

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 HOUSE BILL 2467

By: Wright

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5
6 AS INTRODUCED

7 An Act relating to public finance; amending 62 O.S.
8 2001, Section 853, as last amended by Section 55,
Chapter 5, O.S.L. 2004 (62 O.S. Supp. 2007, Section
9 853), which relates to the Local Development Act;
10 modifying definition; and providing an effective
11 date.
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13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. AMENDATORY 62 O.S. 2001, Section 853, as last
15 amended by Section 55, Chapter 5, O.S.L. 2004 (62 O.S. Supp. 2007,
16 Section 853), is amended to read as follows:

17 Section 853. As used in Section 850 et seq. of this title:

18 1. "Apportionment" means the direction by a governing body,
19 authorized by the Legislature pursuant to Section 6C of Article X of
20 the Oklahoma Constitution, to apply all or any portion of an
21 increment of ad valorem taxes and all or any portion of sales taxes,
22 other local taxes or local fees, or any combination thereof, to
23 financing a plan and project in accordance with this act;
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1 2. "Apportionment area" means the same as an increment district
2 as defined under this act;

3 3. "Bonds" means evidences of indebtedness, tax apportionment
4 bonds or other obligations issued by a public entity pursuant to the
5 provisions of Section 863 of this title to finance project costs,
6 pursuant to a project plan, which are to be repaid in whole or part
7 with apportioned increments;

8 4. "District" means either an incentive district as authorized
9 by Section 860 of this title or an increment district as authorized
10 by Section 861 of this title. A district may consist of all or a
11 portion of a project area;

12 5. "Enterprise area" means any area within a designated state
13 or federal enterprise zone;

14 6. "Enterprise zone" means an enterprise zone as designated by
15 the Department of Commerce pursuant to the provisions of Section
16 690.3 of this title or as designated by the federal government;

17 7. "Governing body" means the city council of a city, the board
18 of trustees of a town or the board of county commissioners;

19 8. "Historic preservation area" means a geographic area listed
20 in or nominated by the State Historic Preservation Officer to the
21 National Register of Historic Places, an historic structure or
22 structures listed individually in or nominated by the State Historic
23 Preservation Officer to the National Register of Historic Places,
24 with such area or structure being subject to historic preservation

1 zoning, or for purposes of ad valorem tax exemptions provided for in
2 subsection D of Section 860 of this title, a structure subject to
3 historic preservation zoning. Rehabilitation undertaken in an
4 historic preservation area shall meet the Secretary of the
5 Interior's Standards for Rehabilitation, latest revision, in order
6 to be eligible for the incentives or exemptions granted pursuant to
7 Section 860 of this title;

8 9. "Increment" means that portion of ad valorem taxes in excess
9 of the amount of that portion of the taxes which are produced by the
10 levy at the rate fixed each year by or for each such ad valorem
11 taxing entity upon the base assessed value of the district or as to
12 an area later added to the district, the effective date of the
13 modification of the plan, or that portion of sales taxes, other
14 local taxes or local fees collected each year reasonably determined
15 by a formula approved by the governing body to be generated by the
16 project, which may be apportioned for specific project costs or as a
17 specific revenue source for other public entities in the area in
18 which the project costs take place;

19 10. "Local taxes" means ad valorem taxes, sales taxes and other
20 local taxes which are levied by or on the behalf of a taxing entity;

21 11. "Planning commission" means an organization established for
22 local planning by local government or governments in accordance with
23 the laws of this state;

24

1 12. "Project" means all development activities pursuant to the
2 objectives of the project plan;

3 13. "Project area" means the geographic boundaries within which
4 development activities will occur. The project area may be
5 coextensive or larger than the increment district;

6 14. "Project costs" means the expenditures made or estimated to
7 be made and monetary obligations incurred or estimated to be
8 incurred which are listed in the project plan as costs of and
9 incidental to planning, approval and implementation of the project
10 plan. Any income, special assessments, or other revenues received,
11 or reasonably expected to be received, by the city, town or county
12 in connection with the implementation of the project plan may be
13 used to pay project costs. Project costs include, but are not
14 limited to:

15 a. capital costs, including the actual costs of the
16 acquisition and construction of public works, public
17 improvements, new public ~~or private~~ buildings,
18 structures, and fixtures; the actual costs of the
19 acquisition, demolition, alteration, remodeling,
20 repair, or reconstruction of existing public ~~or~~
21 ~~private~~ buildings, structures, and fixtures; and the
22 actual costs of the acquisition of land and equipment
23 for public works, public improvements and public
24 buildings and the actual costs of clearing and grading

1 of such land and environmental remediation related
2 thereto,

3 b. financing costs, including interest paid to holders of
4 evidences of indebtedness or other obligations issued
5 to pay for project costs and premium paid over the
6 principal amount of the obligations because of the
7 redemption of the obligations before maturity,

8 c. real property assembly costs, including clearance and
9 preparation costs,

10 d. professional service costs, including those incurred
11 for architectural, planning, engineering, legal and
12 financial advice and services,

13 e. direct administrative costs, including reasonable
14 charges for the time spent by employees of the city,
15 town or county in connection with the implementation
16 of a project plan or employees of private entities
17 under contract with a public entity for project
18 planning or implementation,

19 f. organizational costs, including the costs of
20 conducting environmental impact studies or other
21 impact studies, the cost of publicizing the
22 consideration of the project plan, costs incidental to
23 creation of the district, and the cost of implementing
24 the project plan for the district,

- 1 g. interest, before and during construction and for two
2 (2) years after completion of construction, whether or
3 not capitalized,
- 4 h. fees for bond guarantees, letters of credit and bond
5 insurance,
- 6 i. the amount of any contributions offset made in
7 connection with the implementation of the project
8 plan,
- 9 j. the costs for determining or redetermining the base
10 assessed value of a district,
- 11 k. costs of construction of public works or improvements,
12 including but not limited to highways, roads, streets,
13 bridges, sewers, traffic control systems and devices,
14 telecommunications systems, parks, water distribution
15 and supply systems, curbing, sidewalks and any similar
16 public improvements, common utility or service
17 facilities, landscaping, parking, and water
18 detention/retention systems,
- 19 l. all or a portion of another taxing jurisdiction's
20 capital costs resulting from the development or
21 redevelopment project necessarily incurred or to be
22 incurred in furtherance of the objectives of the plan
23 and project, to the extent the governing body by
24 written agreement accepts and approves such costs,

- 1 m. relocation costs to the extent that a governing body
2 determines that relocation costs shall be paid or are
3 required to be paid by federal or state law,
4 n. all costs incurred in the maintenance, management,
5 marketing and other services provided through an
6 active Main Street Program recognized as such by the
7 Oklahoma Department of Commerce, and
8 o. assistance in development financing to the extent the
9 governing body approves such financing;

10 15. "Project plan" means the approved plans of a city, town or
11 county which may include a designated district or districts under
12 this act in conformance with its comprehensive plan, which is
13 intended by the payment of costs through apportionment of the
14 increment or by the granting of incentives or exemptions to reduce
15 or eliminate those conditions, the existence of which qualified the
16 district, and to thereby enhance private investment of the tax bases
17 of the taxing entities which extend into the district. Project
18 plans may be a part of and incorporate existing neighborhood,
19 renewal, economic development, public school and other such plans.
20 Each project plan shall conform to the requirements specified by
21 this act;

22 16. "Public entity" means any city, town, county, board,
23 commission, authority, district, urban renewal authority or public
24 trust;

1 17. "Reinvestment area" means any area located within the
2 limits of a city, town or county requiring public improvements,
3 including but not limited to transportation-related projects
4 identified by any transportation authority pursuant to Section
5 1370.7 of Title 68 of the Oklahoma Statutes, to reverse economic
6 stagnation or decline, to serve as a catalyst for retaining or
7 expanding employment, to attract major investment in the area or to
8 preserve or enhance the tax base or in which fifty percent (50%) or
9 more of the structures in the area have an age of thirty-five (35)
10 years or more. Such an area is detrimental to the public health,
11 safety, morals or welfare. Such an area may become a blighted area
12 because of any one or more of the following factors: dilapidation;
13 obsolescence; deterioration; illegal use of individual structures;
14 presence of structures below minimum code standards; abandonment;
15 excessive vacancies; overcrowding of structures and community
16 facilities; lack of ventilation, light or sanitary facilities;
17 inadequate utilities; excessive land coverage; deleterious land use
18 or layout; depreciation of physical maintenance; and lack of
19 community planning. Such an area includes a blighted area as
20 defined in Section 38-101 of Title 11 of the Oklahoma Statutes at
21 the time of approval of the project plan; and

22 18. "Taxing entity" or "taxing jurisdiction" means a city,
23 town, county, school district, political subdivision or other local
24 entity in which local taxes or fees are levied by or on its behalf.

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SECTION 2. This act shall become effective November 1, 2008.

51-2-9355 MAH 01/12/08