

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 SENATE BILL 1858

By: Frix

6 AS INTRODUCED

7 An Act relating to development incentives;  
8 authorizing public entities to enter into taxpayer  
9 agreements with owners of real property within  
increment districts; prescribing applications of  
agreements; providing construing language;  
10 prescribing lien requirements pursuant to the  
agreement; prescribing designation and enforcement of  
11 delinquent payments and collections; authorizing the  
assignment of agreement and any lien; authorizing  
12 certain bonds issued by public entities to be secured  
by agreements; authorizing the public entity to grant  
certain security interest; prescribing limitations to  
13 bonds secured by agreement; providing for repayment  
of secured bonds; authorizing public entities to  
14 assign powers to certain trustee or bondholder;  
providing for codification; and declaring an  
15 emergency.

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

19 SECTION 1. NEW LAW A new section of law to be codified

20 in the Oklahoma Statutes as Section 869.1 of Title 62, unless there  
21 is created a duplication in numbering, reads as follows:

22 A. A public entity, as defined in Section 853 of Title 62 of  
23 the Oklahoma Statutes, designated to exercise the powers enumerated  
24 pursuant to Section 854 of Title 62 of the Oklahoma Statutes may

1 enter into a taxpayer agreement with the owner or developer of real  
2 property located within an increment district as authorized by  
3 Section 861 of Title 62 of the Oklahoma Statutes. A taxpayer  
4 agreement may be used to:

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

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

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

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

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

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

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

1       3. The lien shall have parity with tax liens on property,  
2 taking priority over any existing or subsequent mortgage judgment,  
3 lien, or encumbrance except for previously filed tax liens on  
4 property; and

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

8       D. A taxpayer agreement containing a lien pursuant to  
9 subsection C of this section may be recorded with the recorder of  
10 deeds in the county in which the property is located. Recordation  
11 provides constructive notice and perfects the lien without further  
12 action.

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

17       1. Collection by a taxing jurisdiction;  
18       2. Collection by a county pursuant to Section 3103 of Title 68  
19 of the Oklahoma Statutes;

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

21       4. All interest, penalties, fees, and collection costs  
22 applicable to delinquent ad valorem taxes which shall apply to  
23 delinquent taxpayer agreement payments.

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

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

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

10       1. Payments due pursuant to a taxpayer agreement authorized by  
11 this section;

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

13       3. Reserves, guaranties, or private security.

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

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

19       1. Are payable solely from the security pledged;

20       2. Do not constitute a general obligation of a public entity of  
21 this state;

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

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

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

6       1. Taxpayer agreement payments;  
7       2. Pledged incremental tax revenues; and  
8       3. Any additional private security.

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

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

12      2. Any lien securing such payments;

13      3. Any enforcement rights authorized pursuant to this section;  
14 and

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

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

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

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