

An Act

ENROLLED HOUSE
BILL NO. 1549

By: Lepak of the House

and

Bergstrom of the Senate

An Act relating to public finance; creating the Private Activity Bond Modernization Act of 2025; amending 62 O.S. 2021, Section 695.23, which relates to definitions; modifying definitions; amending 62 O.S. 2021, Section 695.24, which relates to designation of various pools; modifying designation of pools and amounts reserved; amending 62 O.S. 2021, Section 695.25, which relates to the determination of maximum total volume of bonds that may be issued for year, publication, and application by issuers for allocation of state ceilings; modifying the application by issuers for allocation of state ceilings; modifying expiration date for confirmation date for issue of private activity bonds and mortgage credit certificate programs; providing for noncodification; and providing an effective date.

SUBJECT: Public finance

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Private Activity Bond Modernization Act of 2025".

SECTION 2. AMENDATORY 62 O.S. 2021, Section 695.23, is amended to read as follows:

Section 695.23. As used in the Oklahoma Private Activity Bond Allocation Act:

1. "Application for state ceiling allocation" means the ~~written~~ application form provided by the Deputy Treasurer for Debt Management which shall be filed by or on behalf of the issuer in compliance with the requirements of this act;

~~2. "Beginning Agricultural Producer Pool" means the portion of the state ceiling reserved for bonds relating to the Oklahoma Beginning Agricultural Producer Pool Act;~~

~~3.~~ 2. "Carryforward" shall have the same meaning as in Section 146(f) of the Internal Revenue Code;

~~4.~~ 3. "Confirmation" means a written confirmation of allocation issued by the Deputy Treasurer for Debt Management;

~~5.~~ 4. "Consolidated Pool" means an aggregation of unallocated sums of the state ceiling derived from pools as set forth in subsection M of Section 695.24 of this title;

~~6.~~ 5. "Economic Development Pool" means that portion of the state ceiling reserved for projects specifically authorized by the Council of Bond Oversight, as provided for in subsection B of Section 695.24 of this title;

~~7. "Exempt facility bonds" means exempt facility bonds as defined in Section 142(a) of the Internal Revenue Code;~~

~~8. "Exempt Facility Pool" means the portion of the state ceiling reserved for exempt facility bonds;~~

~~9.~~ 6. "Final certification" or "final certificate" means a certification or certificate filed with the Deputy Treasurer for Debt Management by or on behalf of the issuer specifying the exact amount of indebtedness issued by an issuer, or, in the case of mortgage credit certificates, a copy of the document or election filed with the Internal Revenue Service exchanging bond issuance authority for mortgage credit certificate issuance authority;

7. "Housing Pool" means that portion of the state ceiling reserved for single-family mortgage revenue bonds, multifamily revenue bonds, and mortgage credit certificates;

~~10.~~ 8. "Internal Revenue Code" means the Internal Revenue Code of 1986 (26 U.S.C., Section 1 et seq.), as amended;

~~11.~~ 9. "Issued" means any issue of bonds which have been delivered and the purchase price therefor remitted to or for the account of the issuer, or a copy of the document or election filed with the Internal Revenue Service exchanging bond issuance authority for mortgage credit certificate issuance authority;

~~12.~~ 10. "Issuer" or "issuing authority" means any public trust or other entity which is authorized to issue tax-exempt bonds, notes and other like obligations, or has the authority to exchange single-family mortgage bond authority for mortgage credit certificate authority, under the Constitution or laws of the state;

~~13.~~ 11. "Local issuer" means any municipality, county or public trust having counties or municipalities or combinations thereof as beneficiary, or a public trust having the state as beneficiary with jurisdiction limited to one county of the state;

~~14. "Local Issuer Single Family Pool" means the portion of the state ceiling reserved for local issuers of single-family, mortgage revenue bonds and mortgage credit certificates;~~

~~15. "Metropolitan Area Housing Pool" means the portion of the state ceiling reserved pursuant to subsection I of Section 695.24 of this title;~~

12. "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.

~~16.~~ 13. "Mortgage credit certificate election" means a document or election filed by an issuer with the Internal Revenue Service exchanging single-family mortgage bond issuance authority for mortgage credit certificate issuance authority;

~~17.~~ 14. "Mortgage credit certificates" shall have the same meaning as in Section 25(c) of the Internal Revenue Code;

~~18. "Oklahoma Housing Finance Agency Pool" means that portion of the state ceiling reserved for single-family bonds, multifamily bonds, and mortgage credit certificates issued by the Oklahoma Housing Finance Agency;~~

~~19.~~ 15. "Private activity bonds" or "bonds" means any bonds or notes or other evidence of indebtedness, the interest on which is exempt from tax pursuant to the Internal Revenue Code, and mortgage credit certificates, except those bonds or certificates specifically excluded from the state ceiling under the terms of federal legislation;

~~20.~~ "~~Qualified small issue~~" used in the context of "~~bond~~" or "~~bonds~~" or the "~~Qualified Small Issue Pool~~" shall have the meaning as in Section 144(a) of the Internal Revenue Code;

~~21.~~ "~~Qualified Small Issue Pool~~" means the portion of the state ceiling reserved for qualified small issue bonds;

~~22.~~ 16. "Qualified student loan bonds" shall have the same meaning as in Section 144(b) of the Internal Revenue Code;

~~23.~~ "~~Rural Area Housing Pool~~" means the portion of the state ceiling reserved pursuant to subsection J of Section 695.24 of this title;

~~24.~~ 17. "State" means the State of Oklahoma;

~~25.~~ "~~State Bond Advisor~~" means the Deputy Treasurer for Debt Management or his or her designee;

~~26.~~ 18. "State ceiling" means the limit which is prescribed by the Internal Revenue Code in Section 146 and in such other applicable sections of the Internal Revenue Code on the amount of private activity bonds which may be issued collectively by all of the issuers of the state during a calendar year;

~~27.~~ 19. "State issuer" means any public trust having the state as beneficiary or any state agency or other entity with powers to issue private activity bonds, provided that the term shall not include a public trust or any local issuer with the state as beneficiary whose jurisdiction is limited to one county; and

~~28.~~ "~~State Issuer Pool~~" means the portion of the state ceiling reserved for state issuers of qualified small issuer projects; and

~~29.~~ 20. "Student Loan Pool" means the portion of the state ceiling reserved for qualified student loan bonds.

SECTION 3. AMENDATORY 62 O.S. 2021, Section 695.24, is amended to read as follows:

Section 695.24. A. For the period January 1 through June 30 of each calendar year, the state ceiling shall be reserved and placed in pools according to the following:

1. ~~Fifteen and five-tenths percent (15.5%)~~ Ten percent (10%) of the state ceiling shall be reserved and placed in a pool designated as the Student Loan Pool. Allocations from this pool may be made only to qualified student loan bonds issued by eligible state issuers;

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%) Twenty-five percent (25%) 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~~ 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%);~~

3. Forty percent (40%) of the state ceiling shall be reserved and placed in a pool to be designated as the Oklahoma Housing Finance Agency Pool. Allocations from this pool may be made only to qualified single-family bonds, multifamily bonds, or mortgage credit certificates. 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 Deputy Treasurer for Debt Management not later than November 15 each year. The Oklahoma Strategic Military Planning Commission shall make a specific recommendation to the Deputy Treasurer for Debt Management regarding the percentage increase to be adopted for the Oklahoma Housing Finance Agency pool for the ensuing year. The Deputy Treasurer for Debt Management 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 Deputy Treasurer for Debt Management shall issue confirmations in the order in which fully and properly completed applications for state ceiling allocation are received. The Deputy Treasurer for Debt Management 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 Deputy Treasurer for Debt Management 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 Deputy Treasurer for Debt Management, 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.~~

a. No single project or issuer shall be eligible to receive an allocation or allocations in excess of twenty-five percent (25%) of the state ceiling under this paragraph.

b. Notwithstanding subparagraph a of this paragraph, an issuer shall be eligible to receive subsequent allocations provided that any previous allocations have already issued;

4. Twenty-five percent (25%) of the state ceiling shall be reserved and placed in a pool to be designated the Discretionary Pool. Allocations from this pool may be made to any qualified private activity bond, as provided by Section 141 of the Internal Revenue Code, that is not subject to paragraph 1, 2, or 3 of this subsection.

a. Before June 30 of any calendar year, an amount not to exceed ten percent (10%) of the state ceiling may be

reserved and placed from the Discretionary Pool to any of the pools defined in paragraph 1, 2, or 3 of this subsection.

- b. Reservation and placement from the Discretionary Pool shall be at the discretion of the Deputy Treasurer for Debt Management and subject to the approval of the Council of Bond Oversight; and

5. Projects subject to one or more pools shall be eligible to receive an allocation from the pool designated by the Deputy Treasurer for Debt Management.

- a. No pool designation shall be made for the purpose of denying or delaying an allocation by intentionally selecting a pool containing insufficient amounts of available state ceiling.

- b. Any appeal from such designation shall be made to the Council of Bond Oversight.

B. On July 1 of each calendar year, any unallocated sums remaining in the pools of subsection A of this section shall be reserved and placed in the Consolidated Pool.

C. Notwithstanding subsection H of Section 695.25, no later than 9:00 a.m. on December 1 of each calendar year, any previous allocations that fail to issue, or unallocated sums remaining in the Consolidated Pool, shall be reclaimed or reserved for qualified carryforward projects, as said term is used in Section 103(n)(10) and 146(f) of the Internal Revenue Code.

SECTION 4. AMENDATORY 62 O.S. 2021, Section 695.25, is amended to read as follows:

Section 695.25. A. On January 1 of each calendar year or the first business day thereafter, the Deputy Treasurer for Debt Management shall determine the maximum total volume of private activity bonds that may be issued pursuant to federal law by the state during that year.

B. On or before February 15 of each calendar year, the Deputy Treasurer for Debt Management shall cause to be published in The Oklahoma Register, or any successor publication, a notice specifying the amount of the state ceiling for the calendar year.

~~C. Allocations Complete applications for state ceiling allocations from the pools set forth in Section 695.24 of this title will shall be processed on the basis of the in chronological order of receipt of completed applications for state ceiling allocation unless otherwise provided in said section, and on the basis of the information and provisions set forth in subsections D, E, F, G and H of this section. Allocations from the Consolidated Pool will be processed on the basis of the system set out in subsection M of Section 695.24 of this title and on the basis of information and provisions set forth in subsections D, E, F, G and H of this section.~~

1. The state ceiling reserved and placed pursuant to subsection A of Section 695.24 shall be allocated in the order in which applications are received, subject to the following:

- a. applications exceeding the available amount of the state ceiling reserved and placed in a pool pursuant to subsection A of Section 695.24, provided that the Deputy Treasurer for Debt Management does not exercise the discretion provided under subparagraph a of paragraph 4 of subsection A of Section 695.24 of this title, shall be held, but retain chronological priority, for the remaining amounts of the state ceiling that are reserved and placed in the Consolidated Pool, and
- b. applications from issuers or projects that previously received allocations but failed to issue within the 120-day timeframe as required by subsection H of this section, notwithstanding the no fee provision of subparagraph a of paragraph 4 of this subsection, shall be subject to the fee provision of Consolidated Pool applications as provided in subparagraph b of paragraph 4 of this subsection and eligible to apply for an allocation under subsection A of Section 695.24 with a new priority date.

2. The state ceiling reserved and placed pursuant to subsection B of Section 695.24 shall be allocated in the order in which applications are received, subject to the following:

- a. applications held pursuant to subparagraph a of paragraph 1 of this subsection or new applications,

but not applications submitted pursuant to subparagraph b of paragraph 1 of this subsection, shall receive first priority based on the chronological issuance of confirmation,

- b. applications from issuers or projects that previously received allocations under subsection B of Section 695.24 but failed to issue within the 120-day timeframe required pursuant to subsection H shall be subject to the fee provision of carryforward applications as provided in subparagraph c of paragraph 4 of this subsection and eligible to apply for an allocation under subsection B of Section 695.24 with a new priority date, and
- c. applications from issuers or projects that previously received allocations under subsection A of Section 695.24, but failed to issue within the 120-day timeframe required pursuant to subsection H of this section shall not be eligible to receive a priority date for the Consolidated Pool prior to August 1;

3. The state ceiling reclaimed or reserved for qualified carryforward projects pursuant to subsection C of Section 695.24 shall be allocated in the order in which confirmations are issued, subject to the following:

- a. applications submitted under subsection B of Section 695.24 or new applications, but not applications submitted pursuant to subparagraph b of paragraph 1 of this subsection shall receive first priority based on the chronological issuance of confirmation,
- b. applications from issuers or projects that previously received allocations but failed to issue within the 120-day timeframe required pursuant to subsection H of this section, shall not be eligible to receive a priority date prior to December 20, and
- c. applications exceeding the amount of the state ceiling reclaimed or reserved for qualified carryforward projects pursuant to subsection C of Section 695.24 shall be permitted to reduce the requested amount, without losing priority, and receive eligible

carryforward at the discretion of the Deputy Treasurer for Debt Management;

4. All applications shall be subject to the following fee structure, which shall be apportioned to the Bond Oversight Revolving Fund created pursuant to Section 695.8a of this title:

- a. no application fee shall be assessed to issuers or projects for an allocation of the state ceiling under subsection A of Section 695.24,
- b. applications for an allocation of the state ceiling under subsection B of Section 695.24 shall be subject to a fee of one-half (0.5) basis point (0.005 percent), provided that no application shall be subject to a fee if held pursuant to a request that exceeded the pool amount under subparagraph a of paragraph 1 of this subsection, and
- c. applications for an allocation of the state ceiling for carryforward under subsection C of Section 695.24 shall be subject to a fee of one (1) basis point (0.01 percent);

5. The Deputy Treasurer for Debt Management shall have the limited authority to defer, retain priority, or deny confirmation on applications for state ceiling allocation that appear to be incomplete or premature based upon information submitted or that fail to show demand for funds pursuant to subsections F and G of this section. In the event a confirmation or application is denied, the Deputy Treasurer for Debt Management, within five (5) business days following such denial, shall send written notice to the applicant together with a brief recital of the reasons for denial.

D. An issuer ~~which~~ that proposes to issue private activity bonds for a specific project or purpose shall make application for an allocation of a portion of the state ceiling for the particular project or purpose by submitting to the Deputy Treasurer for Debt Management an application for state ceiling allocation together with copies of the following:

1. A certified copy of the resolution or other action adopted by the issuer for the purpose of taking "official action" as required by the Treasury Regulations relating to Section 103 of the Internal Revenue Code, if the issuer of private activity bonds for

which the allocation is requested requires "official action" under applicable Treasury Regulations and the Internal Revenue Code; and

2. A final resolution of the beneficiary of the issuer evidencing its approval of the issuance of the issuer's obligations, if the issuer is a municipal or county public trust, or a certificate signed by the Governor of the state evidencing his approval of the issuance of the issuer's obligations, to the extent required under the Internal Revenue Code, if the issuer is a public trust having the state as its beneficiary.

E. The application for state ceiling allocation shall contain the following information:

1. The name and mailing address of the issuer, the beneficiary and jurisdiction thereof, the name of the presiding officer of the issuer and the respective pool from which an allocation is requested;

2. The name and mailing address or other definitive description of the location of the project or bonds and the purpose for which an allocation of the state ceiling is requested, the name and mailing address of both the initial owner or operator of the project, where applicable, and an appropriate person from whom information regarding the project or bonds can be obtained, and the name and address of the person to whom the confirmation should be sent;

3. The amount of the state ceiling which the ~~Issuer~~ issuer is requesting;

4. A statement of bond counsel for the issuer that the proposed issue requires, pursuant to Section 103, Section 146 or such other applicable sections of the Internal Revenue Code, an allocation of a portion of the state ceiling; and

5. Where applicable, the intention to exchange single-family mortgage bond authority for mortgage credit certificates.

F. 1. Applications for single-family mortgage bonds or mortgage credit certificate programs shall also include the submission of information demonstrating a reasonable expectation to use an allocation of the state ceiling for its intended purpose. This information shall include historical usage of mortgage revenue bond proceeds or mortgage credit certificates in the geographic area subject to an application over the previous twenty-four-month period

and the impact of known or possible competing programs that would act to reduce demand. This information may also include demand surveys. Provided, in cases where historical usage cannot be documented, demand surveys shall be included with an application.

2. Applications for qualified student loan bonds shall also include the submission of information showing a reasonable expectation to use the state ceiling for its intended purpose. This information shall include historical lending activity over the previous twenty-four-month period as well as a demonstration of need based upon such factors as increased enrollment costs, enrollment increases, or new federal regulations that act to increase demand by making changes to eligibility requirements to certain federally guaranteed or subsidized student loan programs. This information may also include demand surveys. Provided, in cases where historical usage cannot be documented, demand surveys shall be included with an application.

3. Applications shall also include evidence of a structure to deliver the financing derived from single-family mortgage bond proceeds or mortgage credit certificates or from qualified student loan bond proceeds to ultimate users, particularly the extent of lender participation in the case of mortgage revenue bonds or mortgage credit certificate programs.

G. 1. Upon receipt of the completed application for state ceiling allocation, copies of the official action and final resolutions or certificates as required by subsection D of this section and the information required by subsections E and F of this section and assuming availability of the sum requested and compliance with the Oklahoma Private Activity Bond Allocation Act, the Deputy Treasurer for Debt Management shall send, within five (5) business days of the receipt thereof, a confirmation of the allocation of the state ceiling for the subject project or purpose to the person designated in the application for state ceiling allocation. Provided, the Deputy Treasurer for Debt Management may reject an application or deny a confirmation pursuant to the provisions of this subsection.

2. The Deputy Treasurer for Debt Management may reject any application which is incomplete or filed with insufficient information. The Deputy Treasurer for Debt Management may reject any application where, in the Deputy Treasurer for Debt Management judgment, a reasonable likelihood has not been shown that single-family mortgage and student loan bond proceeds or mortgage credit

certificates will be used for their intended public purposes. In the event an application or confirmation is denied, within five (5) business days following such denial, the Deputy Treasurer for Debt Management shall send the applicant written notice of the denial of an application or confirmation together with the reason or reasons therefor. In the case of disapprovals of applications or confirmations, an applicant may appeal the disapproval by submitting a new application to the Council of Bond Oversight, along with an explanation addressing the reasons for disapproval cited in the Deputy Treasurer for Debt Management letter. The Council of Bond Oversight, through affirmative action of the Council, may accept an application rejected by the Deputy Treasurer for Debt Management, or order the Deputy Treasurer for Debt Management to issue a confirmation of allocation, subject to provisions of the Oklahoma Private Activity Bond Allocation Act. Applicants may submit only one new application based on an appeal of any specific application previously submitted.

3. Only complete applications, as determined by the Deputy Treasurer for Debt Management, shall be used to establish the chronological order of applications. In the case of a new application submitted based on an appeal, chronological order shall be established at the time the new application is submitted.

H. An original confirmation shall cease to be effective to assure allocation of any portion of the state ceiling unless the bonds, notes, other evidences of indebtedness, or the appropriate election filed with the Internal Revenue Service exchanging mortgage bond authority for mortgage credit certificate authority have been issued or filed within one hundred twenty (120) days after the date of such confirmation. No extensions shall be granted. Such issuance shall be evidenced by the mailing, transmittal or delivery of a final certification to the Deputy Treasurer for Debt Management within the time specified by this subsection. Receipt by an issuer of a confirmation as contemplated by this section shall entitle the issuer to rely conclusively upon the accuracy of the Deputy Treasurer for Debt Management's mathematical calculation and the allocation for purposes of closing.

I. The confirmation given in advance of bond issuance or mortgage credit certificate election will assure allocation for only the amount of such bonds or mortgage credit certificate authority as is therein set forth, unless a supplementary application for state ceiling allocation for an increase in amount is filed with and a supplementary confirmation is issued by the Deputy Treasurer for

Debt Management for such requested allocation prior to such bond issuance or such election, pursuant to the Oklahoma Private Activity Bond Allocation Act. The supplementary confirmation shall be effective for the same period as the prior confirmation which it supplements. Provided, however, no supplementary confirmation shall be effective to preempt any intervening confirmation as to allocation of a portion of the state ceiling.

J. Notwithstanding the provisions of this section, all confirmation dates for an issue of private activity bonds or mortgage credit certificate programs expire on December ~~20~~ 1 of each calendar year. Final certification of issuance shall be delivered to the Deputy Treasurer for Debt Management by 9:00 a.m. on December ~~20~~ 1 of each calendar year.

K. On or after 9:00 a.m. on December ~~20~~ 1 of each calendar year, issuing authorities may apply to the Deputy Treasurer for Debt Management to carry forward a portion of the state ceiling for such calendar year allocated to any qualified carryforward project, as said term is used in Section 103(n)(10) and 146(f) of the Internal Revenue Code and which shall be evidenced by the issuance of confirmations for all carryforward projects within the limitations of the state ceiling. Provided, issuers or projects with more than Twenty Million Dollars (\$20,000,000.00) of carryforward outstanding as of the date of the application for carryforward shall only be eligible for carryforward allocations to the extent other issuers with less than Twenty Million Dollars (\$20,000,000.00) of outstanding carryforward authority do not fully commit the state ceiling. Allocations on carryforward projects shall be processed on the basis of the chronological receipt of applications, subject to paragraph 3 of subsection C of this section. No portion of the state ceiling carried forward for any given year may be carried forward for a period in excess of three (3) calendar years following the calendar year in which the carryforward arose, except as otherwise permitted under federal law.

L. The Deputy Treasurer for Debt Management shall maintain continuous and cumulative records which shall include a list and cumulative dollar total of the private activity bonds for which:

1. Private activity bonds have been issued or state ceiling exchanged for mortgage credit certificate authority and final certifications have been received by the Deputy Treasurer for Debt Management;

2. Confirmations of carryforward have been issued; and

3. Confirmations in effect and outstanding for which no private activity bonds or mortgage credit certificate elections have been issued or filed.

The Deputy Treasurer for Debt Management shall keep continuous and cumulative records and totals for each of the categories specified in paragraphs 1, 2 and 3 of this subsection as well as the aggregate total of all categories. The Deputy Treasurer for Debt Management shall not give further confirmations at such time as the aggregate amount of bonds, other indebtedness, carryforward or mortgage credit certificate elections specified by paragraphs 1, 2 and 3 of this subsection equals the state ceiling authorized for the applicable year. The Deputy Treasurer for Debt Management shall not award a confirmation if such award would cause indebtedness, carryforward or elections as specified by paragraphs 1, 2 and 3 of this subsection to exceed the state ceiling. Confirmation records shall be compiled and furnished to any local issuer and state issuer upon ~~written request and payment of a fee of Fifteen Dollars (\$15.00) which shall be apportioned to the General Revenue Fund.~~ Upon issuance of a confirmation, the amounts of the proposed bond issue, mortgage credit certificate election and carryforward confirmation shall be included in the continuing, mathematical calculation, until the same shall have been terminated in accordance with this section.

M. The person signing any confirmation for any allocations granted pursuant to the Oklahoma Private Activity Bond Allocation Act shall certify under penalty of perjury that such allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

N. A state or local issuer, who intentionally overissues mortgage credit certificates or bonds, shall be prohibited from making application for an allocation of the state ceiling for any purpose for a period of three (3) years following discovery of such over issuance.

SECTION 5. This act shall become effective November 1, 2025.

Passed the House of Representatives the 17th day of March, 2025.

Presiding Officer of the House
of Representatives

Passed the Senate the 6th day of May, 2025.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____

Approved by the Governor of the State of Oklahoma this _____
day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____