

1 ENGROSSED HOUSE
2 BILL NO. 2067

By: McNiell, Denney, Hickman,
Sears, Cannaday and
Sullivan of the House

3
4 and

Lamb of the Senate

5
6
7
8 (community economic development - Oklahoma Community
9 Economic Development Pooled Finance Act - Community
10 Economic Development Pooled Finance Revolving Fund -
11 amending 68 O.S., Section 2705 - municipal tax
12 levies - amending 68 O.S., Section 1370 - county
13 sales tax levy - amending 74 O.S., Section 1004 -
14 Interlocal Cooperation Act - codification -
15 severability -
16 effective date)

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

20 SECTION 1. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 891.1 of Title 62, unless there
22 is created a duplication in numbering, reads as follows:

23 This act shall be known and may be cited as the "Oklahoma
24 Community Economic Development Pooled Finance Act".

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 891.2 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 The Legislature finds investments for the purpose of economic
5 development of the State of Oklahoma, including but not limited to
6 authorized economic development projects for the purpose of
7 attracting private investment and job creation, public
8 infrastructure to aid development such as roads, bridges, water
9 treatment, water storage and water delivery facilities, surface
10 water management assets, sanitary sewer facilities and related
11 assets, and other assets owned or maintained by the counties, cities
12 and towns of the state are essential to a safe and productive
13 environment for the residents of the state and visitors to the
14 state. The Legislature further finds that existing fiscal resources
15 at the local government level are not always sufficient to maintain
16 the highest possible standards of safety or quality and that it is
17 an essential function of state government to ensure that critical
18 infrastructure is constructed, maintained and repaired in conformity
19 with such highest possible standards. The Legislature finds that
20 encouraging local governments to cooperate to develop regional
21 infrastructure and economic development projects will most
22 economically and efficiently serve the needs of the state's
23 citizens. The Legislature finds that the methods of public finance
24 provided for in the Oklahoma Community Economic Development Pooled

1 Finance Act are in furtherance of an essential public and state
2 governmental function.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 891.3 of Title 62, unless there
5 is created a duplication in numbering, reads as follows:

6 As used in this act:

7 1. "Authority" means the Oklahoma Development Finance
8 Authority;

9 2. "Bonds" means any form of obligation issued by the Oklahoma
10 Development Finance Authority pursuant to this act;

11 3. "Business entity" means a corporation, limited liability
12 company, general partnership, limited partnership, or such other
13 entity conducting a lawful activity which is organized pursuant to
14 the laws of the state or which is authorized to do business in the
15 state if organized under the law of another jurisdiction;

16 4. "Community Economic Development Pooled Finance Revolving
17 Fund" means the fund created pursuant to Section 15 of this act;

18 5. "Conduit issuer" means the Oklahoma Development Finance
19 Authority acting for the benefit of either a business entity or
20 local government entity pursuant to the provisions of this act;

21 6. "Credit Enhancement Reserve Fund" means that fund created
22 pursuant to Section 5063.3 of Title 74 of the Oklahoma Statutes;

23 7. "Debt" means bonds, notes, or other evidence of indebtedness
24 issued by the Oklahoma Development Finance Authority;

1 8. "Department" means the Oklahoma Department of Commerce;

2 9. "Economic Development Pool" means proceeds of obligations
3 sold by the Authority to provide resources for eligible local
4 government entities to finance an eligible economic development
5 project;

6 10. "Eligible local government entity" means:

7 a. a city,

8 b. a town,

9 c. a county,

10 d. any combination of cities, towns, or counties, or

11 e. a public trust with a beneficiary or beneficiary which
12 is a city, town, county or some combination of such
13 entities as authorized by Section 176 of Title 60 of
14 the Oklahoma Statutes;

15 11. "For-profit business" means any lawful activity conducted
16 by a business entity with the goal or expectation of selling goods,
17 services or other property at a price greater than the actual costs
18 incurred by the business;

19 12. "Infrastructure" means:

20 a. county roads,

21 b. county bridges,

22 c. municipal streets,

23 d. municipal bridges,

24 e. water treatment facilities,

- 1 f. solid waste management facilities,
- 2 g. water treatment and distribution systems, or
- 3 h. any asset or project identified by the eligible local
- 4 government entities necessary for essential government
- 5 functions if the asset is owned by a local government
- 6 entity or entities;

7 13. "Infrastructure Pool" means proceeds of obligations sold by
8 the Authority to provide resources for eligible local government
9 entities to provide financing for infrastructure;

10 14. "Pooled financing" means an agreement, pursuant to the
11 provisions of this act or pursuant to the Interlocal Cooperation
12 Act, among two or more eligible local governmental entities to use
13 proceeds from a tax levy or other authorized source of revenue to
14 make payments of principal, interest, and other related costs in
15 connection with an obligation issued by the Oklahoma Development
16 Finance Authority for the benefit of the entities entering into such
17 agreement according to the terms of the agreement and according to
18 the requirements of any ballot submitted to the voters of the
19 respective eligible local governmental entities. Pooled financing
20 does not mean or include the use of any ad valorem tax revenues
21 derived from a levy imposed pursuant to Section 26 of Article X of
22 the Oklahoma Constitution; and

23 15. "Private activity bonds" means those obligations the
24 interest income from which may be exempt from federal income tax

1 pursuant to the provisions of the Internal Revenue Code of 1986, as
2 amended.

3 SECTION 4. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 891.4 of Title 62, unless there
5 is created a duplication in numbering, reads as follows:

6 Unless otherwise provided by the terms, definitions or other
7 provisions of the Oklahoma Community Economic Development Pooled
8 Finance Act, the powers, rights, duties and limitations applicable
9 to the Oklahoma Development Finance Authority pursuant to the
10 provisions of the Oklahoma Development Finance Authority Act shall
11 be applicable to the Authority and transactions conducted pursuant
12 to the Oklahoma Community Economic Development Pooled Finance Act.

13 SECTION 5. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 891.5 of Title 62, unless there
15 is created a duplication in numbering, reads as follows:

16 A. To the extent that the provisions of the Credit Enhancement
17 Reserve Fund Act are consistent with the provisions of the Oklahoma
18 Community Economic Development Pooled Finance Act, the provisions of
19 the Credit Enhancement Reserve Fund Act shall be applicable to a
20 pooled financing.

21 B. The Credit Enhancement Reserve Fund shall not be utilized in
22 support of any pooled financing obligations issued pursuant to this
23 act prior to the full use of any revenues committed to the repayment
24 of any such obligations pursuant to an agreement or agreements among

1 the participating local government entities for the repayment of
2 principal, interest and other costs of the pooled financing.

3 C. Agreements entered into pursuant to this act may provide for
4 one or more of the participating local government entities to make
5 deposits in the Community Economic Development Pooled Finance
6 Revolving Fund in excess of the amount originally provided for in
7 any agreement authorized by this act in order to compensate for the
8 payments otherwise required to be made by any other participating
9 local government entity which is a party to the same agreement.

10 D. If any participating local government entity does not make
11 deposits in the Community Economic Development Pooled Finance
12 Revolving Fund as originally required by an agreement authorized by
13 this act, such local government entity shall be required to
14 compensate the other participating local government entity or
15 entities pursuant to the terms of the agreement for the amounts paid
16 on its behalf, including interest.

17 E. Any local government entity that does not make deposits in
18 the Community Economic Development Pooled Finance Revolving Fund
19 according to the terms of an agreement authorized by this act shall
20 be prohibited from participation in any other pooled financing
21 otherwise authorized by this act for a period of five (5) years from
22 the date of the first date upon which a required deposit to the
23 Community Economic Development Pooled Finance Revolving Fund is not
24 made or for a period of five (5) years from the first date upon

1 which a payment is made on a timely basis, but for less than the
2 amount required pursuant to the terms of an agreement authorized
3 pursuant to this act.

4 SECTION 6. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 891.6 of Title 62, unless there
6 is created a duplication in numbering, reads as follows:

7 A. No bonds or other obligations issued by the Authority
8 pursuant to the provisions of the Oklahoma Community Economic
9 Development Pooled Finance Act shall be considered or deemed to be
10 general obligations of the State of Oklahoma. Such bonds or other
11 obligations shall be special and limited obligations the repayment
12 of which shall be derived exclusively from the revenues accruing to
13 the credit of the Community Economic Development Pooled Finance
14 Revolving Fund created pursuant to Section 15 of this act.

15 B. The obligations issued by the Authority pursuant to this act
16 shall have a maximum maturity of twenty-five (25) years.

17 C. The average coupon rate for any obligations issued by the
18 Authority pursuant to this act shall not exceed fourteen percent
19 (14%) per annum.

20 SECTION 7. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 891.7 of Title 62, unless there
22 is created a duplication in numbering, reads as follows:

23 A. The Authority shall be authorized to act as a conduit issuer
24 for the benefit of two or more eligible local government entities

1 for an authorized infrastructure project using the Infrastructure
2 Pool.

3 B. The Authority shall be authorized to issue its obligations
4 in order to provide net proceeds on a pooled basis not to exceed One
5 Hundred Million Dollars (\$100,000,000.00) for the Infrastructure
6 Pool.

7 C. The proceeds from the Infrastructure Pool shall be for the
8 purpose of providing financing for two or more eligible local
9 government entities for an authorized infrastructure project
10 involving a pooled financing.

11 D. Sixty-five percent (65%) of the net proceeds from the
12 Infrastructure Pool shall be used by the Authority for the benefit
13 of eligible local government entities the population of which,
14 according to the most recent Federal Decennial Census, does not
15 exceed:

16 1. Three hundred thousand (300,000) persons for any
17 participating municipality; or

18 2. Two hundred thousand (200,000) persons for any participating
19 county.

20 E. Thirty-five percent (35%) of the net proceeds from the
21 Infrastructure Pool may be used by the Authority for the benefit of
22 any and all eligible local government entities regardless of
23 population.

24

1 SECTION 8. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 891.8 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 A. The Authority shall be authorized to act as a conduit issuer
5 for the benefit of two or more eligible local government entities or
6 for the benefit of a business entity for an authorized economic
7 development project using the Economic Development Pool.

8 B. The Authority shall be authorized to issue its obligations
9 in order to provide net proceeds on a pooled basis not to exceed One
10 Hundred Million Dollars (\$100,000,000.00) for the Economic
11 Development Pool.

12 C. The proceeds from the Economic Development Pool shall be for
13 the purpose of providing financing for an eligible local government
14 entity or entities or for the benefit of a business entity for an
15 authorized economic development project.

16 D. Sixty-five percent (65%) of the net proceeds from the
17 Economic Development Pool shall be used by the Authority for the
18 benefit of eligible local government entities the population of
19 which, according to the most recent Federal Decennial Census, does
20 not exceed:

21 1. Three hundred thousand (300,000) persons for any
22 participating municipality; or

23 2. Two hundred thousand (200,000) persons for any participating
24 county.

1 E. Thirty-five percent (35%) of the net proceeds from the
2 Economic Development Pool may be used by the Authority for the
3 benefit of any and all eligible local government entities regardless
4 of population.

5 F. Obligations issued pursuant to the provisions of this
6 section may be issued on a tax-exempt basis if the applicable
7 provisions of federal law governing private activity bonds allow
8 such issuance. Otherwise, the obligations issued pursuant to the
9 provisions of this section shall be issued on a taxable basis.

10 SECTION 9. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 891.9 of Title 62, unless there
12 is created a duplication in numbering, reads as follows:

13 A. With respect to an eligible project financed through the
14 Infrastructure Pool, local government entities shall be required to
15 be financially responsible for the repayment of the debt issued by
16 the Oklahoma Development Finance Authority.

17 B. With respect to obligations incurred by the Authority for an
18 authorized infrastructure project, local government entities shall
19 make payments to the Oklahoma Development Finance Authority for
20 principal, interest, required reserve amounts, and any other amount
21 required in order to make the obligations issued by the Authority
22 marketable.

23 C. Repayment by local government entities pursuant to the
24 provisions of this section shall consist of authorized revenue

1 sources including, but not limited to, taxes levied by the local
2 government entities or which are available for use by such entities
3 pursuant to the provisions of Section 1370 of Title 68 of the
4 Oklahoma Statutes, Section 2701 et seq. of Title 68 of the Oklahoma
5 Statutes and the provisions of Sections 13 and 14 of this act.

6 D. The Authority shall use the monies in the Community Economic
7 Development Pooled Finance Revolving Fund created by Section 15 of
8 this act in order to make payments of principal, interest and other
9 costs.

10 SECTION 10. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 891.10 of Title 62, unless there
12 is created a duplication in numbering, reads as follows:

13 A. The Oklahoma Department of Commerce shall promulgate rules
14 for purposes of establishing criteria for the funding of authorized
15 infrastructure projects from the proceeds of obligations issued by
16 the Authority for the Infrastructure Pool.

17 B. The criteria shall be similar to the criteria used by the
18 federal government in administering the Community Development Block
19 Grant program.

20 C. A combination of eligible local government entities shall
21 apply to the Department for approval of a pooled financing for an
22 infrastructure project on such forms as the Department may prescribe
23 for such purpose.

24

1 D. The Department shall compile and maintain a prioritized list
2 of infrastructure projects eligible for pooled financing through the
3 Oklahoma Development Finance Authority.

4 E. The Oklahoma Development Finance Authority shall use the
5 prioritized list provided by the Department in order to provide
6 financing to the eligible local government entities.

7 F. The Authority shall, within the limit on available bond
8 proceeds in the Infrastructure Pool, provide proceeds in accordance
9 with the scoring system used by the Department.

10 SECTION 11. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 891.11 of Title 62, unless there
12 is created a duplication in numbering, reads as follows:

13 A. The Oklahoma Department of Commerce shall establish a
14 scoring system in order to evaluate economic development projects to
15 be financed from the proceeds of obligations issued by the Authority
16 for the Economic Development Pool.

17 B. The scoring system shall include, but shall not be limited
18 to, analysis of:

19 1. Capital investment by a for-profit business entity;

20 2. New direct jobs, as such term is defined by Section 3603 of
21 Title 68 of the Oklahoma Statutes, to be created by a for-profit
22 business entity or entities;

23 3. Salary and wage payments to persons employed in new direct
24 jobs; and

1 4. Likelihood of additional business location decisions
2 resulting from the activity of the for-profit business entity or
3 entities that would benefit from use of the Economic Development
4 Pool.

5 C. An eligible local government entity or a combination of
6 eligible local government entities may apply to the Department for
7 approval of a pooled financing for an economic development project
8 on such forms as the Department may prescribe for such purpose.

9 D. The Department shall compile and maintain a prioritized list
10 of projects eligible for pooled financing through the Oklahoma
11 Development Finance Authority from the Economic Development Pool.

12 E. The Oklahoma Development Finance Authority shall use the
13 prioritized list provided by the Department in order to provide
14 financing to the eligible local government entities.

15 F. The Authority shall, within the limit on available bond
16 proceeds in the Economic Development Pool, provide proceeds in
17 accordance with the scoring system used by the Department.

18 SECTION 12. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 891.12 of Title 62, unless there
20 is created a duplication in numbering, reads as follows:

21 A. Any for-profit business entity that receives proceeds from
22 the issuance of any obligations by the Authority from the Economic
23 Development Pool may be required by the applicable local government
24 entity to enter into such agreements as may be required between the

1 entity, the local government entity, the Authority and the Oklahoma
2 Tax Commission to provide for the segregation of withholding taxes
3 attributable to new direct jobs created or existing payroll retained
4 by the for-profit business entity in connection with the asset or
5 assets acquired, constructed or improved with such proceeds.

6 B. The amount of withholding taxes subject to the provisions of
7 this section shall, together with other revenue sources or
8 commitments and undertakings by the for-profit business entity or
9 third parties, be sufficient to make payment of any required
10 principal, interest, adequate reserves or other authorized costs for
11 the borrowing by the Authority.

12 C. The Authority shall have such power of approval regarding
13 the amount and duration of withholding tax segregation pursuant to
14 the provisions of this section in order to ensure payment of its
15 obligations and to promote the marketability of such obligations.

16 D. The Authority shall obtain information from the for-profit
17 business entity as may be required in order to determine the
18 necessary amount of segregated withholding taxes attributable to new
19 direct jobs or existing payroll.

20 E. The Oklahoma Tax Commission shall determine with respect to
21 the withholding taxes attributable to the income of employees
22 engaged in new direct jobs or existing jobs for a for-profit
23 business entity participating in a pooled financing pursuant to the
24 Oklahoma Community Economic Development Pooled Finance Act the

1 amount of such withholding taxes required to be deposited to the
2 credit of the Community Economic Development Pooled Finance
3 Revolving Fund.

4 F. The Oklahoma Tax Commission shall make a deposit in the
5 Community Economic Development Pooled Finance Revolving Fund in
6 accordance with any applicable agreement entered into by a for-
7 profit business entity participating in a pooled financing pursuant
8 to the Oklahoma Community Economic Development Pooled Finance Act.

9 SECTION 13. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 891.13 of Title 62, unless there
11 is created a duplication in numbering, reads as follows:

12 A. As used in this section:

13 1. "Authority" means the Oklahoma Development Finance
14 Authority;

15 2. "Eligible local government entity" means:

16 a. a city,

17 b. a town,

18 c. a county,

19 d. any combination of cities, towns, or counties, or

20 e. a public trust with a beneficiary or beneficiary which
21 is a city, town, county or some combination of such
22 entities as authorized by Section 176 of Title 60 of
23 the Oklahoma Statutes;

24

1 3. "Existing levy" means a tax or other revenue-raising
2 mechanism approved by the voters of a county, city or town prior to
3 the effective date of this act;

4 4. "Municipality" means an incorporated city or town; and

5 5. "Pooled financing" means the use of municipal revenues,
6 derived from a levy imposed pursuant to the authority of Section
7 2701 of Title 68 of the Oklahoma Statutes, available to one or more
8 municipalities or county revenues, derived from a levy imposed
9 pursuant to the authority of Section 1370 of Title 68 of the
10 Oklahoma Statutes, based upon the local government entity
11 participating in a pooled financing.

12 B. Subject to the requirements of Section 2701 of Title 68 of
13 the Oklahoma Statutes, one or more municipalities may submit to the
14 respective voters of each such municipality the question of whether
15 to impose a tax not previously imposed, authorized by Section 2701
16 of Title 68 of the Oklahoma Statutes, in order to provide revenues
17 to repay indebtedness incurred by the Authority for the purposes
18 authorized by the Oklahoma Community Economic Development Pooled
19 Finance Act. The provisions of this subsection shall be applicable
20 to any one or more municipalities participating in a pooled
21 financing, regardless of whether any other municipality, subject to
22 voter approval, will be imposing a tax levy to be used for the
23 purposes of this act for the first time or whether any one or more
24 of such municipalities, subject to voter approval, will be modifying

1 the purposes of an existing tax levy to allow revenues to be used
2 for the purposes of this act.

3 C. Subject to the requirements of Section 2701 of Title 68 of
4 the Oklahoma Statutes, one or more municipalities may submit to the
5 respective voters of each such municipality the question of whether
6 to modify an existing tax levy, previously approved by the voters of
7 such municipality, in order to allow the use of some part or all of
8 the proceeds from the existing tax levy in order to provide revenues
9 to repay indebtedness incurred by the Authority for the purposes
10 authorized by this act. The provisions of this subsection shall be
11 applicable to any one or more municipalities participating in a
12 pooled financing, regardless of whether any other municipality,
13 subject to voter approval, will be imposing a tax levy to be used
14 for the purposes of this act for the first time or whether any one
15 or more of such municipalities, subject to voter approval, will be
16 modifying the purposes of an existing tax levy to allow revenues to
17 be used for the purposes of this act.

18 D. Municipalities may submit questions authorized by this
19 section regardless of whether the municipalities are contiguous or
20 adjacent to one another.

21 E. A municipality that submits a question for the imposition of
22 a dedicated tax levy pursuant to the provisions of this section
23 shall specify the type of tax levy and the rate of the levy in the
24

1 question submitted which shall be clearly identified by the wording
2 of the ballot.

3 F. A municipality may impose a different tax levy or the same
4 type of tax levy at a different rate than any other municipality or
5 municipalities or a different tax levy or at a different tax rate
6 than any other county or counties submitting a pooled financing
7 question for voter approval.

8 G. The duration of the tax levy shall be identical in all
9 questions submitted for voter approval and shall not exceed twenty-
10 five (25) years.

11 H. The ballot for a pooled financing pursuant to the provisions
12 of this act shall clearly indicate:

13 1. That the revenues from the tax levy are to be used for the
14 payment of principal, interest and other costs of borrowing
15 authorized by the provisions of this act;

16 2. The maximum maturity of the obligations to be repaid; and

17 3. The projects or assets to be acquired, constructed,
18 improved, maintained or otherwise used by the municipality as a
19 result of the imposition of the levy.

20 I. Revenues derived from a tax levy imposed pursuant to the
21 provisions of this section shall be paid by the municipality or
22 municipalities to the Community Economic Development Pooled Finance
23 Revolving Fund created pursuant to Section 15 of this act.

24

1 J. No tax levy imposed pursuant to the provisions of this
2 section shall be repealed until such time as the obligations issued
3 by the Authority are fully paid. In no event shall the duration of
4 the levy be extended beyond the duration approved by the voters of
5 the municipality or municipalities.

6 SECTION 14. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 891.14 of Title 62, unless there
8 is created a duplication in numbering, reads as follows:

9 A. As used in this section:

10 1. "Authority" means the Oklahoma Development Finance
11 Authority;

12 2. "Eligible local government entity" means:

13 a. a city,

14 b. a town,

15 c. a county,

16 d. any combination of cities, towns, or counties, or

17 e. a public trust with a beneficiary or beneficiary which
18 is a city, town, county or some combination of such
19 entities as authorized by Section 176 of Title 60 of
20 the Oklahoma Statutes;

21 3. "Existing levy" means a tax or other revenue raising
22 mechanism approved by the voters of a county, city or town prior to
23 the effective date of this act;

24 4. "Municipality" means an incorporated city or town; and

1 5. "Pooled financing" means the use of municipal revenues,
2 derived from a levy imposed pursuant to the authority of Section
3 2701 of Title 68 of the Oklahoma Statutes, available to one or more
4 municipalities or county revenues, derived from a levy imposed
5 pursuant to the authority of Section 1370 of Title 68 of the
6 Oklahoma Statutes, based upon the local government entity
7 participating in a pooled financing.

8 B. Subject to the requirements of Section 1370 of Title 68 of
9 the Oklahoma Statutes, one or more counties may submit to the
10 respective voters of each such county the question of whether to
11 impose a tax not previously imposed, authorized by Section 1370 of
12 Title 68 of the Oklahoma Statutes, in order to provide revenues to
13 repay indebtedness incurred by the Authority for the purposes
14 authorized by the Oklahoma Community Economic Development Pooled
15 Finance Act. The provisions of this subsection shall be applicable
16 to any one or more counties participating in a pooled financing,
17 regardless of whether any other county, subject to voter approval,
18 will be imposing a tax levy to be used for the purposes of this act
19 for the first time or whether any one or more of such counties,
20 subject to voter approval, will be modifying the purposes of an
21 existing tax levy to allow revenues to be used for the purposes of
22 this act.

23 C. Subject to the requirements of Section 1370 of Title 68 of
24 the Oklahoma Statutes, one or more counties may submit to the

1 respective voters of each such county the question of whether to
2 modify an existing tax levy, previously approved by the voters of
3 such county, in order to allow the use of some part or all of the
4 proceeds from the existing tax levy in order to provide revenues to
5 repay indebtedness incurred by the Authority for the purposes
6 authorized by this act. The provisions of this subsection shall be
7 applicable to any one or more counties participating in a pooled
8 financing, regardless of whether any other county, subject to voter
9 approval, will be imposing a tax levy to be used for the purposes of
10 this act for the first time or whether any one or more of such
11 counties, subject to voter approval, will be modifying the purposes
12 of an existing tax levy to allow revenues to be used for the
13 purposes of this act.

14 D. Counties may submit questions authorized by this section
15 regardless of whether the counties are contiguous or adjacent to one
16 another.

17 E. A county that submits a question for the imposition of a
18 dedicated tax levy or the modification of an existing tax levy
19 pursuant to the provisions of this section shall specify the type of
20 tax levy and the rate of the levy in the question submitted which
21 shall be clearly identified by the wording of the ballot.

22 F. A county may impose a different tax levy or the same type of
23 levy at a different rate than the other counties or a different levy
24 or at a different rate than a participating municipality or

1 municipalities submitting a pooled financing question to the
2 respective voters of the participating jurisdictions.

3 G. The duration of the levy shall be identical in all questions
4 submitted for voter approval and shall not exceed twenty-five (25)
5 years.

6 H. The ballot for a pooled financing pursuant to the provisions
7 of this act shall clearly indicate:

8 1. That the revenues from the tax levy are to be used for the
9 payment of principal, interest and other costs of borrowing
10 authorized by the provisions of this act;

11 2. The duration of the obligations to be repaid; and

12 3. The projects or assets to be acquired, constructed,
13 improved, maintained or otherwise used by the county as a result of
14 the imposition of the levy.

15 I. Revenues derived from a tax levy imposed pursuant to the
16 provisions of this section shall be paid by the county to the
17 Community Economic Development Pooled Finance Revolving Fund created
18 pursuant to Section 15 of this act.

19 J. No tax levy imposed pursuant to the provisions of this
20 section shall be repealed until such time as the indebtedness is
21 fully repaid. In no event shall the duration of the levy be
22 extended beyond the duration approved by the voters of the county.

23

24

1 SECTION 15. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 891.15 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 There is hereby created in the State Treasury a revolving fund
5 for the Oklahoma Development Finance Authority to be designated the
6 "Community Economic Development Pooled Finance Revolving Fund". The
7 fund shall be a continuing fund, not subject to fiscal year
8 limitations, and shall consist of all monies received by the
9 Oklahoma Development Finance Authority from revenues derived from
10 levies imposed by counties, cities, towns or combinations of such
11 local governmental entities as provided by this act in addition to
12 any withholding tax revenues as provided by Section 12 of this act.
13 All monies accruing to the credit of said fund are hereby
14 appropriated and may be budgeted and expended by the Oklahoma
15 Development Finance Authority for the purpose of paying principal,
16 interest and other costs of borrowing by the Authority as authorized
17 by this act. Expenditures from said fund shall be made upon
18 warrants issued by the State Treasurer against claims filed as
19 prescribed by law with the Director of State Finance for approval
20 and payment.

21 SECTION 16. AMENDATORY 68 O.S. 2001, Section 2705, is
22 amended to read as follows:

23 Section 2705. A. Any taxes which may be levied by an
24 incorporated city or town as authorized by ~~this act~~ the provisions

1 of Section 2701 et seq. of this title shall not become valid until
2 the ordinance setting the rate of such tax shall have been approved
3 by a majority vote of the registered voters of such incorporated
4 city or town voting on such question at a general or special
5 municipal election ~~and no~~.

6 B. In the case of a levy submitted for voter approval pursuant
7 to Section 13 of this act, taxes levied by an incorporated city or
8 town shall not become valid until the ordinance setting the rate of
9 the levy shall have been approved by a majority vote of the
10 registered voters of each such incorporated city or town voting on
11 such question at a special municipal election. Elections conducted
12 pursuant to questions submitted pursuant to Section 13 of this act
13 shall be conducted on the same date or in a sequence that provides
14 that the last vote required for approval by all participating
15 counties or municipalities occurs not later than thirty (30) days
16 after the date upon which the first vote occurs.

17 C. No ordinance shall be resubmitted for ratification within
18 six (6) months following its defeat by the electors.

19 SECTION 17. AMENDATORY 68 O.S. 2001, Section 1370, as
20 last amended by Section 4, Chapter 136, O.S.L. 2007 (68 O.S. Supp.
21 2008, Section 1370), is amended to read as follows:

22 Section 1370. A. Any county of this state may levy a sales tax
23 of not to exceed two percent (2%) upon the gross proceeds or gross
24 receipts derived from all sales or services in the county upon which

1 a consumer's sales tax is levied by this state. Before a sales tax
2 may be levied by the county, the imposition of the tax shall first
3 be approved by a majority of the registered voters of the county
4 voting thereon at a special election called by the board of county
5 commissioners or by initiative petition signed by not less than five
6 percent (5%) of the registered voters of the county who were
7 registered at the time of the last general election. However, if a
8 majority of the registered voters of a county voting fail to approve
9 such a tax, the board of county commissioners shall not call another
10 special election for such purpose for six (6) months. Any sales tax
11 approved by the registered voters of a county shall be applicable
12 only when the point of sale is within the territorial limits of such
13 county. Any sales tax levied or any change in the rate of a sales
14 tax levied pursuant to the provisions of this section shall become
15 effective on the first day of the calendar quarter following
16 approval by the voters of the county unless another effective date,
17 which shall also be on the first day of a calendar quarter, is
18 specified in the ordinance or resolution levying the sales tax or
19 changing the rate of sales tax.

20 B. The Oklahoma Tax Commission shall give notice to all vendors
21 of a rate change at least sixty (60) days prior to the effective
22 date of the rate change. Provided, for purchases from printed
23 catalogs wherein the purchaser computed the tax based upon local tax
24 rates published in the catalog, the rate change shall not be

1 effective until the first day of a calendar quarter after a minimum
2 of one hundred twenty (120) days' notice to vendors. Failure to
3 give notice as required by this section shall delay the effective
4 date of the rate change to the first day of the next calendar
5 quarter.

6 C. Initiative petitions calling for a special election
7 concerning county sales tax proposals shall be in accordance with
8 Sections 2, 3, 3.1, 6, 18 and 24 of Title 34 of the Oklahoma
9 Statutes. Petitions shall be submitted to the office of county
10 clerk for approval as to form prior to circulation. Following
11 approval, the petitioner shall have ninety (90) days to secure the
12 required signatures. After securing the requisite number of
13 signatures, the petitioner shall submit the petition and signatures
14 to the county clerk. Following the verification of signatures, the
15 county clerk shall present the petition to the board of county
16 commissioners. The special election shall be held within sixty (60)
17 days of receiving the petition. The ballot title presented to the
18 voters at the special election shall be identical to the ballot as
19 presented in the initiative petition.

20 D. Subject to the provisions of Section ~~3~~ 1357.10 of this ~~act~~
21 title, all items that are exempt from the state sales tax shall be
22 exempt from any sales tax levied by a county.

23 E. Any sales tax which may be levied by a county shall be
24 designated for a particular purpose. Such purposes may include, but

1 are not limited to, projects owned by the state, any agency or
2 instrumentality thereof, the county and/or any political subdivision
3 located in whole or in part within such county, regional
4 development, economic development, common education, general
5 operations, capital improvements, county roads, weather modification
6 or any other purpose deemed, by a majority vote of the county
7 commissioners or as stated by initiative petition, to be necessary
8 to promote safety, security and the general well-being of the
9 people, including any authorized purpose pursuant to the Oklahoma
10 Community Economic Development Pooled Finance Act. The county shall
11 identify the purpose of the sales tax when it is presented to the
12 voters pursuant to the provisions of subsection A of this section.
13 Except as otherwise provided in this section and except as required
14 by the Oklahoma Community Economic Development Pooled Finance Act,
15 the proceeds of any sales tax levied by a county shall be deposited
16 in the general revenue or sales tax revolving fund of the county and
17 shall be used only for the purpose for which such sales tax was
18 designated. If the proceeds of any sales tax levied by a county
19 pursuant to this section are pledged for the purpose of retiring
20 indebtedness incurred for the specific purpose for which the sales
21 tax is imposed, the sales tax shall not be repealed until such time
22 as the indebtedness is retired. However, in no event shall the life
23 of the tax be extended beyond the duration approved by the voters of
24 the county.

1 F. 1. Notwithstanding any other provisions of law, any county
2 that has approved a sales tax for the construction, support or
3 operation of a county hospital may continue to collect such tax if
4 such hospital is subsequently sold. Such collection shall only
5 continue if the county remains indebted for the past construction,
6 support or operation of such hospital. The collection may continue
7 only until the debt is repaid or for the stated term of the sales
8 tax, whichever period is shorter.

9 2. If the construction, support or operation of a hospital is
10 funded through the levy of a county sales tax pursuant to this
11 section and such hospital is subsequently sold, the county levying
12 the tax may dissolve the governing board of such hospital following
13 the sale. Upon the sale of the hospital and dissolution of any
14 governing board, the county is relieved of any future liability for
15 the operation of such hospital.

16 G. Proceeds from any sales tax levied that is designated to be
17 used solely by the sheriff for the operation of the office of
18 sheriff shall be placed in the special revenue account of the
19 sheriff.

20 H. The life of the tax could be limited or unlimited in
21 duration. The county shall identify the duration of the tax when it
22 is presented to the voters pursuant to the provisions of subsections
23 A and C of this section. The maximum duration of a levy imposed
24 pursuant to Section 14 of this act shall be no longer than allowed

1 pursuant to the Oklahoma Community Economic Development Pooled
2 Finance Act.

3 I. There Except for the levies imposed pursuant to Section 14
4 of this act, there are hereby created one or more county sales tax
5 revolving funds in each county which levies a sales tax under this
6 section if any or all of the proceeds of such tax are not to be
7 deposited in the general revenue fund of the county or comply with
8 the provisions of subsection G of this section. Each such revolving
9 fund shall be designated for a particular purpose and shall consist
10 of all monies generated by such sales tax which are designated for
11 such purpose. Monies in such funds shall only be expended for the
12 purposes specifically designated as required by this section. A
13 county sales tax revolving fund shall be a continuing fund not
14 subject to fiscal year limitations.

15 J. In the case of a levy submitted for voter approval pursuant
16 to Section 14 of this act, taxes levied by a county shall not become
17 valid until the ordinance or resolution setting the rate of the levy
18 shall have been approved by a majority vote of the registered voters
19 of each such county voting on such question at a special election.
20 Elections conducted pursuant to questions submitted pursuant to
21 Section 14 of this act shall be conducted on the same date or in a
22 sequence that provides that the last vote required for approval by
23 all participating counties or municipalities occurs not later than
24 thirty (30) days after the date upon which the first vote occurs.

1 SECTION 18. AMENDATORY 74 O.S. 2001, Section 1004, is
2 amended to read as follows:

3 Section 1004. A. Any power or powers, privileges or authority
4 exercised or capable of exercise by a public agency of this state
5 may be exercised and enjoyed jointly with any other public agency of
6 this state, and jointly with any public agency of any other state or
7 of the United States to the extent that laws of such other state or
8 of the United States permit such joint exercise or enjoyment. Any
9 agency of the state government when acting jointly with any public
10 agency may exercise and enjoy all of the powers, privileges and
11 authority conferred by this act upon a public agency.

12 B. Any two or more public agencies may enter into agreements
13 with one another for joint or cooperative action pursuant to the
14 provisions of this act.
15 Appropriate action by ordinance, resolution or otherwise pursuant to
16 law of the governing bodies of the participating public agencies
17 shall be necessary before any such agreement may enter into force.

18 C. Any such agreement shall specify the following:

19 1. Its duration;

20 2. The precise organization, composition and nature of any
21 separate legal or administrative entity created thereby together
22 with the powers delegated thereto, provided such entity may be
23 legally created;

24 3. Its purpose or purposes;

1 4. The manner of financing the joint or cooperative undertaking
2 and of establishing and maintaining a budget therefor;

3 5. The permissible method or methods to be employed in
4 accomplishing the partial or complete termination of the agreement
5 and for disposing of property upon such partial or complete
6 termination; and

7 6. Any other necessary and proper matters.

8 D. In the event that the agreement does not establish a
9 separate legal entity to conduct the joint or cooperative
10 undertaking, the agreement shall, in addition to paragraphs 1, 3, 4,
11 5 and 6 set forth in subsection C of this section, contain the
12 following:

13 1. Provisions for an administrator or a joint board responsible
14 for administering the joint or cooperative undertaking. In the case
15 of a joint board, public agencies party to the agreement shall be
16 represented; and

17 2. The manner of acquiring, holding and disposing of real and
18 personal property used in the joint or cooperative undertaking.

19 E. No agreement made pursuant to this act shall relieve any
20 public agency of any obligation or responsibility imposed upon it by
21 law except that, to the extent of actual and timely performance
22 thereof by a joint board or other legal or administrative entity
23 created by an agreement made hereunder, the performance may be
24 offered in satisfaction of the obligation or responsibility.

1 F. Every agreement made hereunder, except those agreements
2 authorized by Section 601 of Title 69 of the Oklahoma Statutes which
3 shall be approved by the district attorney, shall, prior to and as a
4 condition precedent to its entry into force, be submitted to the
5 Attorney General who shall determine whether the agreement is in
6 proper form and compatible with the laws of this state, including
7 any agreements entered into pursuant to the provisions of the
8 Oklahoma Community Economic Development Pooled Finance Act. The
9 Attorney General shall approve any agreement submitted to the
10 Attorney General hereunder unless the Attorney General shall find
11 that it does not meet the conditions set forth herein and shall
12 detail in writing addressed to the governing bodies of the public
13 agencies concerned the specific respects in which the proposed
14 agreement fails to meet the requirements of law. Failure to
15 disapprove an agreement submitted hereunder within sixty (60) days
16 of its submission shall constitute approval thereof.

17 G. Financing of joint projects by agreements shall be as
18 provided by law, including any agreements entered into pursuant to
19 the provisions of the Oklahoma Community Economic Development Pooled
20 Finance Act.

21 SECTION 19. The provisions of this act are severable and if any
22 part or provision shall be held void the decision of the court so
23 holding shall not affect or impair any of the remaining parts or
24 provisions of this act.

1 SECTION 20. This act shall become effective November 1, 2009.

2 Passed the House of Representatives the 11th day of March, 2009.

3
4
5 Presiding Officer of the House of
6 Representatives

7 Passed the Senate the ____ day of _____, 2009.

8
9
10 Presiding Officer of the Senate