

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 SENATE BILL 1279

By: Smalley

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6 AS INTRODUCED

7 An Act relating to public finance; amending 62 O.S.
8 2011, Sections 851, 852 and 865, which relate to the
9 Local Development Act; modifying purpose and
10 guidelines; requiring certain written agreements
under specified circumstance; requiring adoption of
certain agreement by governing body under specified
circumstance; and providing an effective date.

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

14 SECTION 1. AMENDATORY 62 O.S. 2011, Section 851, is
15 amended to read as follows:

16 Section 851. The Local Development Act shall serve to implement
17 and execute Section 6C of Article X of the Oklahoma Constitution as
18 approved by the voters of the State of Oklahoma on November 6, 1990,
19 by:

20 1. Providing for the granting of incentives and exemptions from
21 taxation within certain areas, placing restrictions thereon, and
22 limiting the time period for the exemptions, as authorized by
23 subsection A thereof;

1 2. Providing for apportionment of an increment of local taxes
2 and fees, placing restrictions thereon, and limiting the time period
3 for the apportionment, as authorized by subsection B thereof; and

4 3. Providing for the planning, financing, and carrying out of
5 development and redevelopment within certain areas, as authorized by
6 subsection C thereof.

7 Nothing in the Local Development Act shall be construed in a
8 manner contrary to or inconsistent with the provisions of said
9 constitutional provision.

10 The Legislature hereby finds that historic preservation,
11 reinvestment or enterprise areas as defined under this act ~~are~~ may
12 be unproductive, undeveloped, underdeveloped or blighted areas
13 pursuant to subsection C of Section 6 of Article X of the Oklahoma
14 Constitution.

15 SECTION 2. AMENDATORY 62 O.S. 2011, Section 852, is
16 amended to read as follows:

17 Section 852. It is the intent of the Legislature that the
18 provisions of this act be used in accordance with the following
19 guidelines:

20 1. That the tools of this act be used in those cases where
21 investment, development and economic growth is difficult, but is
22 possible if the provisions of this act are available;

23 2. That the tools of this act not be used in areas where
24 investment, development and economic growth is occurring at a rate

1 consistent with, or greater than, the governing body's jurisdiction
2 as a whole or would have occurred anyway and that the governing body
3 take care to exclude areas that do not meet this criteria;

4 3. That the tools of this act be used to supplement and not
5 supplant or replace normal public functions and services;

6 4. That the tools of this act work in conjunction with existing
7 programs and efforts such as the Oklahoma Main Street Program,
8 Oklahoma Enterprise Zone Act, historic preservation and other
9 locally implemented economic development efforts;

10 5. That any proposed districts be delineated with particular
11 emphasis not to have boundaries that dissect a similar area or
12 create unfair competitive advantage;

13 6. That the governing body recognizes the need for residential
14 and neighborhood treatment, capital improvements to neighborhood
15 public schools, as well as commercial/industrial development;

16 7. That where possible partial credits or credits that do not
17 utilize the full time frame allowed be pursued;

18 8. That maximum effort be made to allow full public knowledge
19 and participation in the local use of this act;

20 9. That conservation, preservation and rehabilitation be
21 emphasized while demolition, clearance and relocation be minimized
22 where possible; and

23 10. That the governing bodies develop and apply clear
24 standards, criteria and threshold limits that are applicable to all

1 similar property and areas and that the governing bodies enact
2 protection against nearby relocations to utilize incentives.

3 SECTION 3. AMENDATORY 62 O.S. 2011, Section 865, is
4 amended to read as follows:

5 Section 865. A. In accordance with the requirements of Section
6 6C of Article X of the Oklahoma Constitution, the tax incentives or
7 exemptions granted pursuant to the provisions of Section 860 of this
8 title shall only be allowed for that portion of the tax under
9 jurisdiction of another local taxing entity by written agreement
10 between said other local taxing entity and the governing body of the
11 city, town or county.

12 B. Tax increments as described under Section 850 et seq. of
13 this title shall only be allowed for that portion of the tax under
14 jurisdiction of another local taxing entity by written agreement
15 between the other local taxing entity and the governing body of the
16 city, town or county.

17 C. In order for the tax incentives ~~or~~, exemptions or increments
18 to be granted for that portion of the tax under the jurisdiction of
19 each taxing entity within the district, the governing body of the
20 taxing entity must adopt the agreement provided for in subsection A
21 or B of this section upon a majority vote of those members eligible
22 to vote as determined by Section 857 of this title. Action on the
23 agreement by these governing bodies must occur within sixty (60)
24 days after the governing body of the city, town or county submits

1 the proposed agreement to the governing bodies of such taxing
2 entities.

3 SECTION 4. This act shall become effective November 1, 2018.

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