

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 2060

By: Haste

AS INTRODUCED

An Act relating to public infrastructure districts; amending 11 O.S. 2021, Sections 39-102 and 39-103, which relate to the creation of certain districts; defining terms; providing certain requirements for approval of applications for the creation of certain districts; granting authority to make certain improvements; authorizing districts to take certain actions; amending 11 O.S. 2021, Section 39-115, which relates to the issuance of certain bonds; authorizing the issuance of certain bonds by districts; providing for codification; and providing an effective date.

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

SECTION 1. AMENDATORY 11 O.S. 2021, Section 39-102, is amended to read as follows:

Section 39-102. As used in the Improvement District Act, the singular includes the plural and:

1. "Acquired" means the acquisition of property or interests in property by purchase, gift, condemnation or other lawful means;

2. "City" means any city or town incorporated pursuant to the laws of Oklahoma;

1 3. "Engineer" means a city engineer, city official, employee or
2 other person competent to advise and assist the governing body in
3 planning and making an improvement;

4 4. "Cost" means any cost necessarily or reasonably incurred in
5 making the improvement, including but not limited to cost of:

- 6 a. preparation of preliminary reports,
- 7 b. preparation of plans and specifications,
- 8 c. preparation and publication of notices of hearings,
9 resolutions, ordinances and other proceedings,
- 10 d. fees and expenses for engineers, attorneys, laborers
11 and other personal services,
- 12 e. rights-of-way, materials and other lawful expenses
13 incurred in making any improvement, and
- 14 f. capitalized interest, funding of reserves, premiums
15 for reserve surety bonds, and obtaining bond
16 insurance, letters of credit or other credit
17 enhancements or liquidity instruments;

18 5. "District" means an area designated by the governing body to
19 be benefited by an improvement and subjected to payment of special
20 assessments for all or a portion of the cost of the improvement;

21 6. "Governing body" means the city council, city commission ~~or~~,
22 board of trustees of an incorporated city or town, or the board of
23 supervisors of a master development district;
24

1 7. "Governing document" means the document governing the
2 creation of the improvement district or master development district;

3 8. "Improve" means to construct, reconstruct, maintain,
4 restore, replace, renew, repair, install, equip, extend, purchase,
5 alter or otherwise perform any work which provides a new facility,
6 or enhances, extends or restores the value or usefulness of an
7 existing facility;

8 ~~8.~~ 9. "Improvement" means any type of improvement made by
9 authority of this Improvement District Act and includes
10 reimprovement of any prior improvement made pursuant to any other
11 act;

12 ~~9.~~ 10. "Mail" means by first-class mail;

13 ~~10.~~ 11. "Master development district" means an area of a
14 municipality with defined limits and boundaries that operates
15 separately and distinctly from the municipality and subject to the
16 provisions of this act including, but not limited to, special levies
17 against the real property therein for the financing or repayment of
18 the costs of the master development district's public improvements;

19 12. "Trustee" means a city acting pursuant to this act;

20 ~~11.~~ 13. "Street" means any highway, street, alley, boulevard,
21 avenue, right-of-way, public ground, or other public facility, or
22 any part thereof; ~~and~~

1 ~~12.~~ 14. "Surface property owner" means the owner or owners of
2 record of the surface of the property included in a proposed master
3 development district or improvement district; and

4 15. "Publish" or "publication" means printing in a newspaper
5 which maintains an office in the city or town and is of general
6 circulation within the city or town, or, if there is no newspaper
7 which maintains an office in the city or town, a newspaper of
8 general circulation within the city or town and in two (2) separate
9 issues thereof, at least seven (7) days apart.

10 SECTION 2. AMENDATORY 11 O.S. 2021, Section 39-103, is
11 amended to read as follows:

12 Section 39-103. A. The governing body of any city may create
13 one or more ~~districts~~ improvement districts for the purpose of
14 making or causing to be made any improvement or combination of
15 improvements that confer special benefit upon property within the
16 district.

17 B. Upon receipt of an application for a proposed master
18 development district, the governing body of any city shall approve
19 the creation of the master development district if the applicant
20 demonstrates the following:

21 1. One hundred percent (100%) of the surface owners within the
22 boundaries of the proposed master development district have
23 consented in writing to its creation and approved the master
24 development district's governing document; and

1 2. The project area comprises at least two hundred fifty (250)
2 acres or the projected private-sector investment within the district
3 boundaries exceeds Two Hundred Fifty Million Dollars
4 (\$250,000,000.00).

5 C. A master development district's governing document shall
6 create an independent board of supervisors, which shall be the
7 governing body of the master development district. The board of
8 supervisors shall have the same rights and powers as the governing
9 body of a city has over improvement districts, but shall be
10 independent of the municipal governing body.

11 D. The governing bodies of improvement districts and master
12 development districts shall have authority to make such improvements
13 or combinations of improvements as it deems beneficial to the
14 district. Such improvement or combination of improvements may
15 include the following, without limitation because of enumeration:

16 1. Acquisition of property or interest in property when
17 necessary for any of the purposes authorized by the Improvement
18 District Act;

19 2. Opening, creating, widening and extending or altering of
20 streets to improve paving, and surfacing, constructing and
21 reconstructing gutters, curbs, sidewalks, crosswalks, driveway
22 entrances and structures, drainage facilities, and service
23 connections from sewers, water, gas, electricity and other utility
24 mains, conduits or pipes;

1 3. Constructing or improving main and lateral storm water
2 drains and sanitary sewer systems and facilities;

3 4. Installation or improvement of street lights and street
4 lighting systems;

5 5. Construction or improvement of water mains and waterworks
6 systems;

7 6. Improvement of parks, playgrounds and recreational
8 facilities;

9 7. Improvement of any street, parking or other facility by
10 landscaping, or planting of trees, shrubs and other plants;

11 8. Constructing or improving dikes, levees and other flood
12 control works, gates, lift stations, bridges and streets appurtenant
13 thereto;

14 9. Constructing or improving vehicle and pedestrian bridges,
15 overpasses and tunnels;

16 10. Constructing or improving retaining walls and area walls on
17 public ways or land abutting thereon;

18 11. Constructing or improving property for off-street parking
19 facilities, including construction and equipment of buildings
20 thereon;

21 12. Constructing or improving pedestrian malls; ~~or~~

22 13. Acquiring or installing pieces of art;

23 14. Acquiring, constructing, or improving libraries,
24 recreational facilities, or other buildings or facilities; or
25

1 15. Constructing or improving offsite facilities or
2 infrastructure serving all or a portion of land within a district;
3 notwithstanding that, such facilities or infrastructure may also
4 serve areas outside a district, but subject to cost apportionment
5 requirements of subsection A of Section 39-110 of this title.

6 SECTION 3. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 39-103.2 of Title 11, unless
8 there is created a duplication in numbering, reads as follows:

9 A. A district is authorized to purchase, construct, acquire,
10 own, operate, maintain, repair, improve, or extend inside and
11 outside its boundaries any and all works, improvements, facilities,
12 plants, equipment, and appliances necessary to accomplish the
13 purposes of the district authorized by law, including all works,
14 improvements, facilities, plants, equipment, and appliances
15 incident, helpful, or necessary to:

16 1. Supply water for municipal uses, domestic uses, power,
17 commercial purposes and all other beneficial uses or controls;

18 2. Collect, transport, process, dispose of, and control all
19 domestic, industrial, or communal wastes whether in fluid, solid, or
20 composite state;

21 3. Gather, conduct, divert, and control local storm water or
22 other local harmful excesses of water in a district;

23 4. Irrigate the land in a district;

24 5. Alter land elevation in a district where it is needed; and
25

1 6. Navigate coastal and inland waters of the district.

2 B. To ensure the financial stability of a master development
3 district and the security of its assessments, the municipality and
4 the master development district shall enter into a master
5 development agreement.

6 C. The master development agreement shall legally vest the
7 development rights including, but not limited to, permitted uses,
8 densities, and intensities of use, for the duration of the
9 district's existence. The municipality shall not apply subsequent
10 changes to zoning or land-use regulations that materially impair the
11 district's ability to generate the revenue necessary to service its
12 bonded indebtedness.

13 SECTION 4. AMENDATORY 11 O.S. 2021, Section 39-115, is
14 amended to read as follows:

15 Section 39-115. A. To pay all or any part of the cost of the
16 improvement, ~~the governing body may issue, in the name of the city~~
17 ~~or a public trust entity acting on behalf of the city, the district~~
18 may issue bonds in one or more series and in amounts not exceeding
19 the total cost of the improvement financed by each series, including
20 costs of issuance, capitalized interest, funding of reserves,
21 premiums for reserve surety bonds, and obtaining bond insurance,
22 letters of credit or other credit enhancement or liquidity
23 instruments in connection with each series. If the bonds recite
24 that:

1 1. The proceedings relating to making the improvement and
2 levying the assessments to pay for the improvement have been done in
3 compliance with law; and

4 2. All prerequisites to the fixing of the assessment lien
5 against the tract or parcel of land benefited by the improvement
6 have been performed;

7 such recital shall be conclusive evidence of the facts recited.

8 B. The bonds shall:

9 1. Recite the terms and conditions for their issuance;

10 2. Be payable from the money collected from the assessment
11 authorized in Section 39-111 of this title;

12 3. Bear a rate of interest not less than two percent (2%) of
13 the rate of interest on the deferred installments of the assessment;
14 and

15 4. Mature not later than thirty (30) years after the date of
16 issuance of the bonds of a particular series.

17 C. Payment of the bonds issued for a storm sewer, lighting,
18 street, alley, curb, gutter or sidewalk improvement may be
19 supplemented from gasoline tax money remitted by the State of
20 Oklahoma on or before a date not more than twelve (12) months after
21 the last deferred installment of an assessment is due from the owner
22 of a tract or parcel of land so assessed. Payment of the bonds
23 issued for a water, sewer, gas, electric or other improvement may be
24 supplemented from the funds received by the water, sewer, gas,

1 electric or other facility on or before a date not more than twelve
2 (12) months after the last deferred installment of an assessment is
3 due from the owner of a tract or parcel of land so assessed.

4 D. The bonds may be issued to the contractor in payment for the
5 construction of the improvement or may be issued and sold:

6 1. In payment of the city's proportion of the cost of the
7 improvement;

8 2. In payment of the proportionate cost if the improvement is
9 done in cooperation with another governmental agency;

10 3. In payment of the construction of the improvement done under
11 contract; or

12 4. In reimbursement to the ~~city~~ district if the ~~city~~ district
13 constructed the improvement with ~~city~~ district owned or leased
14 equipment and ~~city~~ district employees.

15 E. Any city may contract for the issuance and sale of bonds or
16 assignable certificates.

17 F. Bonds or assignable certificates may be sold at a public or
18 private sale at a discount.

19 G. After the passage of thirty (30) days from the publication
20 of the ordinance or resolution authorizing the issuance of district
21 bonds, any action attacking the validity of any proceedings had or
22 taken by the governing body of the city preliminary to and in the
23 authorization and issuance of the bonds described in the notice is
24 perpetually barred.

1 H. Bonds issued pursuant to this section shall not:

2 1. Constitute public debt, liability, or obligation on behalf
3 of the municipality; or

4 2. Be considered for any purpose of any constitutional,
5 statutory, or charter debt limitation applicable to the municipality
6 or impair the municipality's bonding authority.

7 SECTION 5. This act shall become effective November 1, 2026.

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