

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 4064

6 By: Wallace

7 COMMITTEE SUBSTITUTE

8 An Act relating to public finance; creating the  
9 Oklahoma Small Business Expansion and Jobs Act;  
10 providing for certain reference; defining terms;  
11 authorizing certain uses of certain funds; requiring  
12 certain actions prior to loan administration;  
13 requiring the development of a revolving loan  
14 program; requiring certain program criteria and  
15 processes; requiring certain quarterly reporting;  
16 prohibiting certain actions; creating the Small  
17 Business Expansion Revolving Fund; establishing the  
18 Fund under the Oklahoma Center for the Advancement of  
19 Science and Technology; establishing revolving fund  
20 characteristics; authorizing and limiting expenditure  
21 and budgeting of funds; creating accounts with the  
22 Fund; providing for allocation of Fund balance among  
23 the accounts; authorizing opt in feature to program;  
24 providing opt in process; providing for the  
promulgation of rules; providing for codification;  
providing an effective date; and declaring an  
emergency.

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

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 2031 of Title 62, unless there  
is created a duplication in numbering, reads as follows:

1 This act shall be known and may be cited as the "Oklahoma Small  
2 Business Expansion and Jobs Act".

3 SECTION 2. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 2032 of Title 62, unless there  
5 is created a duplication in numbering, reads as follows:

6 As used in the Oklahoma Small Business Expansion and Jobs Act:

7 1. "Fixed interest rate" means an interest rate no greater than  
8 three percent (3%) above the prime rate as published in the Wall  
9 Street Journal at the beginning of the month in which the applicant  
10 requests a loan;

11 2. "Opt in" means the option an entity shall have to receive or  
12 refuse funds for the purpose of establishing a revolving loan fund;

13 3. "Revolving loan fund" means a fund in which local small  
14 businesses may obtain a loan and repay such loan principal and  
15 interest, and such repayment proceeds are then used to fund  
16 subsequent loans or expansions of services by the loan-making  
17 entity, including ongoing administrative and operating costs;

18 4. "Small business" means a corporation, sole proprietor,  
19 partnership, or limited liability company that is an employer in  
20 this state that has 50 employees or fewer as defined in paragraph 3  
21 of Section 502 of Title 75 of the Oklahoma Statutes; and

22 5. "Substate planning district" means an entity as described in  
23 subsection A of Section 2007 of Title 62 of the Oklahoma Statutes.

24

1           SECTION 3.           NEW LAW           A new section of law to be codified  
2 in the Oklahoma Statutes as Section 2033 of Title 62, unless there  
3 is created a duplication in numbering, reads as follows:

4           A. Each substate planning district is authorized to utilize the  
5 funds in the district's applicable account created pursuant to  
6 subsection B of Section 4 of the Oklahoma Small Business Expansion  
7 and Jobs Act:

8           1. To capitalize a revolving loan fund to support small  
9 business expansion; and

10           2. To cover costs associated with administering the revolving  
11 loan fund.

12           B. Prior to the administration of a loan application under the  
13 provisions of the Oklahoma Small Business Expansion and Jobs Act,  
14 substate planning districts shall promulgate rules for the creation,  
15 application, and administration of the district's revolving loan  
16 program.

17           C. Each substate planning district utilizing the Oklahoma Small  
18 Business Expansion and Jobs Act shall develop a revolving loan  
19 program. Such program shall adhere to the following criteria and  
20 requirements:

21           1. Loan applicants:

22           a. shall be classified as a small business or  
23           municipality to be eligible for a loan under the  
24           program,

- 1           b. shall live within the boundaries of the substate  
2           planning district administering the program,  
3           c. shall have their business located within the  
4           boundaries of the substate planning district  
5           administering the program, and  
6           d. shall not be directly related to any individual  
7           involved in the awarding of loans under the revolving  
8           loan program;

9       2. Substate planning districts:

- 10           a. shall charge a fixed interest rate on all loans  
11           administered through the revolving loan program, and  
12           b. shall not make any loan to itself or another substate  
13           planning district.

14       D. Each substate planning district utilizing the Oklahoma Small  
15 Business Expansion and Jobs Act shall submit to the Oklahoma Center  
16 for the Advancement of Science and Technology in written or  
17 electronic format, a quarterly report detailing the activity of the  
18 applicable revolving loan program, including, but not limited to,  
19 the number and amount of loans initiated, administered, and  
20 concluded during the previous quarter.

21       SECTION 4.       NEW LAW       A new section of law to be codified  
22 in the Oklahoma Statutes as Section 2034 of Title 62, unless there  
23 is created a duplication in numbering, reads as follows:  
24

1       A. There is hereby created in the State Treasury a revolving  
2 fund for the Oklahoma Center for the Advancement of Science and  
3 Technology to be designated the "Small Business Expansion Revolving  
4 Fund". The fund shall be a continuing fund, not subject to fiscal  
5 year limitations, and shall consist of all monies designated for  
6 deposit to the fund by law. All monies accruing to the credit of  
7 said fund are hereby appropriated and may be budgeted and expended  
8 by the Oklahoma Center for the Advancement of Science and Technology  
9 in accordance with the provisions of the Oklahoma Small Business  
10 Expansion and Jobs Act to facilitate financing of Oklahoma small  
11 businesses by capitalizing revolving loan programs across the state.  
12 Expenditures from said fund shall be made upon warrants issued by  
13 the State Treasurer against claims filed as prescribed by law with  
14 the Director of the Office of Management and Enterprise Services for  
15 approval and payment.

16       B. Within the Small Business Expansion Revolving Fund there  
17 shall be established up to eleven (11) separate accounts into which  
18 shall be deposited equal allocations of such funds as may be  
19 provided to the Small Business Expansion Revolving Fund by law. One  
20 of each such accounts shall be available to each substate planning  
21 district described in subsection A of Section 2007 of Title 62 of  
22 the Oklahoma Statutes that elects to opt in and participate in the  
23 Oklahoma Small Business Expansion and Jobs Act. A substate planning  
24 district may opt in to the Oklahoma Small Business Expansion and

1 Jobs Act by communicating in written or electronic form such intent,  
2 no later than ninety (90) days after the effective date of this act.

3 C. The Director of the Oklahoma Center for the Advancement of  
4 Science and Technology shall provide for the promulgation of rules  
5 establishing procedures for the administration and distribution of  
6 the Small Business Expansion Revolving Fund.

7 SECTION 5. This act shall become effective July 1, 2024.

8 SECTION 6. It being immediately necessary for the preservation  
9 of the public peace, health or safety, an emergency is hereby  
10 declared to exist, by reason whereof this act shall take effect and  
11 be in full force from and after its passage and approval.

12

13 59-2-10210 JM 02/15/24

14

15

16

17

18

19

20

21

22

23

24