

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4

AS AMENDED

By: McNiel of the House

and

Brinkley of the Senate

[public finance - Oklahoma Community Economic Development Pooled Finance Act - effective date]

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

SECTION 1. AMENDATORY 62 O.S. 2011, Section 891.3, is

Section 891.3 1. "Authority" means the Oklahoma Development

2. "Bonds" means any form of obligation issued by the Oklahoma

3. "Business entity" means a corporation, limited liability

1 4. "Community Economic Development Pooled Finance Revolving
2 Fund" means the fund created pursuant to Section 891.15 of this
3 title;

4 5. "Conduit issuer" means the Oklahoma Development Finance
5 Authority acting for the benefit of either a combination of local
6 government entities or a local government entity or entities in
7 conjunction with a for-profit business entity pursuant to the
8 provisions of this act;

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

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

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

14 9. "Economic Development Pool" means proceeds of obligations
15 sold by the Authority to provide resources for eligible local
16 government entities or a local government entity in conjunction with
17 a for-profit business entity to finance an eligible economic
18 development project or other purposes authorized by this act;

19 10. "Eligible local government entity" means:

20 a. a city,

21 b. a town,

22 c. a county,

23 d. any combination of cities, towns, or counties, or
24

1 e. a public trust with a beneficiary or beneficiary which
2 is a city, town, county or some combination of such
3 entities as authorized by Section 176 of Title 60 of
4 the Oklahoma Statutes;

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

9 12. "Infrastructure" means:

- 10 a. county roads,
11 b. county bridges,
12 c. municipal streets,
13 d. municipal bridges,
14 e. any railway or utility system owned by an eligible
15 local government entity,
16 f. water treatment facilities,
17 g. solid waste management facilities,
18 h. water treatment and distribution systems, or
19 i. any asset or project identified by the eligible local
20 government entities necessary for essential government
21 functions if the asset is owned by a local government
22 entity or entities;

23 13. "Infrastructure Pool" means proceeds of obligations sold by
24 the Authority to provide resources for eligible local government

1 entities to provide financing for infrastructure or other purposes
2 authorized by this act;

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

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

22 SECTION 2. AMENDATORY 62 O.S. 2011, Section 891.7, is
23 amended to read as follows:
24

1 Section 891.7 A. The Authority shall be authorized to act as a
2 conduit issuer for the benefit of two or more eligible local
3 government entities for an authorized infrastructure project using
4 the Infrastructure Pool.

5 B. The Authority shall be authorized to issue its obligations
6 in order to provide net proceeds on a pooled basis not to exceed One
7 Hundred Million Dollars (\$100,000,000.00) for the Infrastructure
8 Pool. The Authority shall be authorized to issue obligations within
9 the limit prescribed by this subsection based upon the defeasance of
10 previously issued obligations.

11 C. The Except as otherwise provided by subsection F of this
12 section, proceeds from the Infrastructure Pool shall be for the
13 purpose of providing financing for two or more eligible local
14 government entities for an authorized infrastructure project located
15 in this state involving a pooled financing.

16 D. Sixty-five percent (65%) of the net proceeds from the
17 Infrastructure Pool shall be used by the Authority for the benefit
18 of eligible local government entities the population of which,
19 according to the most recent Federal Decennial Census, does not
20 exceed three hundred thousand (300,000) persons for any
21 participating municipality.

22 E. Thirty-five percent (35%) of the net proceeds from the
23 Infrastructure Pool may be used by the Authority for the benefit of
24

1 any and all eligible local government entities regardless of
2 population.

3 F. The proceeds from the Infrastructure Pool may also be used
4 for the purposes authorized by Section 891.8 of this title.

5 SECTION 3. AMENDATORY 62 O.S. 2011, Section 891.8, is
6 amended to read as follows:

7 Section 891.8 A. The Authority shall be authorized to act as a
8 conduit issuer for the benefit of one or more eligible local
9 government entities or for the benefit of one or more local
10 government entities in conjunction with a for-profit business entity
11 for an authorized economic development project using the Economic
12 Development Pool.

13 B. The Authority shall be authorized to issue its obligations
14 in order to provide net proceeds on a pooled basis not to exceed One
15 Hundred Million Dollars (\$100,000,000.00) for the Economic
16 Development Pool. The Authority shall be authorized to issue
17 obligations within the limit prescribed by this subsection based
18 upon the defeasance of previously issued obligations.

19 C. The Except as otherwise provided by subsection G of this
20 section, proceeds from the Economic Development Pool shall be for
21 the purpose of providing financing for an eligible local government
22 entity or entities or for the benefit of a business entity for an
23 authorized economic development project located in this state.

1 D. Sixty-five percent (65%) of the net proceeds from the
2 Economic Development Pool shall be used by the Authority for the
3 benefit of eligible local government entities the population of
4 which, according to the most recent Federal Decennial Census, does
5 not exceed three hundred thousand (300,000) persons for any
6 participating municipality.

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

11 F. Obligations issued pursuant to the provisions of this
12 section may be issued on a tax-exempt basis if the applicable
13 provisions of federal law governing private activity bonds allow
14 such issuance. Otherwise, the obligations issued pursuant to the
15 provisions of this section shall be issued on a taxable basis.

16 G. The proceeds from the Economic Development Pool may also be
17 used for the purposes authorized by Section 891.7 of this title.

18 SECTION 4. This act shall become effective November 1, 2013.

19 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
20 April 2, 2013 - DO PASS AS AMENDED
21
22
23
24