STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

HOUSE BILL NO. 2175 By: McCorkell

AS INTRODUCED

An Act relating to economic development; amending 74 O.S. 1991, Sections 5002.1, 5003.2, 5060.2, as amended by Section 1, Chapter 230, O.S.L. 1992, 5062.2, 5063.2, 5064.2, Section 4, Chapter 246, O.S.L. 1992, 5072 and 5085.1, as amended by Section 36, Chapter 275, O.S.L. 1993 (74 O.S. Supp. 1993, Sections 5060.2, 5066.3 and 5085.1), which relate to state governmental economic development programs; modifying certain terms; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 1991, Section 5002.1, is amended to read as follows:

Section 5002.1 A. Oklahoma needs a ~~public/private~~ public and private partnership to ensure that economic development efforts in this state promote state strategic economic objectives:

1. To expand existing Oklahoma firms which capitalize on Oklahoma's comparative economic advantages by producing value-added, export-oriented goods, processes and services;

2. To encourage the establishment and growth of new firms which create new value-added products, processes and services and can benefit from Oklahoma's comparative economic advantages;

3. To restructure established Oklahoma enterprises so that they can compete effectively in global, national and regional markets; and

4. To identify firms in worldwide economic growth sectors which would prosper from relocating to Oklahoma where they could benefit from the state's special economic strengths.

B. Oklahoma needs a ~~public/private~~ public and private partnership to bring together the Oklahoma business community, agricultural community, financial community, universities, labor, and the state executive and legislative branches to coordinate short-term and long-term strategic economic analysis, planning, action and to conduct performance audits.

C. There is hereby created Oklahoma Futures. Oklahoma Futures is hereby constituted a board of state government.

SECTION 2. AMENDATORY 74 O.S. 1991, Section 5003.2, is amended to read as follows:

Section 5003.2 A. Recognizing the geographic diversity of this state, Oklahoma needs one central, primary public-sector economic development agency for the state in order to manage or coordinate all public sector economic development activity.

Oklahoma needs an agency to work at the community and ~~firm~~ business entity level to:

1. Create new and higher quality jobs for the people of this state through the expansion, creation, restructuring and recruitment of export-oriented Oklahoma firms which produce value-added goods, services and processes;

2. Encourage statewide economic diversification and stability; 3. Maint

4. Implement the strategic economic development five-year plan; and

5. Carry out policy development and research in support of Oklahoma Futures.

B. The Oklahoma Department of Commerce is hereby constituted an agency of state government.

C. Whenever the terms "Department of Economic Development" or "Department of Economic and Community Affairs" appear in the Oklahoma Statutes they shall mean and refer to the Oklahoma Department of Commerce.

SECTION 3. AMENDATORY 74 O.S. 1991, Section 5060.2, as amended by Section 1, Chapter 230, O.S.L. 1992 (74 O.S. Supp. 1993, Section 5060.2), is amended to read as follows:

Section 5060.2 A. In order to expand and diversify Oklahoma's economy and provide new and higher quality jobs for Oklahomans, Oklahoma ~~enterprises~~ business entities need an institution which combines the resources of the public and private sectors to encourage the development of new products, new processes and whole new industries in Oklahoma. The institution is needed to:

1. Provide basic and applied research capital to move innovation to commercial application;

2. Encourage the transfer of technology to firms and farms throughout the geographic regions of the state;

3. Stimulate seed-capital investment in firms which will use innovation from applied research in profitable commercial applications; and

4. Foster competitiveness, productivity and modernization in Oklahoma firms and farms.

B. There is hereby created the Oklahoma Center for the Advancement of Science and Technology. The Oklahoma Center for the Advancement of Science and Technology is hereby constituted an instrumentality of the state and the exercise of the authority and powers conferred by this act shall be deemed and held to be the performance of an essential governmental function.

SECTION 4. AMENDATORY 74 O.S. 1991, Section 5062.2, is amended to read as follows:

Section 5062.2 A. Lack of response in this state to fundamental changes in national and international markets has created an economic hardship as manifested by high levels of unemployment and bankruptcy. Structural changes in global capital markets and real goods markets have had a profound impact on the availability of long-term capital for Oklahoma's ~~agricultural and industrial~~ commercial enterprises and for infrastructure finance. There exists a need to improve, repair, replace and expand Oklahoma's infrastructure, which is vital to the welfare of Oklahomans and to the economic development of the state.

B. It is hereby found that there exists in the state an immediate and urgent need to provide the means and methods for providing financing:

1. To complement the state's private financial institutions to better serve their customers in ways which contribute to a strengthened and diversified Oklahoma economy;

2. To promote and develop the expansion of existing and the establishment of new ~~agricultural enterprises and industrial~~ commercial enterprises for the purpose of further alleviating unemployment within the state and for providing additional employment;

3. To promote and target resources of the state to further the development of export trade of state products for the purpose of the economic development of the state and for providing additional employment therefrom;

4. To assure the development of reliable, affordable, efficient and environmentally compatible sources of energy for all types of public and private consumption;

5. To provide health care facilities for the citizens and inhabitants of the state;

6. To provide capital improvement facilities for the benefit of the citizens and inhabitants of the state;

7. To provide, in conjunction with the Oklahoma Department of Commerce, 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;

8. To provide educational facilities for educational institutions within the state;

9. To provide for such additional facilities, enterprises and projects as herein authorized; and

10. To provide for short-term advance funding and the purchase of the obligations of political subdivisions throughout the state.

C. Any public trust organized pursuant to Title 60 of the Oklahoma Statutes for the benefit of the entire State of Oklahoma which has Seven Hundred Fifty Million Dollars ($750,000,000.00) or more of issued and outstanding indebtedness, and if such indebtedness has been issued for three (3) or more distinct purposes, shall become eligible to become the Oklahoma Development Finance Authority as provided by this act. Such trust may amend its indenture to conform with the provisions of this act and, upon certification by the Governor, such trust shall be known as and exercise all of the powers of the Oklahoma Development Finance Authority as provided by law. After the certification of the trust as the Oklahoma Development Finance Authority, the trustees of such trust shall, with addition of other persons as provided by law, become the board of directors of the Oklahoma Development Finance Authority. The Oklahoma Development Finance Authority is hereby constituted an instrumentality of the state and the exercise of the

authority and powers conferred by this act shall be deemed and held to be the performance of an essential governmental function.

SECTION 5. AMENDATORY 74 O.S. 1991, Section 5063.2, is amended to read as follows:

Section 5063.2 All terms used in the Credit Enhancement Reserve Fund Act shall have the meanings set forth in the Oklahoma Development Finance Authority Act, except as expressly ~~referred to below~~ provided by this section. In addition, as used in the Credit Enhancement Reserve Fund Act, the following words shall have the following meanings:

1. "Act" means the Credit Enhancement Reserve Fund Act;

2. "Bonds" means the Credit Enhancement Reserve Fund General Obligation Bonds authorized pursuant to Section ~~81~~ 5063.11 of this ~~act~~ title; and

3. "Fund" means the Credit Enhancement Reserve Fund.

SECTION 6. AMENDATORY 74 O.S. 1991, Section 5064.2, is amended to read as follows:

Section 5064.2 The Legislature recognizes the numerous benefits to the state's economic base from the establishment of businesses by inventors and the numerous benefits provided by inventors which include commercial and industrial diversification, broadening of the economic base, a great proliferation of jobs, providing financial benefits to our citizens through a greatly expanded tax base and new products and processes for the nation's consumers.

It is estimated that ninety-five percent (95%) of all inventions are never authoritatively considered primarily because inventors are unfamiliar with the business environment or financial structure necessary for implementing their proposals.

The Legislature therefore recognizes a need to encourage and assist inventors and, at the same time, to position this state as a leader in advanced and high technology and to foster a climate for those leaders of this state, the nation and the world.

SECTION 7. AMENDATORY Section 4, Chapter 246, O.S.L. 1992 (74 O.S. Supp. 1993, Section 5066.3), is amended to read as follows:

Section 5066.3 The Oklahoma Department of Commerce shall establish a program to provide product development assistance to Oklahoma manufacturing and marketing businesses. The program shall:

1. Identify, characterize and catalogue Oklahoma businesses interested in and committed to expansion by commercialization of new products utilizing their available capital, knowledge and human assets;

2. Identify new product opportunities on a ~~worldwide~~ global basis that match the current or expanding manufacturing and marketing base of Oklahoma businesses;

3. Provide assistance to make new products available to Oklahoma businesses, which shall include assistance in forming strategic alliances, market and product analysis, business counseling and other assistance necessary to develop the products to the commercial stage; and

4. Facilitate the formation of a product development investment fund.

SECTION 8. AMENDATORY 74 O.S. 1991, Section 5072, is amended to read as follows:

Section 5072. The purpose of this act shall be to promote, encourage and advance economic prosperity and employment throughout the state by creating a more favorable tax ~~climate~~ environment for organizations which qualify as sponsors of small business incubators in this state and a more favorable business climate for tenants.

SECTION 9. AMENDATORY 74 O.S. 1991, Section 5085.1, as amended by Section 36, Chapter 275, O.S.L. 1993 (74 O.S. Supp. 1993, Section 5085.1), is amended to read as follows:

Section 5085.1 Sections 5085.1 through 5085.12 of this title and Section ~~37~~ 5085.14 of this ~~act~~ title shall be known and may be cited as the "Oklahoma Capital Formation Act".

SECTION 10. This act shall become effective September 1, 1994.

44-2-8029 MAH