

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL NO. 359

By: Bice

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6 AS INTRODUCED

7 An Act relating to public finance; amending Section
8 2, Chapter 184, O.S.L. 2015 (62 O.S. Supp. 2018,
9 Section 7002), which relates to the Incentive
10 Evaluation Commission; defining term; requiring
11 Commission to initiate certain evaluation by
12 specified date; establishing parameters for
13 evaluation; authorizing Commission to contract for
14 assistance and setting conditions therefor;
15 prohibiting certain contact; requiring
16 recommendations by specified date; requiring
17 assistance by state agencies; prohibiting disclosure
18 of certain data; providing for codification; and
19 providing an effective date.

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

21 SECTION 1. AMENDATORY Section 2, Chapter 184, O.S.L.
22 2015 (62 O.S. Supp. 2018, Section 7002), is amended to read as
23 follows:

24 Section 7002. As used in this act, "incentive":

1. "Incentive" means a tax credit, tax exemption, tax
deduction, tax expenditure, rebate, grant, or loan that is intended
to encourage businesses to locate, expand, invest, or remain in
Oklahoma, or to hire or retain employees in Oklahoma; and

1 2. "Tax structure" means the:

- 2 a. rate and base for any and all tax types levied by the
3 state and its political subdivisions including the
4 overall impact of any exemptions, deductions, credits
5 or other forms of relief to individuals or businesses,
6 b. amount of revenue generated from a given tax including
7 year-to-year changes and the proportion such revenue
8 represents of the total, and
9 c. administration and enforcement of the taxes.

10 SECTION 2. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 7004A of Title 62, unless there
12 is created a duplication in numbering, reads as follows:

13 A. In addition to its other statutory duties, before January 1,
14 2020, the Incentive Evaluation Commission shall initiate a
15 systematic evaluation of the Oklahoma tax structure which shall
16 include, but not be limited to:

17 1. The ability of the tax structure to provide appropriate and
18 timely revenue, distribute tax burdens fairly and equitably, promote
19 efficiency and growth, reduce administrative costs and inefficiency
20 and ensure accountability to taxpayers and recipients of revenue;

21 2. A review of applicable constitutional and statutory
22 provisions, agency rules and procedures within the tax structure for
23 any tax types;

1 3. A comparison of the tax structure of this state and other
2 jurisdictions; and

3 4. A list of recommendations for any changes in the tax
4 structure which will allow the state to promote growth and fund
5 essential and necessary services.

6 B. The Commission may contract with a private company,
7 nonprofit or academic institution to assist with evaluation of the
8 state tax structure. The Commission shall develop a scope of
9 services for a request for proposals issued pursuant to The Oklahoma
10 Central Purchasing Act, Section 85.1 et seq. of Title 74 of the
11 Oklahoma Statutes, for professional services necessary to complete
12 the evaluation of the state tax structure. The cost of such
13 contract shall be paid by the Office of Management and Enterprise
14 Services. No recipient or potential recipient of an incentive or
15 representative of a recipient or potential recipient shall contact
16 the entity or individual with whom the Commission contracts pursuant
17 to this subsection unless the entity or individual specifically
18 requests information or documentation for purposes of the evaluation
19 process; provided, this shall not be construed to prevent
20 participation in a public hearing, if applicable.

21 C. The Commission shall provide recommendations to the
22 Governor, President Pro Tempore of the Senate and Speaker of the
23 House of Representatives by December 31, 2021.

1 D. At the request of the Incentive Evaluation Commission, state
2 agencies shall provide any records, information, data or data
3 analysis necessary for the Commission or contractors to effectively
4 evaluate the state tax structure. The Commission and contractors
5 shall not disclose or release any data received from other state
6 agencies, except as permitted under law.

7 SECTION 3. This act shall become effective November 1, 2019.

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