

1 ENGROSSED SENATE
2 BILL NO. 895

By: Loveless of the Senate

3 and

4 Echols of the House

5
6 [consolidating Office of the State Bond Advisor into
7 Office of the State Treasurer - Council of Bond
8 Oversight and the State Treasurer jointly appoint
State Bond Advisor - repealer - codification -
~~effective date -~~

emergency]

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

12 SECTION 1. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 373 of Title 74, unless there is
14 created a duplication in numbering, reads as follows:

15 A. The Office of the State Bond Advisor is hereby consolidated
16 into the Office of the State Treasurer.

17 B. Any funds appropriated to, in the possession of, or
18 allocated to the Office of the State Bond Advisor shall be deemed to
19 be funds of and shall be transferred to the Office of the State
20 Treasurer.

21 C. All books, papers, records, property, functions, powers,
22 duties, and obligations of the Office of the State Bond Advisor are
23 hereby transferred to the Office of the State Treasurer.

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1 D. All personnel of the Office of the State Bond Advisor are
2 hereby transferred to the Office of the State Treasurer.

3 E. All rules, regulations, acts, orders, determinations, and
4 decisions pertaining to the functions and powers herein transferred
5 and assigned to the Office of the State Treasurer, in force at the
6 time of such transfer or assignment, shall continue in force and
7 effect until duly modified or abrogated by the State Treasurer or
8 until otherwise provided by law.

9 SECTION 2. AMENDATORY 62 O.S. 2011, Section 695.7, as
10 amended by Section 5, Chapter 275, O.S.L. 2012 (62 O.S. Supp. 2015,
11 Section 695.7), is amended to read as follows:

12 Section 695.7. A. 1. The Council of Bond Oversight and the
13 State Treasurer shall jointly engage the services of a person
14 knowledgeable in the current state of the art of national and
15 international standards for the issuance of obligations by
16 governmental entities and experienced in the negotiation of fees for
17 various goods and services requisite to or deemed desirable in the
18 issuance of such obligations as well as the negotiation of other
19 matters essential to provide the best current price and terms of the
20 issuance of such obligations for the benefit of Oklahoma firms,
21 farms, individuals and local communities, who shall have the title
22 "Oklahoma State Bond Advisor". The State Bond Advisor shall be an
23 employee of the Office of the State Treasurer.

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1 2. When appointing a person to the position of Oklahoma State
2 Bond Advisor, the Council and the State Treasurer shall conduct a
3 national search in seeking requests for proposals for the position.
4 The person selected as the Oklahoma State Bond Advisor shall be
5 approved by an affirmative vote of not fewer than three of the
6 members of the Council and appointed to the position, subject to the
7 advice and consent of the Senate.

8 3. The Oklahoma State Bond Advisor may be removed for cause by
9 an affirmative vote of not fewer than three of the members of the
10 Council, after a public hearing.

11 B. The Oklahoma State Bond Advisor may employ the necessary
12 staff to carry out the duties of the Bond Advisor and the duties of
13 the Council, with approval of the Council and the State Treasurer.
14 The Office of the State Bond Advisor shall be a ~~separate state~~
15 ~~agency as set forth in Section 695.7a of this title~~ division of the
16 Office of the State Treasurer.

17 C. 1. Except as provided in Section 695.8 of this title, prior
18 to engaging the services of underwriters, bond or other legal
19 counsel, financial advisors, consultants, a financial institution to
20 serve as trustee, paying agent or in any fiduciary capacity in
21 connection with any program, indenture or general resolution of the
22 State Governmental Entity, or any other experts, except as provided
23 in Section 5062.8 of Title 74 of the Oklahoma Statutes, the State
24 Governmental Entity shall, in conjunction with a State Governmental

1 Entity Financing, request proposals for such services from a
2 plurality of persons engaged in the particular activity for such
3 services and the selection of such persons shall be made on the
4 basis of the response to the request which is the most economical
5 and will provide competent service which furthers the best interest
6 of the State Governmental Entity and the state. In negotiating
7 requests for proposals to engage such services, the State
8 Governmental Entity shall seek the advice and assistance of the
9 Oklahoma State Bond Advisor. Under no circumstances shall
10 proprietary inducements be granted. The Oklahoma State Bond Advisor
11 shall provide assistance and advice to State Governmental Entities
12 with respect to the issuance of obligations by the State
13 Governmental Entities, review, negotiate, and approve or disapprove
14 the fees and expenses for goods and services requisite to or deemed
15 desirable in the issuance of State Governmental Entity obligations
16 and State Governmental Entity Financing and shall represent the
17 interests of the state before rating agencies and credit enhancement
18 providers.

19 2. Any State Governmental Entity or Local Governmental Entity
20 proposing to make a significant modification to the terms of any
21 State Governmental Entity Financing, including modification of
22 collateral by substitution, swap, or other derivative product shall
23 first obtain the written approval of the Oklahoma State Bond
24 Advisor. If the Oklahoma State Bond Advisor denies approval, the

1 State Governmental Entity or Local Governmental Entity may request
2 the Council to review and approve proposed modifications.

3 D. The Oklahoma State Bond Advisor shall serve as an advisor to
4 the Governor and to the Legislature with respect to issuance of
5 indebtedness reviewed by the Council and shall prepare an annual
6 report to be submitted to the Governor, the President Pro Tempore of
7 the Senate and the Speaker of the House of Representatives as of
8 January 15 each year. The report shall contain a summary of the
9 issuance of indebtedness by State Governmental Entities and Local
10 Governmental Entities during the preceding year and such other
11 information as the State Bond Advisor may be required to submit or
12 as may be relevant.

13 E. The Oklahoma State Bond Advisor or any member of the
14 immediate family of the Oklahoma State Bond Advisor shall not have
15 any direct or indirect financial or contractual relationship with
16 any firm or corporation or any officer, partner or principal
17 stockholder of any firm or corporation directly involved in public
18 finance.

19 SECTION 3. AMENDATORY 62 O.S. 2011, Section 695.8a, as
20 amended by Section 466, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
21 2015, Section 695.8a), is amended to read as follows:

22 Section 695.8a. There is hereby created in the State Treasury a
23 revolving fund for the Office of the ~~State Bond Advisor~~ State
24 Treasurer, to be designated the "Bond Oversight Revolving Fund".

1 The fund shall be a continuing fund, not subject to fiscal year
2 limitations, and shall consist of fees collected pursuant to Section
3 695.8 of this title and any other monies provided for by law. All
4 monies accruing to the credit of said fund are hereby appropriated
5 and may be budgeted and expended by the Office of the ~~State Bond~~
6 ~~Advisor~~ State Treasurer for expenses related to the Oklahoma Bond
7 Oversight and Reform Act. Expenditures from said fund shall be made
8 upon warrants issued by the State Treasurer against claims filed as
9 prescribed by law with the Director of the Office of Management and
10 Enterprise Services for approval and payment.

11 SECTION 4. REPEALER 62 O.S. 2011, Section 695.7a, as
12 amended by Section 6, Chapter 275, O.S.L. 2012 (62 O.S. Supp. 2015,
13 Section 695.7a), is hereby repealed.

14 ~~SECTION 5. This act shall become effective July 1, 2016.~~

15 ~~SECTION 6. It being immediately necessary for the preservation~~
16 ~~of the public peace, health and safety, an emergency is hereby~~
17 ~~declared to exist, by reason whereof this act shall take effect and~~
18 ~~be in full force from and after its passage and approval.~~

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