

1 ENGROSSED HOUSE
2 BILL NO. 4064

By: Wallace of the House

3 and

4 Hall of the Senate

5
6 An Act relating to public finance; creating the
7 Oklahoma Small Business Expansion and Jobs Act;
8 defining terms; authorizing certain uses of certain
9 funds; requiring certain actions prior to loan
10 administration; requiring the development of a
11 revolving loan program; requiring certain program
12 criteria and processes; requiring certain quarterly
13 reporting; prohibiting certain actions; creating the
14 Small Business Expansion Revolving Fund; establishing
15 the fund under the Oklahoma Center for the
16 Advancement of Science and Technology; establishing
17 revolving fund characteristics; authorizing and
18 limiting expenditure and budgeting of funds; creating
19 accounts within the fund; providing for allocation of
20 fund balance among the accounts; authorizing opt-in
21 feature to program; providing opt-in process;
22 providing for the promulgation of rules; providing
23 for codification; providing an effective date; and
24 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:

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

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

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

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

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

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

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

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

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

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

5 1. To capitalize a revolving loan fund to support small
6 business expansion; and

7 2. To cover costs associated with administering the revolving
8 loan fund.

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

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

18 1. Loan applicants:

19 a. shall be classified as a small business or
20 municipality to be eligible for a loan under the
21 program,

22 b. shall live within the boundaries of the substate
23 planning district administering the program,
24

1 c. shall have their business located within the
2 boundaries of the substate planning district
3 administering the program, and

4 d. shall not be directly related to any individual
5 involved in the awarding of loans under the revolving
6 loan program; and

7 2. Substate planning districts:

8 a. shall charge a fixed interest rate on all loans
9 administered through the revolving loan program, and

10 b. shall not make any loan to itself or another substate
11 planning district.

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

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

22 A. There is hereby created in the State Treasury a revolving
23 fund for the Oklahoma Center for the Advancement of Science and
24 Technology to be designated the "Small Business Expansion Revolving

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

13 B. Within the Small Business Expansion Revolving Fund, there
14 shall be established up to eleven separate accounts into which shall
15 be deposited equal allocations of such funds as may be provided to
16 the Small Business Expansion Revolving Fund by law. One of each
17 such accounts shall be available to each substate planning district
18 described in subsection A of Section 2007 of Title 62 of the
19 Oklahoma Statutes that elects to opt in and participate in the
20 Oklahoma Small Business Expansion and Jobs Act. A substate planning
21 district may opt in to the Oklahoma Small Business Expansion and
22 Jobs Act by communicating in written or electronic form such intent
23 no later than ninety (90) days after the effective date of this act.

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

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

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

10 Passed the House of Representatives the 26th day of February,
11 2024.

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Presiding Officer of the House
of Representatives

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Passed the Senate the ____ day of _____, 2024.

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Presiding Officer of the Senate

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