 70 of the Oklahoma Statutes have not been received.

C. It is the intent of the Legislature that payments for the purpose of retiring the obligations created pursuant to this section be made by the State Regents from the lump-sum appropriation made pursuant to Section 3 of Article XIII-A of the Oklahoma Constitution. Further, it is the intent of the Legislature to appropriate to the State Regents sufficient monies to allow the State Regents to make payments for the purpose of retiring the obligations created pursuant to this section.

D. The Authority may issue obligations in one or more series and in conjunction with other issues of the Authority.

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 ten (10) years from the first principal maturity date of any given series.

F. Any interest earnings on funds or accounts created for purposes of this section may be utilized as partial payment of the annual debt service or for 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. This shall not include monies in the Oklahoma State Regents Endowment Trust Fund. The State Regents may place additional restrictions on the investment of such monies if necessary to enhance the marketability of the obligations.

I. No obligations may be issued pursuant to this section until such obligations have been approved by the Supreme Court pursuant to Section 14.1 of Title 20 of the Oklahoma Statutes.

SECTION 3. 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 13th day of April, 2004.

Larry D Roberts
Presiding Officer of the House
of Representatives

Passed the Senate the 8th day of April, 2004.

Phil Reel
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Governor this 14th
day of April, 2004,
at 2:15, o'clock P. M.

By: Jamie Parker

Approved by the Governor of the State of Oklahoma the 19th day of
April 2004, at 1:20, o'clock P. M.

Brenda Perry
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this 19th
day of April, 2004,
at 2:42, o'clock P. M.

By: M. Susan Swartz