STATE OF OKLAHOMA

2nd Session of the 54th Legislature (2014)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 3100 By: Jackson

COMMITTEE SUBSTITUTE

An Act relating to public finance; amending 62 O.S. 2011, Section 695.24, which relates to designation of pool amounts; modifying provisions related to Oklahoma Housing Finance Agency; providing for set aside amount for promotion of housing in rural areas; requiring adoption of administrative rules; and providing an effective date.

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

SECTION 1. AMENDATORY 62 O.S. 2011, Section 695.24, is amended to read as follows:

Section 695.24 A. 1. Fifteen and five-tenths percent (15.5%) of the state ceiling shall be reserved and placed in the Student Loan Pool.

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

B. Twelve percent (12%) of the state ceiling 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 Council of Bond Oversight. In order to approve the recommendation, the Council of Bond Oversight must find that the project seeking an allocation from this pool will result in the creation of manufacturing jobs in this state or will in some other way contribute to an economic development objective of this state. For purposes of this subsection, "manufacturing jobs" means jobs created by manufacturing facilities as that term is defined in subparagraphs a, b, and c of paragraph 1 of subsection B of Section 2902 of Title 68 of the Oklahoma Statutes.

C. 1. Twelve percent (12%) of the state ceiling shall be reserved and placed in a pool to be designated the Qualified Small Issue Pool.

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

D. 1. One percent (1%) of the state ceiling shall be reserved and placed in a pool to be designated the Beginning Agricultural Producer Pool.

2. For the period January 1 through September 1 of each calendar year, the Beginning Agricultural Producer Pool shall be allocated pursuant to the criteria established in Section 5063.23 of Title 74 of the Oklahoma Statutes.

E. 1. Two and five-tenths percent (2.5%) of the state ceiling shall be reserved and placed in a pool to be designated the Exempt Facility Pool.

2. For the period January 1 through September 1 of each calendar year, the Exempt Facility Pool shall be allocated to exempt facility bonds issued by either state or local issuers. Allocations will be available to issuers on a first-come, first-serve basis.

F. 1. Except as otherwise provided by this subsection, fifteen percent (15%) of the state ceiling shall be reserved and placed in a pool to be designated the Oklahoma Housing Finance Agency Pool. <u>From the state ceiling amount reserved pursuant to the provisions of this subsection, the Oklahoma Housing Finance Agency shall set aside twenty percent (20%) of such amount in order to promote housing in rural areas of the state. As used in this subsection, "rural areas" shall include any county with a population of less than one hundred thousand (100,000) persons according to the 2012 update to the most recent Federal Decennial Census, but may include a county with a</u>

population in excess of such number if no municipality located within such county has a population in excess of one hundred thousand (100,000) persons according to the 2012 update to the most recent Federal Decennial Census, which municipal population figure shall exclude military personnel as reflected in the information available from the United States Census Bureau. The Oklahoma Housing Finance Agency shall adopt administrative rules to provide criteria for the use of the rural set aside amount to promote housing in areas of high economic growth with high demand for housing. Provided, however, that the allocation of the state ceiling to the Oklahoma Housing Finance Agency as otherwise authorized pursuant to this subsection shall be increased up to ten percent (10%) of the state ceiling amount for any calendar year subsequent to a certification by the Oklahoma Strategic Military Planning Commission that the available housing stock in an area located on or near a military installation at risk for closure or adverse realignment pursuant to federal law is inadequate and an increase in available funds for construction or rehabilitation of such housing would make closure or an adverse realignment of the military installation less likely. The certification by the Oklahoma Strategic Military Planning Commission shall be made and communicated to the State Bond Advisor not later than November 15 each year. The Oklahoma Strategic Military Planning Commission shall make a specific recommendation to the State Bond Advisor

regarding the percentage increase to be adopted for the Oklahoma Housing Finance Agency pool for the ensuing year. The State Bond Advisor shall make the final determination regarding the amount of such increase. Any certification made by the Oklahoma Strategic Military Planning Commission shall be valid only for the calendar year immediately following such certification.

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

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

G. 1. Four percent (4%) of the state ceiling shall be reserved and placed in a pool to be designated the State Issuer Pool. For the period commencing January 1 of each calendar year through September 1 of the same year, the State Issuer Pool shall be allocated to those qualified small issuer projects undertaken by state issuers which have issued in excess of Seventy-five Million Dollars ($75,000,000.00) in qualified small issue bonds.

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

H. Seventeen and five-tenths percent (17.5%) of the state ceiling shall be reserved and placed in a pool to be designated the Local Issuer Single Family Pool. For the period commencing January 1 of each calendar year through September 1 of the same year, the Local Issuer Single Family Pool shall be allocated to single-family projects undertaken by local issuers in counties with populations of three hundred thousand (300,000) or less on a first-come, first-serve basis with no single local issuer or project to receive an allocation in excess of Ten Million Dollars ($10,000,000.00) from the Local Issuer Single Family Pool. An issuer which has not received any allocation from the State Issuer Pool and having a single-family project limited in jurisdiction to twenty counties or less, each of which has a population of three hundred thousand (300,000) or less, shall be considered a local issuer for the purposes of this subsection.

I. Twelve and five-tenths percent (12.5%) of the state ceiling shall be reserved and placed in a pool to be designated the Metropolitan Area Housing Pool. Allocations from the Metropolitan Area Housing Pool may only be made to any public trust created to provide single-family housing having a county with a population in excess of three hundred thousand (300,000) as its sole beneficiary

and which has issued tax exempt single-family housing revenue bonds in the amount of at least Four Hundred Million Dollars ($400,000,000.00). Provided, no more than fifty percent (50%) of the amount allocated pursuant to this subsection shall be awarded to any single county.

J. Eight percent (8%) of the state ceiling shall be reserved and placed in a pool to be designated the Rural Area Housing Pool which shall be allocated to single-family projects undertaken by other local issuers in counties with populations of three hundred thousand (300,000) persons or less on a first-come, first-serve basis with no single local issuer or project to receive an allocation in excess of four percent (4%) of the state ceiling.

K. Provided, however, that the percentage otherwise authorized by subsections A, B, C, D, E, F, G, H, I and J of this section shall be proportionately reduced by the amount of increase in the percentage authorized to the Oklahoma Housing Finance Agency as a result of a recommendation by the Oklahoma Strategic Military Planning Commission pursuant to paragraph 1 of subsection F of this section.

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

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

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

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

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

M. 1. On September 2 of each calendar year, nonallocated sums remaining in the Economic Development Pool, Qualified Small Issue Pool, the Beginning Agricultural Producer Pool, the Exempt Facility Pool, the Student Loan Pool, the Oklahoma Housing Finance Agency Pool, the State Issuer Pool, the Local Issuer Single Family Pool,

the Metropolitan Area Housing Pool and the Rural Area Housing Pool shall be consolidated into the Consolidated Pool.

2. All local issuers and state issuers shall be entitled to obtain allocations from the Consolidated Pool for any private activity bond or mortgage credit certificate program based on the chronological order of completed applications received after January 1 of each calendar year which applications have not received an allocation.

SECTION 2. This act shall become effective January 1, 2015.

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