

## C. Oklahoma Community Economic Development Pooled Finance

(62 O.S. § 891.1 et seq.)

### The Pooled Finance incentive creates:

1. A financing incentive that targets job creation and infrastructure development; and
2. A foundation of ensuring Oklahoma's infrastructure is high quality for attracting and retaining jobs.

### Key Points:

- A \$100 million Infrastructure Pool is created for public financing to local governments issued through the Oklahoma Development Finance Authority.
  - The Infrastructure Pool revenue must be used for infrastructure development such as:
    - County/municipal roads & bridges
    - Water treatment facilities
    - Solid waste management facilities
    - Railway and Utility Systems
    - Other infrastructure assets owned by local government
  - Bonds issued from the Infrastructure Pool are financed or repaid from taxes voted on by local community.
- A \$100 million Economic Development Pool is created for public finance to local governments in conjunction with a for-profit entity through ODFA.
  - The Economic Development Pool shall be used for economic development projects in the state.
  - Debt issued from the Economic Development Pool may be paid from withholdings taxes, and other revenue, at the for-profit entity benefitted by the financing.
  - For debt obligations issued under this act, there is a maximum maturity of 25 years and a maximum coupon rate of 14%.
  - Sixty-five percent of the net proceeds from both the Infrastructure Pool and the Economic Development Pool shall be used by ODFA for municipalities that do not exceed 300,000 people.
  - The remaining thirty-five percent may be used by the ODFA for any eligible local government.
  - Effective September 1, 2010 an evergreen clause permits the renewal of issuing capacity by ODFA.

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## D. Ad Valorem Tax Exemptions

### 1. State Decision

(68 O.S. § 2902)