

THE HOUSE OF REPRESENTATIVES
Monday, March 1, 2010

Committee Substitute for
House Bill No. 3167

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 3167 - By: HICKMAN of the House.

An Act relating to public finance; amending Section 3, Chapter 309, O.S.L. 2009 (62 O.S. Supp. 2009, Section 891.3), which relates to the Oklahoma Community Economic Development Pooled Finance Act; modifying definitions; and declaring an emergency.

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

- 1 SECTION 1. AMENDATORY Section 3, Chapter 309, O.S.L. 2009 (62 O.S.
2 Supp. 2009, Section 891.3), is amended to read as follows:
- 3 Section 891.3 1. "Authority" means the Oklahoma Development Finance Authority;
- 4 2. "Bonds" means any form of obligation issued by the Oklahoma Development
5 Finance Authority pursuant to this act;
- 6 3. "Business entity" means a corporation, limited liability company, general
7 partnership, limited partnership, or such other entity conducting a lawful activity which
8 is organized pursuant to the laws of the state or which is authorized to do business in the
9 state if organized under the law of another jurisdiction;
- 10 4. "Community Economic Development Pooled Finance Revolving Fund" means the
11 fund created pursuant to Section 15 of this act;

1 5. “Conduit issuer” means the Oklahoma Development Finance Authority acting for
2 the benefit of either a combination of local government entities or a local government
3 entity or entities in conjunction with a for-profit business entity pursuant to the
4 provisions of this act;

5 6. “Credit Enhancement Reserve Fund” means that fund created pursuant to
6 Section 5063.3 of Title 74 of the Oklahoma Statutes;

7 7. “Debt” means bonds, notes, or other evidence of indebtedness issued by the
8 Oklahoma Development Finance Authority;

9 8. “Department” means the Oklahoma Department of Commerce;

10 9. “Economic Development Pool” means proceeds of obligations sold by the
11 Authority to provide resources for eligible local government entities or a local
12 government entity in conjunction with a for-profit business entity to finance an eligible
13 economic development project;

14 10. “Eligible local government entity” means:

- 15 a. a city,
- 16 b. a town,
- 17 c. a county,
- 18 d. any combination of cities, towns, or counties, or
- 19 e. a public trust with a beneficiary or beneficiary which is a city, town,
20 county or some combination of such entities as authorized by Section
21 176 of Title 60 of the Oklahoma Statutes;

1 11. “For-profit business” means any lawful activity conducted by a business entity
2 with the goal or expectation of selling goods, services or other property at a price greater
3 than the actual costs incurred by the business;

4 12. “Infrastructure” means:

5 a. county roads,

6 b. county bridges,

7 c. municipal streets,

8 d. municipal bridges,

9 e. any railway or utility system owned by an eligible local government
10 entity.

11 f. water treatment facilities,

12 ~~f.~~ g. solid waste management facilities,

13 ~~g.~~ h. water treatment and distribution systems, or

14 ~~h.~~ i. any asset or project identified by the eligible local government entities
15 necessary for essential government functions if the asset is owned by a
16 local government entity or entities;

17 13. “Infrastructure Pool” means proceeds of obligations sold by the Authority to
18 provide resources for eligible local government entities to provide financing for
19 infrastructure;

20 14. “Pooled financing” means an agreement, pursuant to the provisions of this act
21 or pursuant to the Interlocal Cooperation Act, among two or more eligible local
22 governmental entities or involving a local government entity or entities in conjunction

1 with a for-profit business entity to use proceeds from a tax levy or other authorized
2 source of revenue to make payments of principal, interest, and other related costs in
3 connection with an obligation issued by the Oklahoma Development Finance Authority
4 for the benefit of the entities entering into such agreement according to the terms of the
5 agreement and according to the requirements of any ballot submitted to the voters of the
6 respective eligible local governmental entities. Pooled financing does not mean or
7 include the use of any ad valorem tax revenues derived from a levy imposed pursuant to
8 Section 26 of Article X of the Oklahoma Constitution; and

9 15. "Private activity bonds" means those obligations the interest income from which
10 may be exempt from federal income tax pursuant to the provisions of the Internal
11 Revenue Code of 1986, as amended.

12 SECTION 2. It being immediately necessary for the preservation of the public
13 peace, health and safety, an emergency is hereby declared to exist, by reason whereof
14 this act shall take effect and be in full force from and after its passage and approval.

15 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
16 dated 02-25-10 - DO PASS, As Amended.