

Oklahoma State Senate

PATRICK ANDERSON
State Senator
District 19



STATE CAPITOL
2300 N. LINCOLN BLVD., ROOM 417A
OKLAHOMA CITY, OKLAHOMA 73105-4808
(405) 521-5630

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Office of the Attorney General
313 NE 21st Street
Oklahoma City, OK 73105

Dear General Pruitt:

The Master Lease Program is a creation of the Oklahoma Legislature which allows the State Regents for Higher Education to finance the acquisition of items of personal property (70 §3206.6) and to finance the acquisition of or improvements to, or to refinance or restructure outstanding obligations for real property (70 §3206.6a).

The result of these programs is that hundreds of millions of dollars of debt are being issued for these projects by the State Regents for Higher Education. However these bonds are not being approved by a vote of the people nor by a vote of the Oklahoma Legislature. Therefore I question whether or not the Master Lease Programs violate the requirements of the Oklahoma Constitution regarding the issuance of debt.

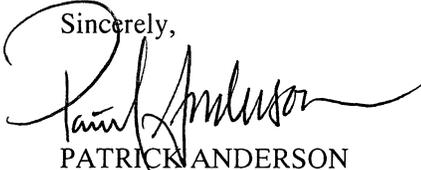
I would like to request an official Attorney General's Opinion regarding the following questions:

1. Does Title 70, Section 3206.6 of the Oklahoma Statutes as it is written result in an unconstitutional delegation of power in violation of Article 10, Sections 23 or 25 of the Oklahoma Constitution?
2. Does Title 70, Section 3206.6 of the Oklahoma Statutes in application result in an unconstitutional delegation of power in violation of Article 10, Sections 23 or 25 of the Oklahoma Constitution?
3. Does Title 70, Section 3206.6a of the Oklahoma Statutes as it is written result in an unconstitutional delegation of power in violation of Article 10, Sections 23 or 25 of the Oklahoma Constitution?
4. Does Title 70, Section 3206.6a of the Oklahoma Statutes in application result in an unconstitutional delegation of power in violation of Article 10, Sections 23 or 25 of the Oklahoma Constitution?

5. **May the Master Lease Program (70 §3206.6a) be used for the purpose of issuing debt for the purchase, construction or improvement of a building which is intended to be utilized by a State agency that is not appropriated by or under the direction or authority of the State Regents for Higher Education?**
6. **If it is permissible to use the Master Lease Program (70 §3206.6a) for the purpose of issuing debt for the purchase, construction or improvement of a building which is intended to be utilized by a State agency that is not appropriated by or under the direction or authority of the State Regents for Higher Education, then which entity is obligated and responsible for the repayment of the bonded indebtedness?**
7. **If it is permissible to use the Master Lease Programs to issue debt on behalf of a State agency that is not appropriated by or under the direction or authority of the State Regents for Higher Education, then are there any limitations as to what projects the State Regents for Higher Education may issue debt? For example, may the State Regents for Higher Education utilize the Master Lease Program to build a new prison for the Department of Corrections?**
8. **Is there any limit as to the cumulative total amount of indebtedness that the State Regents for Higher Education may incur under the Master Lease real property program (70 §3206.6a)?**
9. **The Master Lease Program is dependent, in whole or in part, upon appropriated dollars to fund the bond indebtedness. However, the legislature does not approve the projects that are included in the Master Lease Program. A failure of the legislature to appropriate sufficient funds to cover the debt repayments would certainly be disastrous to the credit rating of the State. Therefore the legislature is held hostage by the State Regents for Higher Education to appropriate sufficient funds to meet the Master lease program debt obligations that the legislature did not create. So does the Master Lease Program in its application violate the separation of powers doctrine set out in Article IV of the Oklahoma Constitution by delegating the legislature's power of appropriation to the state Regents for Higher Education?**

Thank you for your assistance with these issues. I look forward to your response.

Sincerely,



PATRICK ANDERSON