

ENGROSSED HOUSE  
BILL NO. 2434

By: Turner, Pope (Clay), Ervin  
and Smith (Dale) of the  
House

and

Fisher of the Senate

( economic development - Rural Oklahoma Economic  
Housing Act of 2000 - Oklahoma Housing Finance  
Agency - income tax credit - codification -  
effective date -

emergency )

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 2357.71 of Title 68, unless  
there is created a duplication in numbering, reads as follows:

Sections 1 through 4 of this act shall be known and may be cited  
as the "Rural Oklahoma Economic Housing Act of 2000".

SECTION 2. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 2357.72 of Title 68, unless  
there is created a duplication in numbering, reads as follows:

As used in the Rural Oklahoma Economic Housing Act of 2000:

1. "Agency" means the Oklahoma Housing Finance Agency or its  
successor agency;

2. "Eligibility statement" means a statement authorized and  
issued by the Oklahoma Housing Finance Agency certifying that a  
given project qualifies for the Oklahoma Housing Tax Credit provided  
pursuant to Section 3 of this act. The Oklahoma Housing Finance  
Agency shall promulgate rules establishing criteria upon which the  
eligibility statements will be issued;

3. "Federal low-income housing tax credit" means the federal tax credit as defined in Section 42 of the Internal Revenue Code of 1986, as amended;

4. "Median income" means those incomes which are determined by the United States Department of Housing and Urban Development guidelines and adjusted for size;

5. "Moderately priced home" means any unit constructed for sale to the general public with a price that does not exceed a payment burden equivalent to thirty percent (30%) of one hundred twenty percent (120%) of the area's gross median income assuming no down payment and current market rates as published annually by the Oklahoma Housing Finance Agency;

6. "Qualified Oklahoma project" means a qualified building or development as that term is defined in this act, which is located in Oklahoma; and

7. "Taxpayer" means a person, firm or corporation subject to the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.73 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. Credits appropriated by law, not to exceed Five Million Dollars (\$5,000,000.00) annually, to the Oklahoma Housing Finance Agency for the purpose of funding the Oklahoma Housing Tax Credit shall be administered by the Oklahoma Housing Finance Agency.

B. For taxable years beginning after January 1, 2000, an entity as described in this act with an ownership interest in an eligible project shall be allowed a state income tax credit to be termed the Oklahoma Housing Tax Credit if the Oklahoma Housing Finance Agency issues an eligibility statement for that project.

C. The Oklahoma Housing Tax Credit shall be based on an amount equal to twenty percent (20%) of the per unit cost, not to exceed

Fifteen Thousand Dollars (\$15,000.00) based on available funds within the limits described in subsection I of this section whether the project consists of rental units or housing units for ownership.

D. The credits referred to in subsection A of this section shall be distributed to nonprofit and for profit housing builders and developers located within the areas represented by the boundaries of the eight transportation districts designated by the Oklahoma Department of Transportation.

E. The credits referred to in subsection A of this section shall not be allocated for the benefit of cities or towns with a population in excess of twenty thousand (20,000) persons according to the latest Federal Decennial Census or most recent population estimate according to the U.S. Census Bureau, except in the case of a federally declared disaster.

F. The credits referred to in subsection A of this section may be expended for any activity that directly results in the creation of new housing units. Such activities may include, but shall not be limited to, extension of essential services to a proposed site, acquisition of land, necessary engineering and architectural plans, and actual construction of housing units.

G. Initially all available tax credits shall be set aside in eight equal allotments for the eight districts referred to in subsection D of this section and made available to nonprofit and for profit housing developers and builders.

H. The Oklahoma Housing Finance Agency shall establish reasonable application and other fees sufficient to administer the provisions of this act.

I. In order to ensure fair and equitable distribution of the funds referred to in subsection A of this section, the Oklahoma Housing Finance Agency shall promulgate rules for administering, determining priority of, approving and funding applications for such funds. The rules shall implement the provisions of this section and

shall include an award procedure which shall include an application phase based upon criteria developed by the Oklahoma Housing Finance Agency.

J. If no eligible projects are submitted from any area described in subsection D of this section prior to the established deadline, then such area's tax credit allocations may be redistributed to projects in other areas provided the following criteria are met:

1. At least seventy-five percent (75%) of the annual allocation must directly benefit rural areas as defined in the federal statutes and federal regulations governing programs administered by the U.S. Department of Housing and Urban Development; and

2. At no time shall any region described in subsection B of this section receive more than twenty-five percent (25%) of the annual allocation in any given funding year.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.74 of Title 68, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Housing Finance Agency shall conduct a statewide housing market analysis paid for by the Community Development Block Grant funds which shall be updated biannually.

SECTION 5. This act shall become effective January 1, 2000.

SECTION 6. 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 14th day of March, 2000.

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Speaker of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2000.

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President of the Senate