

1 the provisions of the Local Development Act shall be eligible for
2 the state local enterprise matching payment authorized pursuant to
3 subsection A of Section 844 of this title.

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

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

18 State local government matching payments shall not be used to
19 supplant local revenue currently being expended within the increment
20 district boundaries.

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

- 3 a. an estimate of incremental revenues likely to be
4 derived from the project, and
- 5 b. certification that all projects described within the
6 related project plan will generate, in the aggregate,
7 a minimum of either One Million Dollars
8 (\$1,000,000.00) in payroll, exclusive of payroll for
9 construction, or Five Million Dollars (\$5,000,000.00)
10 in investment.

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

- 16 a. an estimate of incremental revenues new to the state
17 likely to be derived from the project,
- 18 b. certification that the major tourism destination meets
19 the applicable criteria described in paragraph 12 of
20 Section 841 of this title, and
- 21 c. an agreement to provide payment to the Oklahoma
22 Department of Commerce to defray the costs of the
23 study required by paragraph 4 of this subsection.

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1 4. To determine if a project qualifies as a major tourism
2 destination project pursuant to subparagraph b of paragraph 12 of
3 Section 841 of this title and to assist in other required
4 determinations, the Oklahoma Department of Commerce shall cause a
5 market and feasibility study to be conducted by an independent
6 consultant with experience in the conduct of such studies. Upon
7 review of the feasibility report, the Oklahoma Department of
8 Commerce shall make its finding as to the reasonable probability
9 that the proposed project is a major tourism destination project as
10 provided in subparagraph b of paragraph 12 of Section 841 of this
11 title.

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

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

3 E. Except as provided in subsection H of this section, for
4 purposes of the Oklahoma Local Development and Enterprise Zone
5 Incentive Leverage Act, the maximum amount of aggregate investment
6 in all qualifying facilities located in any single county which can
7 qualify for a state local enterprise matching payment pursuant to
8 subsection A of Section 844 of this title ~~or for an income tax~~
9 ~~credit as authorized by Section 2357.81 of Title 68 of the Oklahoma~~
10 ~~Statutes~~ shall be computed for each county of the state by
11 multiplying Two Hundred Dollars (\$200.00) times the population of
12 the county according to the ~~1999~~ most recent estimate provided by
13 the United States Bureau of the Census prior to the date an
14 application is made.

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

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

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1 1. Not be less than Twenty Million Dollars (\$20,000,000.00) for
2 counties with a population of less than one hundred thousand
3 (100,000) persons; and

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

6 H. The aggregate limit for all state local government matching
7 payments made to any public entity on behalf of any local
8 governmental entity within a single county pursuant to subsection D
9 of Section 844 of this title for the duration of the Oklahoma Local
10 Development and Enterprise Zone Incentive Leverage Act shall be an
11 amount equal to the net benefit rate multiplied by the taxable gross
12 sales derived from the project over the period of apportionment of
13 local sales taxes, as certified by the Secretary of Commerce.

14 I. The payments authorized by Section 844 of this title ~~and the~~
15 ~~income tax credit authorized by Section 2357.81 of Title 68 of the~~
16 ~~Oklahoma Statutes~~ shall be available for business and governmental
17 entities qualifying pursuant to the Local Development Act for
18 investments made within an incentive district or for improvements
19 made within an increment district prior to December 31, 2007, or for
20 which an incentive district or an increment district has been
21 created prior to ~~December 31, 2018~~ December 31, 2028, if the
22 investments or improvements are begun not later than ~~December 31,~~
23 ~~2019~~ December 31, 2029.

1 J. The Oklahoma Department of Commerce shall promulgate rules
2 to establish a procedure for an enterprise or local governmental
3 entity to make application for state local enterprise and state
4 local government matching payments pursuant to this section. Such
5 rules shall reflect the intent that the Oklahoma Local Development
6 and Enterprise Zone Incentive Leverage Act be fiscally neutral to
7 the state.

8 SECTION 2. AMENDATORY 62 O.S. 2011, Section 843, is
9 amended to read as follows:

10 Section 843. A. In order to receive the state local enterprise
11 matching payment pursuant to the provisions of subsection A of
12 Section 844 of this title, the enterprise shall obtain a
13 certification, provided by the governing body of the local
14 governmental entity creating the incentive district, acknowledged by
15 the chief elected official of the local governing body that the
16 enterprise has qualified pursuant to the Local Development Act for
17 sales tax exemption. The certification document shall include:

- 18 1. The beginning date of the exemption;
- 19 2. The ending date of the exemption;
- 20 3. The total amount of projected investment to construct or
21 expand the facility during the period for which the incentives
22 available pursuant to the Local Development Act will be in force and
23 effect together with a certification by the Oklahoma Department of
24 Commerce that the facility is located in an enterprise zone; and

1 4. The legal name and business entity classification of the
2 entity to which exemption is afforded or to which sales tax payment
3 is made by the local governmental entity or entities pursuant to the
4 provisions of the Local Development Act.

5 B. The local governing body shall provide a copy of the
6 certification document to the Oklahoma Tax Commission.

7 C. After the enterprise provides a certification from the local
8 governing body, the Tax Commission shall make payment to the
9 enterprise identified in the certification document equal to the
10 amount of the sales tax from which the enterprise is certified as
11 exempt as identified in the certification in the manner prescribed
12 by subsection A of Section 844 of this title.

13 D. The state local enterprise matching payment shall be made
14 only for sales tax foregone by local governmental entities or
15 rebated to the business enterprise by local entities for purchases
16 made by the business enterprise and not on the basis of any sales
17 tax collected by the business enterprise from consumers or users on
18 taxable sales made by the enterprise.

19 E. In order to receive the state local governmental matching
20 payment pursuant to the provisions of subsection D of Section 844 of
21 this title, the local governmental entity shall provide to the Tax
22 Commission a certification, acknowledged by its mayor or
23 chairperson, that such local governmental entity has created an
24 increment district pursuant to the Local Development Act which

1 qualifies for a state local government matching payment. The
2 certification document shall include:

3 1. The beginning date of the increment district;

4 2. The ending date of the increment district;

5 3. A description of the project costs authorized by the project
6 plan for which the state local government matching payments will be
7 used and the estimated date for substantial completion of the
8 project being assisted as described in the application;

9 4. A certification by the Oklahoma Department of Commerce that
10 the project plan is located in an enterprise zone or supports a
11 qualifying major tourism destination project, and that the
12 qualifying investment and development has been or will be
13 substantially completed no later than ~~December 31, 2024~~ December 31,
14 2034;

15 5. The amount of the local sales taxes which have been
16 apportioned during the previous six-month period by the local
17 governmental entity for the payment of project costs pursuant to the
18 provisions of the Local Development Act; and

19 6. The name of the public entity identified in the project plan
20 pursuant to Section 858 of this title as the entity authorized to
21 carry out activities pursuant to the project plan.

22 After the local governmental entity provides such certification,
23 the Tax Commission shall make payment to the designated public
24 entity in an amount equal to the lesser of the certified amount of

1 the local sales taxes apportioned during the previous six (6) months
2 or the estimated net direct state benefits as prescribed by
3 subsection D of Section 844 of this title.

4 SECTION 3. It being immediately necessary for the preservation
5 of the public peace, health or safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

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9 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
10 04/11/2019 - DO PASS.

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