

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1807

By: Garvin

4  
5  
6 AS INTRODUCED

7 An Act relating to county economic development;  
8 creating the County Economic Development Act of 2024;  
9 providing short title; authorizing the creation of  
10 certain county organization; providing process for  
11 formation of certain county organization;  
12 establishing purpose of certain county organization;  
13 providing for appointment of members to certain  
14 county organization; prohibiting compensation for  
15 members; authorizing certain reimbursement for  
16 members; authorizing certain actions; providing  
17 certain powers; authorizing certain delegation of  
18 powers and duties; authorizing certain contracting;  
19 authorizing certain county-option sales tax levy;  
20 limiting levy; requiring submission to voters at  
21 special election; requiring certain fund creation and  
22 accounting; amending 68 O.S. 2021, Section 1370,  
23 which relates to county sales tax; providing for  
24 certain exception; updating statutory language;  
and providing an effective date.

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

20 SECTION 1. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 899.1 of Title 62, unless there  
22 is created a duplication in numbering, reads as follows:

23 This act shall be known and may be cited as the "County Economic  
24 Development Act of 2024".

1 SECTION 2. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 899.2 of Title 62, unless there  
3 is created a duplication in numbering, reads as follows:

4 A. The board of county commissioners of a county are  
5 authorized, by adoption of a resolution by a majority of the members  
6 of the board, to form a county economic development organization for  
7 the purpose of implementing or enhancing economic development  
8 programs and initiatives, including but not limited to efforts to  
9 encourage economic development that generates new jobs and increases  
10 capital investment in the county.

11 B. Each organization created pursuant to this section shall be  
12 a public body, corporate and politic, with the powers and duties  
13 specified in this act.

14 SECTION 3. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 899.3 of Title 62, unless there  
16 is created a duplication in numbering, reads as follows:

17 A. Each county commissioner of a county with a county economic  
18 development organization shall appoint from their respective county  
19 two (2) persons to serve as members of the county economic  
20 development organization.

21 B. Each organization member shall have been a qualified elector  
22 in the county from which the member is appointed for a period not  
23 less than three (3) years from the date of appointment.

1 C. Each organization member shall serve at the pleasure of his  
2 or her appointing county commissioner.

3 D. The members of the organization shall elect a chair, a vice  
4 chair, and a treasurer from among its membership. A majority of the  
5 organization shall constitute a quorum, the affirmative vote of  
6 which shall be necessary for any action taken by the organization.

7 E. Each member of the organization shall receive no  
8 compensation for services to the organization but may be reimbursed  
9 by the political subdivision responsible for such appointment for  
10 expenses incurred for attending meetings of the organization.

11 F. No person shall be eligible for appointment as a member of  
12 an organization who has been convicted of a felony.

13 SECTION 4. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 899.4 of Title 62, unless there  
15 is created a duplication in numbering, reads as follows:

16 A. A county economic development organization created under the  
17 provisions of this act shall be authorized and empowered to:

18 1. Adopt bylaws for the regulation of its affairs and conduct  
19 of its business;

20 2. Maintain an office as needed;

21 3. Sue and be sued, in contract, reverse condemnation, equity,  
22 mandamus, and similar actions in its own name, plead and be  
23 impleaded; provided, however, that any and all actions at law or in  
24 equity against the organization shall be brought in the county in  
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1 which the principal office of the organization is located or the  
2 county wherein the cause of action arose;

3 4. Acquire, hold, and dispose of real and personal property in  
4 the exercise of its powers and the performance of its duties under  
5 this act;

6 5. Make and enter into all contracts and agreements necessary  
7 or incidental to the performance of its duties and the execution of  
8 its powers under this act;

9 6. Adopt such rules and regulations and do all things necessary  
10 or convenient to carry out the powers and duties expressly granted  
11 in this section; and

12 7. Budget and expend funds made available to the organization  
13 in accordance with the provisions of this act.

14 B. The authorizations and powers provided in subsection A of  
15 this section may be performed directly by a county economic  
16 development organization or delegated to a third-party entity under  
17 the provisions of a contract entered into between the county  
18 economic development organization and such third-party entity.

19 SECTION 5. AMENDATORY 68 O.S. 2021, Section 1370, is  
20 amended to read as follows:

21 Section 1370. A. In accordance with the provisions of ~~Section~~  
22 ~~1 of this act~~ Section 1354.36 of this title, except as provided for  
23 in Section 6 of this act, any county of this state may levy a sales  
24 tax ~~of~~ not to exceed two percent (2%) upon the gross proceeds or

1 gross receipts derived from all sales or services in the county upon  
2 which a consumer's sales tax is levied by this state. Before a  
3 sales tax may be levied by the county, the imposition of the tax  
4 shall first be approved by a majority of the registered voters of  
5 the county voting thereon at a special election called by the board  
6 of county commissioners or by initiative petition signed by not less  
7 than five percent (5%) of the registered voters of the county who  
8 were registered at the time of the last general election. However,  
9 if a majority of the registered voters of a county voting fail to  
10 approve such a tax, the board of county commissioners shall not call  
11 another special election for such purpose for six (6) months. Any  
12 sales tax approved by the registered voters of a county shall be  
13 applicable only when the point of sale is within the territorial  
14 limits of such county. Any sales tax levied or any change in the  
15 rate of a sales tax levied pursuant to the provisions of this  
16 section shall become effective on the first day of the calendar  
17 quarter following approval by the voters of the county unless  
18 another effective date, which shall also be on the first day of a  
19 calendar quarter, is specified in the ordinance or resolution  
20 levying the sales tax or changing the rate of sales tax.

21 B. The Oklahoma Tax Commission shall give notice to all vendors  
22 of a rate change at least sixty (60) days prior to the effective  
23 date of the rate change. Provided, for purchases from printed  
24 catalogs wherein the purchaser computed the tax based upon local tax

1 rates published in the catalog, the rate change shall not be  
2 effective until the first day of a calendar quarter after a minimum  
3 of one hundred twenty (120) days' notice to vendors. Failure to  
4 give notice as required by this section shall delay the effective  
5 date of the rate change to the first day of the next calendar  
6 quarter.

7 C. Initiative petitions calling for a special election  
8 concerning county sales tax proposals shall be in accordance with  
9 Sections 2, 3, ~~3.17~~, 6, 18 and 24 of Title 34 of the Oklahoma  
10 Statutes. Petitions shall be submitted to the office of the county  
11 clerk for approval as to form prior to circulation. Following  
12 approval, the petitioner shall have ninety (90) days to secure the  
13 required signatures. After securing the requisite number of  
14 signatures, the petitioner shall submit the petition and signatures  
15 to the county clerk. Following the verification of signatures, the  
16 county clerk shall present the petition to the board of county  
17 commissioners. The special election shall be held within sixty (60)  
18 days of receiving the petition. The ballot title presented to the  
19 voters at the special election shall be identical to the ballot as  
20 presented in the initiative petition.

21 D. Subject to the provisions of Section 1357.10 of this title,  
22 all items that are exempt from the state sales tax shall be exempt  
23 from any sales tax levied by a county.

1 E. Any sales tax which may be levied by a county shall be  
2 designated for a particular purpose. Such purposes may include, but  
3 are not limited to, projects owned by the state, any agency or  
4 instrumentality thereof, the county and/or any political subdivision  
5 located in whole or in part within such county, regional  
6 development, economic development, common education, general  
7 operations, capital improvements, county roads, weather modification  
8 or any other purpose deemed, by a majority vote of the county  
9 commissioners or as stated by initiative petition, to be necessary  
10 to promote safety, security and the general well-being of the  
11 people, including any authorized purpose pursuant to the Oklahoma  
12 Community Economic Development Pooled Finance Act. The county shall  
13 identify the purpose of the sales tax when it is presented to the  
14 voters pursuant to the provisions of subsection A of this section.  
15 Except as otherwise provided in this section and except as required  
16 by the Oklahoma Community Economic Development Pooled Finance Act,  
17 the proceeds of any sales tax levied by a county shall be deposited  
18 in the general revenue or sales tax revolving fund of the county and  
19 shall be used only for the purpose for which such sales tax was  
20 designated. If the proceeds of any sales tax levied by a county  
21 pursuant to this section are pledged for the purpose of retiring  
22 indebtedness incurred for the specific purpose for which the sales  
23 tax is imposed, the sales tax shall not be repealed until such time  
24 as the indebtedness is retired. However, in no event shall the life

1 of the tax be extended beyond the duration approved by the voters of  
2 the county.

3 F. 1. Notwithstanding any other provisions of law, any county  
4 that has approved a sales tax for the construction, support or  
5 operation of a county hospital may continue to collect such tax if  
6 such hospital is subsequently sold. Such collection shall only  
7 continue if the county remains indebted for the past construction,  
8 support or operation of such hospital. The collection may continue  
9 only until the debt is repaid or for the stated term of the sales  
10 tax, whichever period is shorter.

11 2. If the construction, support or operation of a hospital is  
12 funded through the levy of a county sales tax pursuant to this  
13 section and such hospital is subsequently sold, the county levying  
14 the tax may dissolve the governing board of such hospital following  
15 the sale. Upon the sale of the hospital and dissolution of any  
16 governing board, the county is relieved of any future liability for  
17 the operation of such hospital.

18 G. Proceeds from any sales tax levied that is designated to be  
19 used solely by the sheriff for the operation of the office of  
20 sheriff shall be placed in the special revenue account of the  
21 sheriff.

22 H. The life of the tax could be limited or unlimited in  
23 duration. The county shall identify the duration of the tax when it  
24 is presented to the voters pursuant to the provisions of subsections



1 A and C of this section. The maximum duration of a levy imposed  
2 pursuant to Section 891.14 of Title 62 of the Oklahoma Statutes  
3 shall be no longer than allowed pursuant to the Oklahoma Community  
4 Economic Development Pooled Finance Act.

5 I. Except for the levies imposed pursuant to Section 891.14 of  
6 Title 62 of the Oklahoma Statutes, there are hereby created one or  
7 more county sales tax revolving funds in each county which levies a  
8 sales tax under this section if any or all of the proceeds of such  
9 tax are not to be deposited in the general revenue fund of the  
10 county or comply with the provisions of subsection G of this  
11 section. Each such revolving fund shall be designated for a  
12 particular purpose and shall consist of all monies generated by such  
13 sales tax which are designated for such purpose. Monies in such  
14 funds shall only be expended for the purposes specifically  
15 designated as required by this section. A county sales tax  
16 revolving fund shall be a continuing fund not subject to fiscal year  
17 limitations.

18 J. In the case of a levy submitted for voter approval pursuant  
19 to Section 891.14 of Title 62 of the Oklahoma Statutes, taxes levied  
20 by a county shall not become valid until the ordinance or resolution  
21 setting the rate of the levy shall have been approved by a majority  
22 vote of the registered voters of each such county voting on such  
23 question at a special election. Elections conducted pursuant to  
24 questions submitted pursuant to Section 891.14 of Title 62 of the

1 Oklahoma Statutes shall be conducted on the same date or in a  
2 sequence that provides that the last vote required for approval by  
3 all participating counties or municipalities occurs not later than  
4 thirty (30) days after the date upon which the first vote occurs.

5 SECTION 6. NEW LAW A new section of law to be codified  
6 in the Oklahoma Statutes as Section 1370.10 of Title 68, unless  
7 there is created a duplication in numbering, reads as follows:

8 A. In accordance with the provisions of this act, any county of  
9 this state may levy a sales tax not to exceed one percent (1%) upon  
10 the gross proceeds or gross receipts derived from all sales or  
11 services in the county upon which a consumer's sales tax is levied  
12 by the state, except as provided in paragraph 8 of Section 1357 of  
13 Title 68 of the Oklahoma Statutes, subject to the following  
14 conditions:

15 1. The proceeds of such sales tax shall be used solely for the  
16 purposes provided for in this act; and

17 2. Before a sales tax may be levied by the county, the  
18 imposition of the tax shall first be approved by a majority of the  
19 registered voters of the county voting thereon at a special election  
20 called by resolution of the board of county commissioners.

21 B. The board of county commissioners shall create a limited-  
22 purpose fund and deposit therein any revenue generated by any sales  
23 tax levied pursuant to the provisions of subsection A of this  
24 section. The fund shall be placed in an insured or collateralized

1 interest-bearing account and the interest which accrues to the fund  
2 shall be retained in the fund. Monies in the limited-purpose fund  
3 shall be expended only as accumulated and only for the purposes  
4 specifically authorized by this act.

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

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