

1 STATE OF OKLAHOMA

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

3 SENATE BILL NO. 486

By: Bergstrom

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7 AS INTRODUCED

8 An Act relating to public finance; amending 62 O.S.  
9 2011, Section 842, which relates to the Oklahoma  
10 Local Development and Enterprise Zone Incentive  
11 Leverage Act; deleting obsolete language due to  
previously repealed statute; modifying qualifying  
dates for an incentive or increment district; and  
declaring an emergency.

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

15 SECTION 1. AMENDATORY 62 O.S. 2011, Section 842, is  
16 amended to read as follows:

17 Section 842. A. An enterprise which locates its facility  
18 within an enterprise zone or which expands its existing facility  
19 after the designation of an enterprise zone as authorized by law and  
20 which is located in an incentive district as authorized pursuant to  
21 the provisions of the Local Development Act shall be eligible for  
22 the state local enterprise matching payment authorized pursuant to  
23 subsection A of Section 844 of this title.

1 B. 1. A local governmental entity which approves a project  
2 plan pursuant to the provisions of the Local Development Act within  
3 an enterprise zone or in support of a major tourism destination  
4 project which the local governmental entity determines is likely to  
5 significantly benefit contiguous or nearby enterprise zone census  
6 tracts shall be eligible for the state local government matching  
7 payment authorized pursuant to subsection D of Section 844 of this  
8 title; provided, no state local government matching payment shall be  
9 made for project costs in relation to:

- 10 a. any gambling establishment, or
- 11 b. any development within a project plan that provides  
12 for more than ten percent (10%) of the net leasable  
13 space of such development to be used for retail  
14 purposes.

15 State local government matching payments shall not be used to  
16 supplant local revenue currently being expended within the increment  
17 district boundaries.

18 2. In order to be eligible for state local government matching  
19 payments for approving a project within an enterprise zone, a local  
20 governmental entity shall provide to the Oklahoma Department of  
21 Commerce as part of the application provided for in subsection J of  
22 this section:

- 23 a. an estimate of incremental revenues likely to be  
24 derived from the project, and

1           b.    certification that all projects described within the  
2                    related project plan will generate, in the aggregate,  
3                    a minimum of either One Million Dollars  
4                    (\$1,000,000.00) in payroll, exclusive of payroll for  
5                    construction, or Five Million Dollars (\$5,000,000.00)  
6                    in investment.

7           3.    In order to be eligible for state local government matching  
8    payments in support of a major tourism destination project, a local  
9    governmental entity shall provide to the Oklahoma Department of  
10   Commerce as part of the application provided for in subsection J of  
11   this section:

12           a.    an estimate of incremental revenues new to the state  
13                    likely to be derived from the project,

14           b.    certification that the major tourism destination meets  
15                    the applicable criteria described in paragraph 12 of  
16                    Section 841 of this title, and

17           c.    an agreement to provide payment to the Oklahoma  
18                    Department of Commerce to defray the costs of the  
19                    study required by paragraph 4 of this subsection.

20           4.    To determine if a project qualifies as a major tourism  
21    destination project pursuant to subparagraph b of paragraph 12 of  
22    Section 841 of this title and to assist in other required  
23    determinations, the Oklahoma Department of Commerce shall cause a  
24    market and feasibility study to be conducted by an independent

1 consultant with experience in the conduct of such studies. Upon  
2 review of the feasibility report, the Oklahoma Department of  
3 Commerce shall make its finding as to the reasonable probability  
4 that the proposed project is a major tourism destination project as  
5 provided in subparagraph b of paragraph 12 of Section 841 of this  
6 title.

7 C. For purposes of the Oklahoma Local Development and  
8 Enterprise Zone Incentive Leverage Act, an enterprise engaged in a  
9 retail activity, where otherwise prohibited by the Oklahoma  
10 Enterprise Zone Act for purposes of the benefits and incentives  
11 extended pursuant to the Oklahoma Enterprise Zone Act, shall be  
12 considered an eligible enterprise for purposes of the state local  
13 enterprise matching payment and the income tax credit authorized by  
14 the Oklahoma Local Development and Enterprise Zone Incentive  
15 Leverage Act.

16 D. The ~~combined~~ maximum amount of state local enterprise  
17 matching payments ~~and the amount of income tax credit authorized~~  
18 ~~pursuant to Section 2357.81 of Title 68 of the Oklahoma Statutes~~ for  
19 an enterprise per fiscal year shall not exceed Two Hundred Thousand  
20 Dollars (\$200,000.00).

21 E. Except as provided in subsection H of this section, for  
22 purposes of the Oklahoma Local Development and Enterprise Zone  
23 Incentive Leverage Act, the maximum amount of aggregate investment  
24 in all qualifying facilities located in any single county which can

1 qualify for a state local enterprise matching payment pursuant to  
2 subsection A of Section 844 of this title ~~or for an income tax~~  
3 ~~credit as authorized by Section 2357.81 of Title 68 of the Oklahoma~~  
4 ~~Statutes~~ shall be computed for each county of the state by  
5 multiplying Two Hundred Dollars (\$200.00) times the population of  
6 the county according to the 1999 estimate provided by the United  
7 States Bureau of the Census.

8 F. The computation required by subsection E of this section  
9 shall be the maximum amount of aggregated investment qualifying for  
10 the purposes of all enterprises for the duration of the Oklahoma  
11 Local Development and Enterprise Zone Incentive Leverage Act.

12 G. The aggregate investment limit for all facilities located  
13 within a county which may qualify for the state local enterprise  
14 matching payments pursuant to subsection A of Section 844 of this  
15 title ~~or for an income tax credit as authorized by Section 2357.81~~  
16 ~~of Title 68 of the Oklahoma Statutes~~ shall:

17 1. Not be less than Twenty Million Dollars (\$20,000,000.00) for  
18 counties with a population of less than one hundred thousand  
19 (100,000) persons; and

20 2. Not be greater than Forty Million Dollars (\$40,000,000.00)  
21 for all other counties of the state.

22 H. The aggregate limit for all state local government matching  
23 payments made to any public entity on behalf of any local  
24 governmental entity within a single county pursuant to subsection D

1 of Section 844 of this title for the duration of the Oklahoma Local  
2 Development and Enterprise Zone Incentive Leverage Act shall be an  
3 amount equal to the net benefit rate multiplied by the taxable gross  
4 sales derived from the project over the period of apportionment of  
5 local sales taxes, as certified by the Secretary of Commerce.

6 I. The payments authorized by Section 844 of this title ~~and the~~  
7 ~~income tax credit authorized by Section 2357.81 of Title 68 of the~~  
8 ~~Oklahoma Statutes~~ shall be available for business and governmental  
9 entities qualifying pursuant to the Local Development Act for  
10 investments made within an incentive district or for improvements  
11 made within an increment district prior to December 31, 2007, or for  
12 which an incentive district or an increment district has been  
13 created prior to ~~December 31, 2018~~ December 31, 2022, if the  
14 investments or improvements are begun not later than ~~December 31,~~  
15 ~~2019~~ December 31, 2023.

16 J. The Oklahoma Department of Commerce shall promulgate rules  
17 to establish a procedure for an enterprise or local governmental  
18 entity to make application for state local enterprise and state  
19 local government matching payments pursuant to this section. Such  
20 rules shall reflect the intent that the Oklahoma Local Development  
21 and Enterprise Zone Incentive Leverage Act be fiscally neutral to  
22 the state.

23 SECTION 2. It being immediately necessary for the preservation  
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

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