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TAX INCREMENT FINANCING - OKLAHOMA

Allison v. McCoy-Post

Supreme Court of Oklahoma - February 3, 2026 - 584 P.3d 188 - 2026 OK 4

Proponents of a referendum petition seeking an election for voters to approve or reject a city ordinance creating two tax increment financing districts to support construction of a development project brought action against protesters who challenged the legal sufficiency of the petition.

The District Court held that the gist contained in the petition was legally insufficient, invalidated the petition, and ordered the referendum petition stricken. Proponents appealed.

The Supreme Court held that:

- Gist did not provide potential signatories with a clear understanding of how long city's funding obligation would last;
- Gist's phrasing of authorized costs inaccurately described the maximum amount of public financial assistance that would be made to development plan; and
- Inclusion of percentage of city's sales tax rate that would be allocated to plan and a description of the categories of non-dedicated taxes were not required to make gist legally sufficient.

Gist in referendum petition suggested that the incremental taxes would last for a period of up to 25 years, rather than ending at the first of three triggering events, and therefore the gist did not provide potential signatories with a clear understanding of how long the city's funding obligation would last, and because of this omission, the gist did not provide a potential signatory with sufficient information to make an informed decision about the true nature of ordinance creating two tax increment financing districts to support construction of a development project and the development plan.

Phrasing of the authorized costs in referendum petition's gist inaccurately described the maximum amount of public financial assistance that would be made to development plan in connection with city ordinance creating two tax increment financing districts to support construction of a development project, and thus gist was legally insufficient to provide a potential signatory with sufficient information to make an informed decision about the true nature of ordinance.

Inclusion of percentage of city's sales tax rate that would be allocated to development plan and a description of the categories of non-dedicated taxes were not required to make gist in referendum petition legally sufficient to inform potential signatories of what the development plan was intended to do; a potential signatory could review the text of the petition for further details relating to the categories of taxes and the exact percentage allocated to plan.

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