

ENROLLED SENATE
BILL NO. 337

BY: WILLIAMS (Penny) and WRIGHT
of the SENATE

and

McCORKELL and CROCKER of
the HOUSE

AN ACT RELATING TO PROPERTY, PUBLIC FINANCE AND STATE GOVERNMENT; AMENDING SECTION 94, CHAPTER 222, O.S.L. 1987 AND SECTION 99, CHAPTER 222, O.S.L. 1987, AS LAST AMENDED BY SECTION 1 OF ENROLLED SENATE BILL NO. 47 OF THE 1ST SESSION OF THE 43RD OKLAHOMA LEGISLATURE (62 O.S. SUPP. 1990, SECTION 695.4), WHICH RELATE TO BOND OVERSIGHT; AMENDING 74 O.S. 1981, SECTION 85.12, AS LAST AMENDED BY SECTION 1 OF ENROLLED SENATE BILL NO. 106 OF THE 1ST SESSION OF THE 43RD OKLAHOMA LEGISLATURE, SECTION 7, CHAPTER 173, O.S.L. 1986, AS AMENDED BY SECTION 2, CHAPTER 69, O.S.L. 1988, SECTION 4, CHAPTER 222, O.S.L. 1987, AS LAST AMENDED BY SECTION 1, CHAPTER 270, O.S.L. 1988, SECTION 20, CHAPTER 207, O.S.L. 1986, AS RENUMBERED BY SECTION 122, CHAPTER 222, O.S.L. 1987 AND AS LAST AMENDED BY SECTION 57, CHAPTER 236, O.S.L. 1987, AND SECTION 32, CHAPTER 207, O.S.L. 1986, AS AMENDED BY SECTION 36, CHAPTER 266, O.S.L. 1990 (74 O.S. SUPP. 1990, SECTIONS 85.42, 5002.3, 5003.7 AND 5026), WHICH RELATE TO THE OKLAHOMA CENTRAL PURCHASING ACT, THE OKLAHOMA DEPARTMENT OF COMMERCE, OKLAHOMA FUTURES AND THE OKLAHOMA FILM OFFICE; REQUIRING PUBLIC TRUST OR ENTITY REBATE CERTAIN RESERVE FUNDS UNLESS USED FOR CERTAIN PURPOSE; MODIFYING VOTE REQUIRED FOR CERTAIN ACTIONS; MODIFYING APPROVAL REQUIRED OF BOND OVERSIGHT COMMISSIONS FOR CERTAIN PROPOSED FINANCING; EXEMPTING CERTAIN CONTRACTS FROM CENTRAL PURCHASING ACT; CLARIFYING LANGUAGE; PROVIDING FOR INCREASED STAFF ASSISTANCE FOR OKLAHOMA FUTURES; DELETING POWER TO DEVELOP AND MANAGE AN ECONOMIC INNOVATION SYSTEM; CREATING THE ECONOMIC DEVELOPMENT INNOVATION ACT; PROVIDING SHORT TITLE; STATING INTENT; DEFINING TERMS; AUTHORIZING PROMULGATION OF CERTAIN RULES AND REGULATIONS; MAKING PROVISIONS OF THE OKLAHOMA CENTRAL PURCHASING ACT INAPPLICABLE TO CERTAIN CONTRACTS; AUTHORIZING OKLAHOMA DEPARTMENT OF COMMERCE TO CONTRACT WITH LOCAL ECONOMIC DEVELOPMENT ORGANIZATIONS FOR SERVICES; STATING MINIMUM QUALIFICATIONS; REQUIRING CERTAIN INFORMATION; DISALLOWING CERTAIN EXPENDITURES; STATING PENALTY FOR NONCOMPLIANCE WITH CERTAIN LAWS, RULES, REGULATIONS OR CONTRACT PROVISIONS; REQUIRING AUDIT AND STATING PENALTY FOR FAILURE

TO SUBMIT AUDIT; PROVIDING FOR REQUEST FOR, DETERMINATION AND DISBURSEMENT OF MATCHING FUNDS; PROVIDING FOR ENFORCEMENT OF CERTAIN RULES; AUTHORIZING DEPARTMENT TO ESTABLISH CERTIFICATION PROGRAM FOR WOMEN-OWNED BUSINESSES; DEFINING TERM; STATING PURPOSE AND BASIS FOR CERTIFICATION AND REQUIRING CERTAIN INFORMATION; PROVIDING FOR PROMULGATION OF RULES AND REGULATIONS; STATING PROGRAM SHALL NOT REPLACE SIMILAR PROCEDURES OR PROGRAMS OF OTHER AGENCIES; ESTABLISHING OKLAHOMA FILM OFFICE ADVISORY COMMISSION; PROVIDING FOR MEMBERSHIP, CHAIRMAN, APPOINTMENTS, TERMS OF OFFICE AND QUALIFICATIONS; STATING RESPONSIBILITIES OF COMMISSION; PROVIDING FOR CODIFICATION; PROVIDING FOR NONCODIFICATION; 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 177.5 of Title 60, unless there is created a duplication in numbering, reads as follows:

All reserve funds currently or hereafter held by any public trust or entity, which funds result from any advance funding or cash management program, must be rebated, with all accrued interest thereon, on a pro rata basis of actual participation to the program participants of the advance funding or cash management program from which the reserve was created unless, within three (3) years of the date of the reserve fund's initial creation, such reserve funds are used by the public trust or entity to fund a similar advance funding or cash management program.

SECTION 2. AMENDATORY Section 94, Chapter 222, O.S.L. 1987 (62 O.S. Supp. 1990, Section 695.4), is amended to read as follows:

Section 695.4 A. There is hereby created the Legislative Bond Oversight Commission. The Commission shall consist of six (6) members, as follows:

1. the chairman of the Oklahoma House of Representatives Appropriations and Budget Committee;
2. the chairman of the Oklahoma State Senate Appropriations Committee;
3. the chairman of the Oklahoma House of Representatives Economic Development Committee;
4. the chairman of the Oklahoma State Senate Economic Development Committee;
5. the chairman of the Oklahoma House of Representatives Judiciary Committee; and
6. the chairman of the Oklahoma State Senate Judiciary Committee.

B. The Legislative Commission, annually, shall elect a chairman from its membership. Four members of the Legislative Commission shall constitute a quorum. All Except for actions involving the Credit Enhancement Reserve Fund, all official actions of the Legislative Commission shall be approved by an affirmative vote of at least four a majority of the members comprising the quorum. All official actions of the Legislative Commission involving the Credit Enhancement Reserve Fund must be approved by an affirmative vote of

at least four members. No vacancy in the membership of the Legislative Commission shall impair the rights of a quorum to exercise and perform all of the rights and duties of the Commission.

SECTION 3. AMENDATORY Section 99, Chapter 222, O.S.L. 1987 (62 O.S. Supp. 1990, Section 695.9), as last amended by Section 1 of Enrolled Senate Bill No. 47 of the 1st Session of the 43rd Oklahoma Legislature, is amended to read as follows:

Section 695.9 A. No State Governmental Entity shall issue any obligations unless such obligations have been approved by the Executive Bond Oversight Commission and the Legislative Bond Oversight Commission as provided for in Section 695.8 of this title; provided, however, that in no event shall the Commissions' approval be required for the issuance of any obligations pursuant to a remarketing or a change in interest rate or maturity under the terms of indentures or agreements securing obligations heretofore issued prior to July 1, 1987, or pursuant to the provisions of Section 695.1 et seq. of this title.

B. 1. Within ten (10) days following any formal preliminary action with respect to any financing proposed to be obtained through the issuance of its obligations, any State Governmental Entity shall file with the Executive Commission and the Legislative Commission on the same day a written description of the nature, need and purpose of such proposed financing. The Commissions shall review the description of the proposed financing in order to either approve or disapprove the purpose to be served by the issuance of said State Governmental Entity obligations and for compliance with any applicable provisions of federal, state or other laws. The review as to purpose shall be strictly limited to the determination provided for in Section 695.8 of this title. ~~The proposed financing shall be deemed approved if neither the Executive Commission nor the Legislative Commission disapproves the proposed financing within the thirty-day period following such filing, unless the proposed financing involves bonds or indebtedness enhanced or supported pursuant to the Credit Enhancement Reserve Fund Act, Section 5063.1 et seq. of Title 74 of the Oklahoma Statutes.~~

2. ~~Bonds~~ With respect to bonds or indebtedness proposed to be issued by the Oklahoma Development Finance Authority which will be enhanced or supported pursuant to the Credit Enhancement Reserve Fund Act shall ~~require actual approval by the Commissions prior to issuance.~~ The, the Commissions shall review the description of such proposed financing in accordance with paragraph 1 of this subsection and additionally shall approve or disapprove the proposed financing on a determination of sufficient compliance with the Rules Regarding the Administration of the Credit Enhancement Reserve Fund as implemented by the Oklahoma Development Finance Authority. Such determinations by the Commissions shall be based on a written report prepared for and provided to the Commissions by the Program Development and Credit Review Committee as provided in Section 5062.6a of Title 74 of the Oklahoma Statutes, provided the Commissions shall not be bound to follow the conclusions reached by the committee in such reports. Provided, the provisions of this paragraph shall not apply to Credit Enhancement Reserve Fund applications approved by the Bond Oversight Commissions prior to June 9, 1990.

All orders issued by the Commissions approving or disapproving bonds or indebtedness enhanced or supported pursuant to the Credit Enhancement Reserve Fund Act shall be final and shall not be subject to any type of appeal.

3. The approval provided for in paragraph 1 ~~or paragraph 2~~ of this subsection shall expire one hundred eighty (180) days after

such approval, ~~provided that~~. Provided, if such approval expires, nothing shall prevent the State Governmental Entity from refiling with the Commissions for approval of such financing and, if granted, any one subsequent approval of such financing shall be valid for a period, not to exceed one hundred eighty (180) days, as determined by the Commissions.

4. In the event there is a substantial change in the nature or purpose of a proposed financing after approval by the Commissions, the prior approval shall be void and the State Governmental Entity shall be required to seek approval from the Commissions in the manner provided in paragraph 1 of this subsection.

C. Local Governmental Entities that propose to issue obligations to fund capital additions or expenditures which obligations are to be retired by rental payments from the state, user fees from the state or any other such payment made by any officer, department, board, commission, institution or agency of the state when such payment is a direct and expressed pledge made by the state for the retirement of debt by a Local Governmental Entity shall be governed by the provisions of subsections A and B of this section. Provided, funds which are collected by the state for distribution to a Local Governmental Entity or are appropriated or dedicated by the state to a Local Governmental Entity without the expressed purpose of retiring debt of said Local Governmental Entity shall not constitute a pledge as provided in this subsection.

D. Except for the entities specified in subsection C of this section, Local Governmental Entities, within ten (10) days following any formal preliminary action with respect to any financing proposed to be obtained through the issuance of its obligations, shall file with the Executive Commission and the Legislative Commission a written description of the nature, need and purpose of the proposed financing and any other information concerning the proposed financing required by either of the Commissions.

E. Upon the request of a Local Governmental Entity, the State Bond Advisor may provide advice and assistance to the Local Governmental Entity with respect to the issuance of obligations. The State Bond Advisor may assess reasonable fees for such services.

SECTION 4. AMENDATORY 74 O.S. 1981, Section 85.12, as last amended by Section 1 of Enrolled Senate Bill No. 106 of the 1st Session of the 43rd Oklahoma Legislature, is amended to read as follows:

Section 85.12 A. The provisions of this section shall not be construed to affect any law relating to fiscal or accounting procedure except such as may be directly in conflict herewith; and all claims, warrants and bonds shall be examined, inspected and approved as now provided by law.

B. The following acquisitions shall not be included within the purview of the Oklahoma Central Purchasing Act, Section 85.1 et seq. of this title:

1. Food and other products produced by state institutions and agencies;

2. Contracts for construction of new buildings and for the repair, maintenance or modernization of old buildings by state educational institutions included within The Oklahoma State System of Higher Education;

3. The printing or duplication of publications or forms of whatsoever kind or character by state agencies, which service is performed upon their own equipment, by their own employees;

4. Acquisitions by The Oklahoma State System of Higher Education on any institution or entity comprising the same insofar

as such acquisitions relate to textbooks, laboratory supplies, instructional materials and specialized laboratory equipment;

5. Department of Transportation and Transportation Commission contractual services or right-of-way purchases. Contracts awarded pursuant to bids let by the Transportation Commission for the maintenance or construction of streets, roads, highways, bridges, or underpasses, or any other transportation facilities under the control of the Department of Transportation, the acquisitions of equipment or materials accruing to the Department of Transportation required in Federal-Aid contracts, and contracts for public service type announcements initiated by the Department of Transportation. Contractual services as used herein shall not include advertising or public relations services;

6. Utility services where rates therefor are regulated by a state or federal regulatory commission, or by city ordinance or by an Indian Tribal Council for use by the Department of Corrections only;

7. Purchases of products by Oklahoma Medical Center. The Commission for Human Services shall develop standards for the purchase of products and may elect to utilize Central Purchasing when appropriate. Such standards shall foster economy, short response time, and include appropriate safeguards to assure appropriate competition and economical and efficient purchasing;

8. Contracts for custom harvesting by the Department of Corrections for the Department or its institutions;

9. Contracts with private prison contractors which are subject to the contracting procedures of Section 561 of Title 57 of the Oklahoma Statutes;

10. Acquisitions of aircraft by agencies authorized by the Legislature to purchase aircraft;

11. Purchases by the Oklahoma Municipal Power Authority;

12. Grand River Dam Authority;

13. Purchases by rural water, sewer, gas or solid waste management districts created pursuant to Section 1324.1 et seq. of Title 82 of the Oklahoma Statutes;

14. Purchases by the Oklahoma Ordnance Works Authority or Midwestern Oklahoma Development Authority, except that the Oklahoma Ordnance Works Authority and the Midwestern Oklahoma Development Authority shall remain subject to the provisions of Section 85.32 of this title;

15. Contracts entered into by the State Department of Education for the purpose of implementing the provisions of Section 6-156 of Title 70 of the Oklahoma Statutes;

16. Expenditure of monies appropriated to the State Board of Education for the purpose of Local, State-supported Programs and State-supported Programs except monies appropriated for the Administrative and Support Functions of the State Department of Education;

17. Contracts entered into by the State Department of Vocational and Technical Education for the development, revision or updating of vocational curriculum materials;

18. Contracts entered into by the Oklahoma Center for the Advancement of Science and Technology for professional services;

19. Contracts entered into by the Oklahoma Department of Commerce pursuant to the provisions of Sections 8 through 13 of this act;

~~19.~~ 20. Purchases made by the Oklahoma Historical Society from monies used to administer the White Hair Memorial;

~~20.~~ 21. Purchases of products available to an agency through a General Services Administration contract or other federal contract

if the item is on current state contract and the terms of such contract are more favorable to the agency than the terms of a state contract for the same products as determined by the State Purchasing Director; and

~~21.~~ 22. Purchases amounting to less than that requiring competitive bid pursuant to Section 85.4 of this title.

C. Notwithstanding the exclusions provided herein, any agency or common schools of Oklahoma, any municipality of the state, any rural fire protection district and county officers may, unless the contract with the state specifies otherwise, avail themselves of the provisions of the Oklahoma Central Purchasing contracts and the services of the Purchasing Director. Provided further, however, that any subdivision of government and any rural fire protection district of the state may designate the office of Oklahoma Central Purchasing as its agent for the purchase or procurement of any item or service contracted or available to the state.

D. Further, notwithstanding the exclusions provided herein, the purchasing policies and procedures of the Oklahoma Ordnance Works Authority and the Midwestern Oklahoma Development Authority shall be subject to approval by the Director of the Office of Public Affairs, and said Director shall make periodic audits of the purchasing policies and procedures of the Oklahoma Ordnance Works Authority and the Midwestern Oklahoma Development Authority to assure that said purchasing policies and procedures, as approved by him, are being followed.

SECTION 5. AMENDATORY Section 7, Chapter 173, O.S.L. 1986, as amended by Section 2, Chapter 69, O.S.L. 1988 (74 O.S. Supp. 1990, Section 85.42), is amended to read as follows:

Section 85.42 A. Except as otherwise provided for in this section, any agency, whether or not such agency is subject to the Oklahoma Central Purchasing Act, Section 85.1 et seq. of this title, is prohibited from entering into a sole source contract or a contract for professional services with or for the services of any person, who has terminated his employment with or who has been terminated by ~~an~~ that agency for one (1) year after the termination date of the employee from the agency. The provisions of this subsection shall not prohibit an agency from hiring or rehiring such person as a state employee.

B. As used in this section, person is defined as any state official or employee of a department, board, bureau, commission, agency, trusteeship, authority, council, committee, trust, school district, fair board, court, executive office, advisory group, task force, study group, supported in whole or in part by public funds or entrusted with the expenditure of public funds or administering or operating public property, and all committees, or subcommittees thereof, judges, justices, and state legislators.

C. An agency may enter into a sole source contract or a contract for professional services at any time with a person who is a qualified interpreter for the deaf.

SECTION 6. AMENDATORY Section 4, Chapter 222, O.S.L. 1987, as amended by Section 1, Chapter 270, O.S.L. 1988 (74 O.S. Supp. 1990, Section 5002.3), is amended to read as follows:

Section 5002.3 A. In order to fulfill its mission as the originator, proponent, coordinator and overseer of economic analyses and plans, Oklahoma Futures shall be the central economic development policy planning and oversight board for all economic development activities in Oklahoma. Oklahoma Futures shall serve as an expert economic development advisory board to the Governor of Oklahoma, all other executive departments, the state legislature and the judiciary.

1. Oklahoma Futures shall be the economic development advisory board for the Oklahoma Department of Commerce.

2. Oklahoma Futures and the Oklahoma Department of Commerce shall act as policy developer and overseer to the Oklahoma Center for the Advancement of Science and Technology, the Oklahoma Development Finance Authority, and the Oklahoma Capital Investment Board.

3. Oklahoma Futures shall act as the central policy development board to any newly created Oklahoma agencies, authorities, departments and other entities of state government whose fundamental mission is the economic development of Oklahoma.

4. In its capacity as Oklahoma's central economic development policy planning and oversight board, Oklahoma Futures shall institutionalize ongoing means of collaboration between the executive and legislative branches, the business, agricultural and financial sectors, labor and management, educational institutions and local communities to create within a developing Oklahoma economy increased innovation, creativity, diversity and productivity which is greater than any one sector can achieve acting alone.

B. Oklahoma Futures shall be a board consisting of the following members:

1. The Governor;
2. The Lieutenant Governor;
3. The Speaker of the House of Representatives;
4. The President Pro Tempore of the Senate;
5. The President of the University of Oklahoma;
6. The President of Oklahoma State University;
7. The Director of the Oklahoma Department of Commerce;
8. The Chairman of the Economic Development Committee of the House of Representatives;
9. The Chairman of the Economic Development Committee of the Senate;
10. The President of the Oklahoma AFL-CIO;
11. The Chairman of the Oklahoma State Chamber of Commerce and Associated Industries;
12. A representative of the Oklahoma Wheat Growers' Association, appointed by the Governor from a list of three nominees submitted by the Association for a three-year term. Said representative shall be appointed within thirty (30) days of receipt of said list;
13. A representative of the Oklahoma Cattlemen's Association, appointed by the Governor from a list of three nominees submitted by the Association for a three-year term. Said representative shall be appointed within thirty (30) days of receipt of said list;
14. Six persons from the private sector appointed by the Governor, subject to confirmation by the Senate;
15. Two persons from the private sector appointed by the Speaker of the House of Representatives; and
16. Two persons from the private sector appointed by the President Pro Tempore of the Senate.

C. Persons initially appointed to Oklahoma Futures by the Governor shall serve for a term of office as follows:

1. Two members shall serve for a term of office of one (1) year;
2. One member shall serve for a term of office of two (2) years;
3. One member shall serve for a term of office of three (3) years; and
4. Two members shall serve for a term of office of four (4) years.

D. Persons initially appointed by the Speaker of the House of Representatives shall serve for a term of office of one (1) year and four (4) years respectively.

E. Persons initially appointed by the President Pro Tempore of the Senate shall serve for a term of office of two (2) years and three (3) years respectively.

F. All appointees to the board shall be selected for outstanding knowledge and leadership in their fields.

Except as otherwise provided, appointed members shall serve for a term of four (4) years.

No appointed member may serve more than two consecutive full terms of office on Oklahoma Futures.

G. Any vacancy in the appointive membership of Oklahoma Futures shall be filled for the unexpired term in the same manner as the original appointment. For gubernatorial appointments, if a vacancy occurs when the Senate is not in session, the Governor may appoint a member who shall exercise full powers until confirmation or rejection of the appointment by the Senate.

H. The Governor shall serve as co-chairman of Oklahoma Futures. The other co-chairman shall be elected annually from among the private sector members. A vice-chairman shall be elected annually from among all the members.

I. Oklahoma Futures shall meet at least once each calendar quarter and at such other times upon the call of the Governor.

J. The Director of the Oklahoma Department of Commerce shall be the chief executive officer of Oklahoma Futures.

1. Oklahoma Futures shall submit a list of at least three (3) nominees from a national search to the Governor. The Governor is free to appoint any individual to be the chief executive officer of Oklahoma Futures and the Director of the Oklahoma Department of Commerce, with the advice and consent of the Senate, giving reasonable consideration to the nominees submitted by Oklahoma Futures.

2. The Oklahoma Department of Commerce shall provide administrative staff and other assistance to Oklahoma Futures to develop annual five-year statewide economic plans, and manage and support the state's decentralized economic innovation system and economic information system. In addition, the Director shall designate one employee who shall devote full time to providing staff assistance to Oklahoma Futures.

K. Pursuant to rules promulgated by Oklahoma Futures, members shall be reimbursed for actual and necessary travel expenses in performing their duties as members of Oklahoma Futures.

L. In making appointments to the board of directors of Oklahoma Futures, appropriate consideration shall be given to representation upon the board by race, gender and geographical area.

SECTION 7. AMENDATORY Section 20, Chapter 207, O.S.L. 1986, as renumbered by Section 122, Chapter 222, O.S.L. 1987 and as last amended by Section 57, Chapter 236, O.S.L. 1987 (74 O.S. Supp. 1990, Section 5003.7), is amended to read as follows:

Section 5003.7 A. The Oklahoma Department of Commerce shall prepare, with the cooperation of the Oklahoma business community, agricultural community, financial community, universities, labor and the state executive and legislative branches, a five-year economic development plan and annual updates for the State of Oklahoma. The recurring five-year economic development plan and annual updates shall be subject to the approval of Oklahoma Futures.

1. The purpose of the plan shall be to identify significant economic, social, and demographic trends which may have both short-term and long-term impacts on the state and local economy and

to present strategies and recommendations that the state and local political subdivisions might adopt to improve or stabilize the economy.

2. The goals of the plan shall include the development of a diversified state economy, increasing employment, the maximum use of federal, state and local funds to achieve the goals or recommendations included in the plan, the maximum investment of capital in the economy of the state, and the improvement of the quality of life in the state.

3. The plan wherever possible shall make recommendations to encourage intergovernmental cooperation and public and private cooperation.

4. Copies of the plan and the annual updates shall be submitted to the Oklahoma Advisory Committee on Intergovernmental Relations, the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate and the chairmen of the standing committees on economic development of the Senate and of the House of Representatives in the annual report of Oklahoma Futures.

5. The Department shall develop and manage a complete economic information system which will support the five-year planning process, and which will make available complete and timely information on the state economy. The economic information system shall be operated by public or private Oklahoma universities or an Oklahoma enterprise capable of providing such services in a cost-effective manner.

~~B. The Oklahoma Department of Commerce shall have the power and duty to develop and manage an Economic Innovation System, a decentralized statewide partnership, by responsively and innovatively coordinating technical assistance, grant and loan programs, with local, state, federal and private sector activities into a single statewide system.~~

~~C.~~ The Oklahoma Department of Commerce shall have the power and duty to develop public works physical and financial planning capabilities to establish a statewide public works planning process that is accessible by local planners, that is objective, and that is managed by people highly skilled in all aspects of infrastructure planning.

~~D.~~ C. The Department, in conjunction with the Oklahoma Development Finance Authority, is authorized to develop an infrastructure program which will enable political subdivisions of this state to finance public works projects in order to modify or improve existing public facilities for purposes of bringing said facilities, and the operation thereof, into compliance with and maintaining compliance with federal, state and local laws and regulations pertaining to the protection of the public health and the environment.

~~E.~~ D. The Director shall develop an annual business plan for the Department. The business plan shall be submitted to Oklahoma Futures for its review and comment and shall be included in the annual report of Oklahoma Futures. The business plan shall include the need and mission of each division of the Department created by law or the Director and an analysis of past costs and benefits and future projected costs and benefits to the state of the programs of each division of the Department. The business plan shall be consistent with the goals of the recurring five-year plan specified in this section. Oklahoma Futures shall review and comment upon such plan before it is implemented. The Director shall distribute copies of the business plan by such means that will make it widely available to communities, firms and local economic development managers throughout this state.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5009.1 of Title 74, unless there is created a duplication in numbering, reads as follows:

Sections 8 through 13 of this act shall be known and may be cited as the "Economic Development Innovation Act".

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5009.2 of Title 74, unless there is created a duplication in numbering, reads as follows:

It is the intent of this act to establish a competitive process to encourage local economic development activities by public and private sector organizations in cooperation with the Oklahoma Department of Commerce's statewide economic development efforts.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5009.3 of Title 74, unless there is created a duplication in numbering, reads as follows:

As used in the Economic Development Innovation Act:

1. "Allowable expenditure" means those expenditures by economic development organizations submitted to the Oklahoma Department of Commerce for matching funds in accordance with the provisions of the Economic Development Innovation Act and the rules and regulations promulgated pursuant thereto by the Department;

2. "Discretionary expenditure" means those expenditures for which matching funds are not requested. Discretionary expenditures are not subject to the limiting provisions of the Economic Development Innovation Act and the rules and regulations promulgated pursuant thereto by the Department;

3. "Economic development organization" means a public or private sector organization which has, as its primary goal, the creation of jobs and new capital in this state;

4. "Independent and certified audit" means an audit performed by a public accountant or certified public accountant registered with the Oklahoma Board of Public Accountancy. The audit shall be in accordance with the standards established by the Board of Public Accountancy for audits and shall include specific requirements identified in the Economic Development Innovation Act and in the rules and regulations of the Department; and

5. "Program" means the Economic Development Innovation Program.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5009.4 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Department of Commerce shall have the authority to promulgate rules and regulations to establish the Economic Development Innovation Program and such criteria, limitations, priorities and requirements for qualification to contract and receive funding as may be necessary to implement the provisions of the Economic Development Innovation Act. The provisions of Sections 85.1 through 85.44 of Title 74 of the Oklahoma Statutes shall not apply to said contracts.

B. The Department shall implement the Program by contracting for services with local economic development organizations. An eligible organization shall meet the following minimum qualifications:

1. Service an area larger than one community or political subdivision;

2. Demonstrate public and private support, in the form of contributions to the organization;

3. Have a viable economic development plan of action, which shall include a statement of goals, a pro forma budget, and a demonstration of business expertise;

4. Have resolved all outstanding issues on past performance on contracts with the Department, or any audit findings; and

5. At a minimum, be required to match any state contract amount dollar-for-dollar with any funds received or pledged from public and private sources, in support of its economic development activities.

C. Program participants shall prepare and submit required plans, including a budget work program, for the ensuing fiscal year to the Department. Expenditures for obligations incurred without the Department's approval of the organization's plans and budget work program and changes thereto and expenditures not in accordance with the organization's plans and work program, may not be allowable expenditures.

D. Noncompliance with the laws of this state, rules and regulations of the Department or provisions of contracts entered into under the Program shall be cause for withholding the matching funds by the Department.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5009.5 of Title 74, unless there is created a duplication in numbering, reads as follows:

Each Program participant shall submit annually an independent and certified audit. Failure to submit said audit shall be cause for withholding matching funds.

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5009.6 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. Matching funds for allowable expenditures shall be based on actual expenditures by the Program participant. Requests for matching funds in accordance with executed expenditures shall be submitted on a State of Oklahoma notarized claim form with all applicable statements and affidavits.

B. Prior to the disbursement of matching funds to any Program participant, the Department shall deduct from such matching funds the amount of any and all obligations due and owing to the Department of Commerce by said Program participant.

SECTION 14. The Oklahoma Department of Commerce shall continue to enforce its rules for public/private partnerships pursuant to the EIN program until new rules are promulgated pursuant to the Economic Development Innovation Act set out in Sections 8 through 13 of this act.

SECTION 15. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5010.5 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. In order to facilitate contracting capabilities of women-owned businesses with public and private entities, and to establish criteria to certify such businesses, the Oklahoma Department of Commerce may establish a certification program for women-owned businesses which are in compliance with the definition of a small-business concern as set forth in 15 U.S.C., Section 632 and in regulations promulgated pursuant to said section by the Small Business Administration. For purposes of this section, a women-owned business is one that is at least fifty-one percent (51%) owned and operated on a day-to-day basis by one or more females.

B. The Department shall issue certificates to women-owned businesses which are small-business concerns as evidence of ownership for the purpose of contracting with corporate or governmental entities. Certification shall be based upon information which is required by the Department from the business seeking certification and which will be subject to verification and approval by the Department. The Department shall require an affidavit of ownership, organization and decision-making authority,

financial information and such other information deemed necessary by the Department to evaluate a business for certification. The Department shall have the authority to promulgate rules and regulations to implement the provisions of this section. The certification program shall not replace any certification procedures or programs of other governmental agencies.

C. Certificates issued by the Department pursuant to this section shall not be financial guarantees or personal approvals of businesses but shall be for the purpose of verifying that businesses are women-owned in order to enhance the ability of such businesses to contract with public and private entities and to access state and federal information and assistance.

SECTION 16. AMENDATORY Section 32, Chapter 207, O.S.L. 1986, as amended by Section 36, Chapter 266, O.S.L. 1990 (74 O.S. Supp. 1990, Section 5026), is amended to read as follows:

Section 5026. A. There is hereby created within the Oklahoma Department of Commerce, the Oklahoma Film Office. The Office shall have the primary responsibility in state government for promoting the State of Oklahoma as a location for motion pictures, television programs and videos. The office shall assist the motion picture, television and video film industries by providing production contacts in the state, suggesting possible filming locations, and other activities that may be required to promote the state as a filming center.

B. There is hereby established within the Oklahoma Department of Commerce, the Oklahoma Film Office Advisory Commission which shall consist of the Lieutenant Governor, who shall serve as an ex officio member and as Chairman of the Advisory Commission, and eight (8) members appointed by the Director of the Department. Appointed members shall serve two-year terms. Five appointed members shall have experience in the development and implementation of economic development programs. Three appointed members shall possess a broad working knowledge of the film industry.

The Oklahoma Film Office Advisory Commission shall have the following responsibilities:

1. Focus the activities and functions of the Oklahoma Film Office to provide the maximum economic development impact to the State of Oklahoma;

2. Promote the film industry to local communities;

3. Solicit input annually from a cross section of the public including industry, business and community leaders;

4. Assist the Oklahoma Film Office in developing a marketing plan and a production manual; and

5. Assist the Oklahoma Film Office in the preparation of the annual report.

~~B.~~ C. The Oklahoma Film Office shall cooperate with other state and local offices as required to promote the film industry in the state.

D. The Oklahoma Film Office shall submit an annual report to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate prior to January 1 of each year regarding the activities of the office. The report shall provide information about the number of filming productions that the office has helped bring to the state and the economic impact of those productions.

SECTION 17. Section 14 shall not be codified in the Oklahoma Statutes.

SECTION 18. This act shall become effective July 1, 1991.

SECTION 19. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby

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

Passed the Senate the 23d day of May, 1991.

President of the Senate

Passed the House of Representatives the 29th day of May, 1991.

Speaker of the House of Representatives