

EHB 1716

THE STATE SENATE
Thursday, April 3, 2003

ENGROSSED

House Bill No. 1716

As Amended

ENGROSSED HOUSE BILL NO. 1716 - By: DEUTSCHENDORF of the House and
MONSON of the Senate.

[public finance - amending 62 O.S., Section 695.24 -
Oklahoma Private Activity Bond Allocation Act - codification
- effective date]

SECTION 1. AMENDATORY 62 O.S. 2001, Section 695.24, is
amended to read as follows:

Section 695.24 A. ~~1. The first Thirty Million Dollars~~
~~(\$30,000,000.00) of any portion of the state ceiling which is in~~
~~excess of One Hundred Seventy Million Dollars (\$170,000,000.00)~~
~~shall be reserved and placed in the Student Loan Pool.~~

~~2. a. The second Thirty Million Dollars (\$30,000,000.00)~~
~~which is in excess of One Hundred Seventy Million~~
~~Dollars (\$170,000,000.00) shall be reserved and placed~~
~~in a pool designated as the Economic Development Pool.~~
~~For the period January 1 through September 1 of each~~
~~calendar year, allocations from this pool may be made~~
~~only upon the recommendation of the Director of the~~
~~Oklahoma Department of Commerce and following review~~
~~and approval by the Executive and Legislative Bond~~

1 ~~Oversight Commissions. In order to approve the~~
2 ~~recommendation, the Bond Oversight Commissions must~~
3 ~~find that the project seeking an allocation from this~~
4 ~~pool will result in the creation of manufacturing jobs~~
5 ~~in this state or will in some other way contribute to~~
6 ~~an economic development objective of this state.~~

7 ~~b. For purposes of this subsection, "manufacturing jobs"~~
8 ~~means jobs created by manufacturing facilities as that~~
9 ~~term is defined in subparagraphs a, b, and c of~~
10 ~~paragraph 1 of subsection B of Section 2902 of Title~~
11 ~~68 of the Oklahoma Statutes.~~

12 ~~c. The amount reserved and placed in the Economic~~
13 ~~Development Pool shall be excluded from the~~
14 ~~calculation of the state ceiling for the purposes of~~
15 ~~determining the amounts to be reserved and placed in~~
16 ~~the other Pools set forth in this section.~~

17 ~~3. Any remainder of the state ceiling which is in excess of the~~
18 ~~amounts reserved pursuant to paragraphs 1 and 2 of this subsection~~
19 ~~shall be reserved and placed in the Local Issuer Single Family Pool.~~

20 ~~B. 1. Eighteen and seventy-five one hundredths percent~~
21 ~~(18.75%) Ten percent (10%) of the state ceiling shall be reserved~~
22 ~~and placed in a pool to be designated the Qualified Small Issue~~
23 ~~Pool.~~

1 2. For the period January 1 through September 1 of each
2 calendar year, the Qualified Small Issue Pool shall be allocated to
3 qualified small issue bond projects undertaken by either state or
4 local issuers. Allocations will be available to issuers on a first-
5 come, first-serve basis.

6 ~~C.~~ B. 1. ~~Eight percent (8%)~~ Six percent (6%) of the state
7 ceiling shall be reserved and placed in a pool to be designated the
8 Beginning Agricultural Producer and Exempt Facility Pools.

9 2. For the period January 1 through September 1 of each
10 calendar year, the Beginning Agricultural Producer Pool shall be
11 allocated pursuant to the criteria established in Section 5063.23 of
12 Title 74 of the Oklahoma Statutes according to a ratio of fifty
13 percent (50%) of the total amount allocated for the combined
14 purposes, not to exceed Two Million Seven Hundred Fifty Thousand
15 Dollars (\$2,750,000.00), the remainder to be allocated for a period
16 January 1 through September 1 of each calendar year to exempt
17 facility bonds issued by either state or local issuers. Allocations
18 will be available to issuers on a first-come, first-serve basis.

19 ~~D.~~ C. 1. In addition to the amount set forth in Section 695.24
20 of this title, ~~six and twenty-five one-hundredths percent (6.25%)~~
21 fifteen percent (15%) of the state ceiling is hereby set aside for
22 student loan bonds and, annually, shall be reserved and placed in a
23 pool to be designated the Student Loan Pool.

1 2. For the period January 1 through September 1 of each
2 calendar year, the Student Loan Pool shall be allocated to qualified
3 student loan bonds issued by eligible state issuers. Allocations
4 will be available to issuers on a first-come, first-serve basis.

5 ~~F. D.~~ 1. ~~Fourteen and seventy-five one-hundredths percent~~
6 ~~(14.75%)~~ Thirty-one percent (31%) of the state ceiling shall be
7 reserved and placed in a pool to be designated the Oklahoma Housing
8 Finance Agency Pool.

9 2. a. For the period January 1 through September 1 of each
10 year, the Oklahoma Housing Finance Agency Pool shall
11 be allocated to qualified single family bonds,
12 multifamily bonds, or mortgage credit certificates
13 issued by the Oklahoma Housing Finance Agency.

14 b. Provided, ~~twenty-five percent (25%)~~ thirty-five
15 percent (35%) of the allocation from the Oklahoma
16 Housing Finance Agency Pool shall be set aside for at
17 least three (3) months for the origination of single
18 family loans in counties with populations of three
19 hundred thousand (300,000) or less.

20 ~~F. E.~~ 1. Six percent (6%) of the state ceiling shall be
21 reserved and placed in a pool to be designated the State Issuer
22 Pool. For the period commencing January 1 of each calendar year
23 through September 1 of the same year, the State Issuer Pool shall be

1 allocated to those qualified small issuer projects undertaken by
2 state issuers which have issued in excess of Seventy-five Million
3 Dollars (\$75,000,000.00) in qualified small issue bonds.

4 2. Notwithstanding the provisions of this section, a state
5 issuer specifically limited in jurisdiction to one county shall be
6 treated as a local issuer for the purposes of allocation.

7 G. F. 1. The balance of the state ceiling shall be reserved
8 and placed in a pool to be designated the Local Issuer Single Family
9 Pool. For the period commencing January 1 of each calendar year
10 through September 1 of the same year, the Local Issuer Single Family
11 Pool shall be allocated first, ~~Fifteen Million Dollars~~
12 ~~(\$15,000,000.00)~~ Twenty Million Dollars (\$20,000,000.00) to any
13 public trust created to provide single family housing having a
14 county with a population in excess of three hundred thousand
15 (300,000) as its sole beneficiary and which has issued tax exempt
16 single family housing revenue bonds in the amount of at least Four
17 Hundred Million Dollars (\$400,000,000.00). The balance of this pool
18 shall be allocated to single family projects undertaken by other
19 local issuers in counties with populations of three hundred thousand
20 (300,000) or less on a first-come, first-serve basis with no single
21 local issuer or project to receive an allocation in excess of Seven
22 Million Five Hundred Thousand Dollars (\$7,500,000.00) from the Local
23 Issuer Single Family Pool.

1 2. An issuer which has not received any allocation from the
2 State Issuer Pool and having a single family project limited in
3 jurisdiction to twenty counties or less, each of which has a
4 population of three hundred thousand (300,000) or less, shall be
5 considered a local issuer for the purposes of this subsection.

6 G. Twelve percent (12%) of the state ceiling shall be reserved
7 and placed in a pool to be designated the Economic Development Pool.
8 For the period January 1 through September 1 of each calendar year,
9 allocations from this pool may be made only upon the recommendation
10 of the Director of the Oklahoma Department of Commerce and following
11 review and approval by the Council of Bond Oversight. In order to
12 approve the recommendation, the Council of Bond Oversight must find
13 that the project seeking an allocation from this pool will result in
14 the creation of manufacturing jobs in this state or will in some
15 other way contribute to an economic development objective of this
16 state. For purposes of this subsection, "manufacturing jobs" means
17 jobs created by manufacturing facilities as that term is defined in
18 subparagraphs a, b, and c of paragraph 1 of subsection B of Section
19 2902 of Title 68 of the Oklahoma Statutes.

20 H. The state ceiling for each calendar year shall be allocated
21 within the categories set forth in subsections A, B, C, D, E, F and
22 G of this section to all private activity bonds, as follows:

1 1. Except as provided in Section 695.21 et seq. of this title,
2 the state ceiling shall be allocated in the order in which
3 confirmations are issued;

4 2. The State Bond Advisor shall issue confirmations in the
5 order in which fully and properly completed applications for state
6 ceiling allocation are received. The State Bond Advisor shall have
7 the limited authority to defer or deny confirmation on applications
8 for state ceiling allocation which appear to be incomplete or
9 premature based upon information submitted or which fail to show
10 demand for funds pursuant to subsections F and G of Section 695.25
11 of this title; and

12 3. The State Bond Advisor shall have no discretionary control
13 regarding the issuance of confirmations, except as specifically
14 provided in the Oklahoma Private Activity Bond Allocation Act.

15 In the event a confirmation or application is denied, the State
16 Bond Advisor, within five (5) business days following such denial,
17 shall send written notice of such denial to the applicant together
18 with a brief recital of the reason therefor.

19 I. 1. On September 2 of each calendar year, nonallocated sums
20 remaining in the Economic Development Pool, Qualified Small Issue
21 Pool, the Beginning Agricultural Producer Pool, the Exempt Facility
22 Pool, the Student Loan Pool, the Oklahoma Housing Finance Agency

1 Pool, the State Issuer Pool and the Local Issuer Single Family Pool
2 shall be consolidated into the Consolidated Pool.

3 2. One-half (1/2) of the Consolidated Pool shall be transferred
4 to the Oklahoma Housing Finance Agency Pool. All other local
5 issuers and state issuers shall be entitled to obtain allocations
6 from the remaining Consolidated Pool for any private activity bond
7 or mortgage credit certificate program based on the chronological
8 order of completed applications received after January 1 of each
9 calendar year which applications have not received an allocation.

10 SECTION 2. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 578.1 of Title 62, unless there
12 is created a duplication in numbering, reads as follows:

13 The governing board of any city or town or county, with respect
14 to unincorporated areas, is prohibited from approving the issuance
15 of bonds or other indebtedness by an issuer located outside this
16 state.

17 SECTION 3. This act shall become effective January 1, 2004.

18 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 4-1-03 - DO PASS,
19 As Amended.