

1 **SENATE FLOOR VERSION**

2 February 16, 2026

3 **AS AMENDED**

4 SENATE BILL NO. 1858

By: Frix of the Senate

and

Fetgatter of the House

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7
8 **[development incentives - taxpayer agreements - lien**
9 **- delinquent payments and collections - bonds -**
10 **security interest - powers - codification -**
11 **emergency]**

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

14 SECTION 1. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 869.1 of Title 62, unless there
16 is created a duplication in numbering, reads as follows:

17 A. A public entity, as defined in Section 853 of Title 62 of
18 the Oklahoma Statutes, designated to exercise the powers enumerated
19 pursuant to Section 854 of Title 62 of the Oklahoma Statutes may
20 enter into a taxpayer agreement with the owner or developer of real
21 property located within an increment district as authorized by
22 Section 861 of Title 62 of the Oklahoma Statutes. A taxpayer
23 agreement may be used to:
24

1 1. Guarantee, enhance, or otherwise secure the repayment of
2 bonds, notes, or other obligations issued by the public entity;

3 2. Provide for payments in lieu of or in addition to tax
4 increment revenues; and

5 3. Provide for any payment obligation designed to support the
6 financing or refinancing of project costs.

7 B. A taxpayer agreement entered into pursuant to this section
8 constitutes a voluntary and binding payment obligation of the
9 property owner or developer and shall not constitute a pledge of the
10 credit or taxing power of a public entity. Nothing in this act
11 shall be construed to require a public entity to enter into a
12 taxpayer agreement.

13 C. If a taxpayer agreement provides that payments due under the
14 agreement are secured by a lien on real property, then:

15 1. The lien shall be in full force and effect automatically
16 upon execution of the agreement;

17 2. The lien shall constitute and be treated in the same manner
18 as a tax lien on real and personal property pursuant to Section 3103
19 of Title 68 of the Oklahoma Statutes;

20 3. The lien shall have parity with tax liens on property,
21 taking priority over any existing or subsequent mortgage judgment,
22 lien, or encumbrance except for previously filed tax liens on
23 property; and
24

1 4. The lien may be enforced, collected, and foreclosed in the
2 same manner as ad valorem tax liens as provided for in Sections 3102
3 through 3106 of Title 68 of the Oklahoma Statutes.

4 D. A taxpayer agreement containing a lien pursuant to
5 subsection C of this section **shall** be recorded with the recorder of
6 deeds in the county in which the property is located. Recordation
7 provides constructive notice and perfects the lien without further
8 action.

9 E. Payments due pursuant to a taxpayer agreement shall be
10 deemed delinquent when unpaid on the required date. A delinquency
11 may be certified and enforced in the same manner as delinquent ad
12 valorem taxes, including:

13 1. Collection by a taxing jurisdiction;

14 2. Collection by a county pursuant to Section 3103 of Title 68
15 of the Oklahoma Statutes;

16 3. Collection by the public entity or designee; and

17 4. All interest, penalties, fees, and collection costs
18 applicable to delinquent ad valorem taxes which shall apply to
19 delinquent taxpayer agreement payments.

20 F. A taxpayer agreement and any lien securing it may be
21 assigned to a trustee or purchaser of bonds secured by the taxpayer
22 agreement. The assignee shall possess all enforcement rights held
23 by the public entity.

1 G. Upon full payment of all obligations secured by the taxpayer
2 agreement, the public entity shall execute and record a release of
3 lien, which shall extinguish the lien effective upon recording.

4 H. Bonds or notes issued pursuant to the authorization in
5 Section 863 of Title 62 of the Oklahoma Statutes may be secured by:

6 1. Payments due pursuant to a taxpayer agreement authorized by
7 this section;

8 2. Any lien created by a taxpayer agreement; or

9 3. Reserves, guaranties, or private security.

10 I. The public entity may pledge, assign, or grant a security
11 interest in such payments, liens, revenues, or other security to a
12 trustee or purchaser of the bonds.

13 J. Bonds issued pursuant to Section 863 of Title 62 of the
14 Oklahoma Statutes and secured pursuant to this section:

15 1. Are payable solely from the security pledged;

16 2. Do not constitute a general obligation of a public entity of
17 this state;

18 3. Do not constitute municipal debt for the purposes of any
19 statutory or constitutional debt limitations; and

20 4. Impose no financial obligation on a municipality beyond
21 receipt and remittance of pledged payments.

22 K. A public entity issuing bonds secured pursuant to this
23 section acts solely as a conduit issuer, and repayment shall be
24 limited to:

1 1. Taxpayer agreement payments;

2 2. Pledged incremental tax revenues; and

3 3. Any additional private security.

4 L. The public entity may assign to a trustee or bondholders:

5 1. The right of the public entity to receive payments pursuant
6 to a taxpayer agreement;

7 2. Any lien securing such payments;

8 3. Any enforcement rights authorized pursuant to this section;
9 and

10 4. All enforcement powers held by the public entity.

11 M. The powers granted by this section are supplemental to the
12 existing powers of public entities under all other laws.

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

17 COMMITTEE REPORT BY: COMMITTEE ON REVENUE AND TAXATION
18 February 16, 2026 - DO PASS AS AMENDED