

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 HOUSE BILL 1549

By: Lepak of the House

5 and

6 **Bergstrom** of the Senate

7

8

9 AS INTRODUCED

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

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

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

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

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

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

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

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

14 3. 2. "Carryforward" shall have the same meaning as in Section
15 146(f) of the Internal Revenue Code;

16 4. 3. "Confirmation" means a written confirmation of allocation
17 issued by the Deputy Treasurer for Debt Management;

18 5. 4. "Consolidated Pool" means an aggregation of unallocated
19 sums of the state ceiling derived from pools as set forth in
20 subsection M of Section 695.24 of this title;

21 6. 5. "Economic Development Pool" means that portion of the
22 state ceiling reserved for projects specifically authorized by the
23 Council of Bond Oversight, as provided for in subsection B of
24 Section 695.24 of this title;

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

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

5 9. 6. "Final certification" or "final certificate" means a
6 certification or certificate filed with the Deputy Treasurer for
7 Debt Management by or on behalf of the issuer specifying the exact
8 amount of indebtedness issued by an issuer, or, in the case of
9 mortgage credit certificates, a copy of the document or election
10 filed with the Internal Revenue Service exchanging bond issuance
11 authority for mortgage credit certificate issuance authority;

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

15 10. 8. "Internal Revenue Code" means the Internal Revenue Code
16 of 1986 (26 U.S.C., Section 1 et seq.), as amended;

17 11. 9. "Issued" means any issue of bonds which have been
18 delivered and the purchase price therefor remitted to or for the
19 account of the issuer, or a copy of the document or election filed
20 with the Internal Revenue Service exchanging bond issuance authority
21 for mortgage credit certificate issuance authority;

22 12. 10. "Issuer" or "issuing authority" means any public trust
23 or other entity which is authorized to issue tax-exempt bonds, notes
24 and other like obligations, or has the authority to exchange single-

1 family mortgage bond authority for mortgage credit certificate
2 authority, under the Constitution or laws of the state;

3 13. 11. "Local issuer" means any municipality, county or public
4 trust having counties or municipalities or combinations thereof as
5 beneficiary, or a public trust having the state as beneficiary with
6 jurisdiction limited to one county of the state;

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

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

13 12. "Manufacturing jobs" means jobs created by manufacturing
14 facilities as that term is defined in subparagraphs a, b, and c of
15 paragraph 1 of subsection B of Section 2902 of Title 68 of the
16 Oklahoma Statutes.

17 16. 13. "Mortgage credit certificate election" means a document
18 or election filed by an issuer with the Internal Revenue Service
19 exchanging single-family mortgage bond issuance authority for
20 mortgage credit certificate issuance authority;

21 17. 14. "Mortgage credit certificates" shall have the same
22 meaning as in Section 25(c) of the Internal Revenue Code;

23 18. "Oklahoma Housing Finance Agency Pool" means that portion
24 of the state ceiling reserved for single-family bonds, multifamily

1 bonds, and mortgage credit certificates issued by the Oklahoma
2 Housing Finance Agency;

3 19. 15. "Private activity bonds" or "bonds" means any bonds or
4 notes or other evidence of indebtedness, the interest on which is
5 exempt from tax pursuant to the Internal Revenue Code, and mortgage
6 credit certificates, except those bonds or certificates specifically
7 excluded from the state ceiling under the terms of federal
8 legislation;

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

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

14 22. 16. "Qualified student loan bonds" shall have the same
15 meaning as in Section 144(b) of the Internal Revenue Code;

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

19 24. 17. "State" means the State of Oklahoma;

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

22 26. 18. "State ceiling" means the limit which is prescribed by
23 the Internal Revenue Code in Section 146 and in such other
24 applicable sections of the Internal Revenue Code on the amount of

1 private activity bonds which may be issued collectively by all of
2 the issuers of the state during a calendar year;

3 27. 19. "State issuer" means any public trust having the state
4 as beneficiary or any state agency or other entity with powers to
5 issue private activity bonds, provided that the term shall not
6 include a public trust or any local issuer with the state as
7 beneficiary whose jurisdiction is limited to one county; and

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

10 29. 20. "Student Loan Pool" means the portion of the state
11 ceiling reserved for qualified student loan bonds.

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

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

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

22 2. For the period January 1 through September 1 of each
23 calendar year, the Student Loan Pool shall be allocated to qualified

1 student loan bonds issued by eligible state issuers. Allocations
2 will be available to issuers on a first come, first serve basis.

3 B. ~~Twelve percent (12%) Twenty-five percent (25%)~~ of the state
4 ceiling shall be reserved and placed in a pool designated as the
5 Economic Development Pool. ~~For the period January 1 through~~
6 ~~September 1 of each calendar year, allocations~~ Allocations from this
7 pool may be made only upon the recommendation of the Director of the
8 Oklahoma Department of Commerce and following review and approval by
9 the Council of Bond Oversight. In order to approve the
10 recommendation, the Council of Bond Oversight must find that the
11 project seeking an allocation from this pool will result in the
12 creation of manufacturing jobs in this state or will in some other
13 way contribute to an economic development objective of this state.
14 ~~For purposes of this subsection, "manufacturing jobs" means jobs~~
15 ~~created by manufacturing facilities as that term is defined in~~
16 ~~subparagraphs a, b, and c of paragraph 1 of subsection B of Section~~
17 ~~2902 of Title 68 of the Oklahoma Statutes.~~

18 C. 1. ~~Twelve percent (12%) of the state ceiling shall be~~
19 ~~reserved and placed in a pool to be designated the Qualified Small~~
20 ~~Issue Pool.~~

21 2. ~~For the period January 1 through September 1 of each~~
22 ~~calendar year, the Qualified Small Issue Pool shall be allocated to~~
23 ~~qualified small issue bond projects undertaken by either state or~~

1 local issuers. Allocations will be available to issuers on a first-
2 come, first serve basis.

3 D. 1. One percent (1%) of the state ceiling shall be reserved
4 and placed in a pool to be designated the Beginning Agricultural
5 Producer Pool.

6 2. For the period January 1 through September 1 of each
7 calendar year, the Beginning Agricultural Producer Pool shall be
8 allocated pursuant to the criteria established in Section 5063.23 of
9 Title 74 of the Oklahoma Statutes.

10 E. 1. Two and five-tenths percent (2.5%) of the state ceiling
11 shall be reserved and placed in a pool to be designated the Exempt
12 Facility Pool.

13 2. For the period January 1 through September 1 of each
14 calendar year, the Exempt Facility Pool shall be allocated to exempt
15 facility bonds issued by either state or local issuers. Allocations
16 will be available to issuers on a first-come, first-serve basis.

17 F. 1. Except as otherwise provided by this subsection, fifteen
18 percent (15%);

19 3. Forty percent (40%) of the state ceiling shall be reserved
20 and placed in a pool to be designated as the Oklahoma Housing
21 Finance Agency Pool. Allocations from this pool may be made only to
22 qualified single-family bonds, multifamily bonds, or mortgage credit
23 certificates. Provided, however, that the allocation of the state
24 ceiling to the Oklahoma Housing Finance Agency as otherwise

1 authorized pursuant to this subsection shall be increased up to ten
2 percent (10%) of the state ceiling amount for any calendar year
3 subsequent to a certification by the Oklahoma Strategic Military
4 Planning Commission that the available housing stock in an area
5 located on or near a military installation at risk for closure or
6 adverse realignment pursuant to federal law is inadequate and an
7 increase in available funds for construction or rehabilitation of
8 such housing would make closure or an adverse realignment of the
9 military installation less likely. The certification by the
10 Oklahoma Strategic Military Planning Commission shall be made and
11 communicated to the Deputy Treasurer for Debt Management not later
12 than November 15 each year. The Oklahoma Strategic Military
13 Planning Commission shall make a specific recommendation to the
14 Deputy Treasurer for Debt Management regarding the percentage
15 increase to be adopted for the Oklahoma Housing Finance Agency pool
16 for the ensuing year. The Deputy Treasurer for Debt Management
17 shall make the final determination regarding the amount of such
18 increase. Any certification made by the Oklahoma Strategic Military
19 Planning Commission shall be valid only for the calendar year
20 immediately following such certification.

21 2. a. For the period January 1 through September 1 of each
22 year, the Oklahoma Housing Finance Agency Pool shall
23 be allocated to qualified single family bonds,

1 multifamily bonds, or mortgage credit certificates
2 issued by the Oklahoma Housing Finance Agency.

3 b. ~~Provided, thirty five percent (35%) of the allocation~~
4 from the Oklahoma Housing Finance Agency Pool shall be
5 set aside for at least three (3) months for the
6 origination of single family loans in counties with
7 populations of three hundred thousand (300,000) or
8 less.

9 c. 1. ~~Four percent (4%) of the state ceiling shall be reserved~~
10 and placed in a pool to be designated the State Issuer Pool. For
11 the period commencing January 1 of each calendar year through
12 September 1 of the same year, the State Issuer Pool shall be
13 allocated to those qualified small issuer projects undertaken by
14 state issuers which have issued in excess of Seventy-five Million
15 Dollars (\$75,000,000.00) in qualified small issue bonds.

16 2. ~~Notwithstanding the provisions of this section, a state~~
17 ~~issuer specifically limited in jurisdiction to one county shall be~~
18 ~~treated as a local issuer for the purposes of allocation.~~

19 H. ~~Seventeen and five-tenths percent (17.5%) of the state~~
20 ~~ceiling shall be reserved and placed in a pool to be designated the~~
21 ~~Local Issuer Single Family Pool. For the period commencing January~~
22 ~~1 of each calendar year through September 1 of the same year, the~~
23 ~~Local Issuer Single Family Pool shall be allocated to single-family~~
24 ~~projects undertaken by local issuers in counties with populations of~~

1 three hundred thousand (300,000) or less on a first-come, first-
2 serve basis with no single local issuer or project to receive an
3 allocation in excess of Ten Million Dollars (\$10,000,000.00) from
4 the Local Issuer Single Family Pool. An issuer which has not
5 received any allocation from the State Issuer Pool and having a
6 single-family project limited in jurisdiction to twenty counties or
7 less, each of which has a population of three hundred thousand
8 (300,000) or less, shall be considered a local issuer for the
9 purposes of this subsection.

10 I. Twelve and five-tenths percent (12.5%) of the state ceiling
11 shall be reserved and placed in a pool to be designated the
12 Metropolitan Area Housing Pool. Allocations from the Metropolitan
13 Area Housing Pool may only be made to any public trust created to
14 provide single-family housing having a county with a population in
15 excess of three hundred thousand (300,000) as its sole beneficiary
16 and which has issued tax-exempt single-family housing revenue bonds
17 in the amount of at least Four Hundred Million Dollars
18 (\$400,000,000.00). Provided, no more than fifty percent (50%) of
19 the amount allocated pursuant to this subsection shall be awarded to
20 any single county.

21 J. Eight percent (8%) of the state ceiling shall be reserved
22 and placed in a pool to be designated the Rural Area Housing Pool
23 which shall be allocated to single-family projects undertaken by
24 other local issuers in counties with populations of three hundred

1 thousand (300,000) persons or less on a first-come, first-serve
2 basis with no single local issuer or project to receive an
3 allocation in excess of four percent (4%) of the state ceiling.

4 K. Provided, however, that the percentage otherwise authorized
5 by subsections A, B, C, D, E, F, G, H, I and J of this section shall
6 be proportionately reduced by the amount of increase in the
7 percentage authorized to the Oklahoma Housing Finance Agency as a
8 result of a recommendation by the Oklahoma Strategic Military
9 Planning Commission pursuant to paragraph 1 of subsection F of this
10 section.

11 L. The state ceiling for each calendar year shall be allocated
12 within the categories set forth in subsections A, B, C, D, E, F, G,
13 H, I and J of this section to all private activity bonds, as
14 follows:

15 1. Except as provided in Section 695.21 et seq. of this title,
16 the state ceiling shall be allocated in the order in which
17 confirmations are issued;

18 2. The Deputy Treasurer for Debt Management shall issue
19 confirmations in the order in which fully and properly completed
20 applications for state ceiling allocation are received. The Deputy
21 Treasurer for Debt Management shall have the limited authority to
22 defer or deny confirmation on applications for state ceiling
23 allocation which appear to be incomplete or premature based upon

1 information submitted or which fail to show demand for funds
2 pursuant to subsections F and G of Section 695.25 of this title; and
3 3. The Deputy Treasurer for Debt Management shall have no
4 discretionary control regarding the issuance of confirmations,
5 except as specifically provided in the Oklahoma Private Activity
6 Bond Allocation Act.

7 In the event a confirmation or application is denied, the Deputy
8 Treasurer for Debt Management, within five (5) business days
9 following such denial, shall send written notice of such denial to
10 the applicant together with a brief recital of the reason therefor.

11 M. 1. On September 2 of each calendar year, nonallocated sums
12 remaining in the Economic Development Pool, Qualified Small Issue
13 Pool, the Beginning Agricultural Producer Pool, the Exempt Facility
14 Pool, the Student Loan Pool, the Oklahoma Housing Finance Agency
15 Pool, the State Issuer Pool, the Local Issuer Single Family Pool,
16 the Metropolitan Area Housing Pool and the Rural Area Housing Pool
17 shall be consolidated into the Consolidated Pool.

18 2. All local issuers and state issuers shall be entitled to
19 obtain allocations from the Consolidated Pool for any private
20 activity bond or mortgage credit certificate program based on the
21 chronological order of completed applications received after January
22 1 of each calendar year which applications have not received an
23 allocation.

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

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

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

15 a. Before June 30 of any calendar year, an amount not to
16 exceed ten percent (10%) of the state ceiling may be
17 reserved and placed from the Discretionary Pool to any
18 of the pools defined in paragraph 1, 2, or 3 of this
19 subsection.

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

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

- 4 a. No pool designation shall be made for the purpose of
5 denying or delaying an allocation by intentionally
6 selecting a pool containing insufficient amounts of
7 available state ceiling.
- 8 b. Any appeal from such designation shall be made to the
9 Council of Bond Oversight.

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

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

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

21 Section 695.25. A. On January 1 of each calendar year or the
22 first business day thereafter, the Deputy Treasurer for Debt
23 Management shall determine the maximum total volume of private
24

1 activity bonds that may be issued pursuant to federal law by the
2 state during that year.

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

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

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

21 a. applications exceeding the available amount of the
22 state ceiling reserved and placed in a pool pursuant
23 to subsection A of section 695.24, provided that the
24 Deputy Treasurer for Debt Management does not exercise

1 the discretion provided under subparagraph a of
2 paragraph 4 of subsection A of Section 695.24 of this
3 title, shall be held, but retain chronological
4 priority, for the remaining amounts of the state
5 ceiling that are reserved and placed in the
6 Consolidated Pool, and

7 b. applications from issuers or projects that previously
8 received allocations but failed to issue within the
9 120-day timeframe as required by subsection H of this
10 section, notwithstanding the no fee provision of
11 subparagraph a of paragraph 4 of this subsection,
12 shall be subject to the fee provision of Consolidated
13 Pool applications as provided in subparagraph b of
14 paragraph 4 of this subsection and eligible to apply
15 for an allocation under subsection A of Section 695.24
16 with a new priority date.

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

20 a. applications held pursuant to subparagraph a of
21 paragraph 1 of this subsection or new applications,
22 but not applications submitted pursuant to
23 subparagraph b of paragraph 1 of this subsection,

1 shall receive first priority based on the

2 chronological issuance of confirmation,

3 b. applications from issuers or projects that previously

4 received allocations under subsection B of Section

5 695.24 but failed to issue within the 120-day

6 timeframe required pursuant to subsection H shall be

7 subject to the fee provision of carryforward

8 applications as provided in subparagraph c of

9 paragraph 4 of this subsection and eligible to apply

10 for an allocation under subsection B of Section 695.24

11 with a new priority date, and

12 c. applications from issuers or projects that previously

13 received allocations under subsection A of Section

14 695.24, but failed to issue within the 120-day

15 timeframe required pursuant to subsection H of this

16 section shall not be eligible to receive a priority

17 date for the Consolidated Pool prior to August 1;

18 3. The state ceiling reclaimed or reserved for qualified

19 carryforward projects pursuant to subsection C of Section 695.24

20 shall be allocated in the order in which confirmations are issued,

21 subject to the following:

22 a. applications submitted under subsection B of Section

23 695.24 or new applications, but not applications

24 submitted pursuant to subparagraph b of paragraph 1 of

1 this subsection shall receive first priority based on
2 the chronological issuance of confirmation,
3 b. applications from issuers or projects that previously
4 received allocations but failed to issue within the
5 120-day timeframe required pursuant to subsection H of
6 this section, shall not be eligible to receive a
7 priority date prior to December 20, and
8 c. applications exceeding the amount of the state ceiling
9 reclaimed or reserved for qualified carryforward
10 projects pursuant to subsection C of Section 695.24
11 shall be permitted to reduce the requested amount,
12 without losing priority, and receive eligible
13 carryforward at the discretion of the Deputy Treasurer
14 for Debt Management;

15 4. All applications shall be subject to the following fee

16 structure, which shall be apportioned to the Bond Oversight

17 Revolving Fund created pursuant to Section 695.8a of this title:

18 a. no application fee shall be assessed to issuers or
19 projects for an allocation of the state ceiling under
20 subsection A of Section 695.24,
21 b. Applications for an allocation of the state ceiling
22 under subsection B of Section 695.24 shall be subject
23 to a fee of one-half (0.5) basis point (0.005
24 percent), provided that no application shall be

1 subject to a fee if held pursuant to a request that
2 exceeded the pool amount under subparagraph a of
3 paragraph 1 of this subsection, and
4 c. applications for an allocation of the state ceiling
5 for carryforward under subsection C of Section 695.24
6 shall be subject to a fee of one (1) basis point (0.01
7 percent);

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

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

23 1. A certified copy of the resolution or other action adopted
24 by the issuer for the purpose of taking "official action" as

1 required by the Treasury Regulations relating to Section 103 of the
2 Internal Revenue Code, if the issuer of private activity bonds for
3 which the allocation is requested requires "official action" under
4 applicable Treasury Regulations and the Internal Revenue Code; and

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

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

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

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

1 3. The amount of the state ceiling which the Issuer is
2 requesting;

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

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

9 F. 1. Applications for single-family mortgage bonds or
10 mortgage credit certificate programs shall also include the
11 submission of information demonstrating a reasonable expectation to
12 use an allocation of the state ceiling for its intended purpose.
13 This information shall include historical usage of mortgage revenue
14 bond proceeds or mortgage credit certificates in the geographic area
15 subject to an application over the previous twenty-four-month period
16 and the impact of known or possible competing programs that would
17 act to reduce demand. This information may also include demand
18 surveys. Provided, in cases where historical usage cannot be
19 documented, demand surveys shall be included with an application.

20 2. Applications for qualified student loan bonds shall also
21 include the submission of information showing a reasonable
22 expectation to use the state ceiling for its intended purpose. This
23 information shall include historical lending activity over the
24 previous twenty-four-month period as well as a demonstration of need

1 based upon such factors as increased enrollment costs, enrollment
2 increases, or new federal regulations that act to increase demand by
3 making changes to eligibility requirements to certain federally
4 guaranteed or subsidized student loan programs. This information
5 may also include demand surveys. Provided, in cases where
6 historical usage cannot be documented, demand surveys shall be
7 included with an application.

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

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

1 | reject an application or deny a confirmation pursuant to the
2 | provisions of this subsection.

3 | 2. The Deputy Treasurer for Debt Management may reject any
4 | application which is incomplete or filed with insufficient
5 | information. The Deputy Treasurer for Debt Management may reject
6 | any application where, in the Deputy Treasurer for Debt Management
7 | judgment, a reasonable likelihood has not been shown that single-
8 | family mortgage and student loan bond proceeds or mortgage credit
9 | certificates will be used for their intended public purposes. In
10 | the event an application or confirmation is denied, within five (5)
11 | business days following such denial, the Deputy Treasurer for Debt
12 | Management shall send the applicant written notice of the denial of
13 | an application or confirmation together with the reason or reasons
14 | therefor. In the case of disapprovals of applications or
15 | confirmations, an applicant may appeal the disapproval by submitting
16 | a new application to the Council of Bond Oversight, along with an
17 | explanation addressing the reasons for disapproval cited in the
18 | Deputy Treasurer for Debt Management letter. The Council of Bond
19 | Oversight, through affirmative action of the Council, may accept an
20 | application rejected by the Deputy Treasurer for Debt Management, or
21 | order the Deputy Treasurer for Debt Management to issue a
22 | confirmation of allocation, subject to provisions of the Oklahoma
23 | Private Activity Bond Allocation Act. Applicants may submit only

1 one new application based on an appeal of any specific application
2 previously submitted.

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

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

22 I. The confirmation given in advance of bond issuance or
23 mortgage credit certificate election will assure allocation for only
24 the amount of such bonds or mortgage credit certificate authority as

1 | is therein set forth, unless a supplementary application for state
2 | ceiling allocation for an increase in amount is filed with and a
3 | supplementary confirmation is issued by the Deputy Treasurer for
4 | Debt Management for such requested allocation prior to such bond
5 | issuance or such election, pursuant to the Oklahoma Private Activity
6 | Bond Allocation Act. The supplementary confirmation shall be
7 | effective for the same period as the prior confirmation which it
8 | supplements. Provided, however, no supplementary confirmation shall
9 | be effective to preempt any intervening confirmation as to
10 | allocation of a portion of the state ceiling.

11 | J. Notwithstanding the provisions of this section, all
12 | confirmation dates for an issue of private activity bonds or
13 | mortgage credit certificate programs expire on December 20 1 of each
14 | calendar year. Final certification of issuance shall be delivered
15 | to the Deputy Treasurer for Debt Management by 9:00 a.m. on December
16 | 20 1 of each calendar year.

17 | K. On or after 9:00 a.m. on December 20 1 of each calendar
18 | year, issuing authorities may apply to the Deputy Treasurer for Debt
19 | Management to carry forward a portion of the state ceiling for such
20 | calendar year allocated to any qualified carryforward project, as
21 | said term is used in Section 103(n)(10) and 146(f) of the Internal
22 | Revenue Code and which shall be evidenced by the issuance of
23 | confirmations for all carryforward projects within the limitations
24 | of the state ceiling. Provided, issuers or projects with more than

1 Twenty Million Dollars (\$20,000,000.00) of carryforward outstanding
2 as of the date of the application for carryforward shall only be
3 eligible for carryforward allocations to the extent other issuers
4 with less than Twenty Million Dollars (\$20,000,000.00) of
5 outstanding carryforward authority do not fully commit the state
6 ceiling. Allocations on carryforward projects shall be processed on
7 the basis of the chronological receipt of applications, subject to
8 paragraph 3 of subsection C of this section. No portion of the
9 state ceiling carried forward for any given year may be carried
10 forward for a period in excess of three (3) calendar years following
11 the calendar year in which the carryforward arose, except as
12 otherwise permitted under federal law.

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

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

20 2. Confirmations of carryforward have been issued; and

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

24

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

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

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

6 SECTION 5. This act shall become effective November 1, 2025.
7

8 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT OVERSIGHT, dated
9 03/06/2025 - DO PASS, As Coauthored.
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