

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

CONFERENCE COMMITTEE SUBSTITUTE

FOR ENGROSSED

HOUSE BILL NO. 1639

By: Turner, Adair, Braddock,
Covey, Deutschendorf,
Glover, McCarter and Pope
(Clay) of the House

and

Wilkerson, Stipe and
Shurden of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to economic development; enacting the Industrial Facilities Development Act; defining terms; authorizing applications by communities for certain funds; requiring demonstration by communities; requiring estimate of total project costs; requiring matching funds to be provided by community; requiring Oklahoma Department of Commerce to prescribe form; requiring evaluation of applications within certain period of time; prescribing procedures for approval or rejection of applications; creating the Industrial Facilities Development Fund; stating purpose of expenditures from Industrial Facilities Development Fund; providing for codification; and providing an effective date.

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 2101 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 "Industrial Facilities Development Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2102 of Title 62, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Community" means a county, city, town or unincorporated place located within the State of Oklahoma having a population of

less than seven thousand (7,000) persons, according to the latest Federal Decennial Census;

2. "Establishment" means any legally recognized business entity engaged in manufacturing;

3. "Industrial facility" means real property or personal property or fixtures attached to real property at which an establishment engages in a manufacturing activity within a community if the total area in which the manufacturing takes place does not exceed one hundred thousand (100,000) square feet; and

4. "Manufacturing" means any activity described under any Major Group classification of Division D of the Standard Industrial Classification Manual, latest version.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2103 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. For the purpose of developing, constructing, or improving an industrial facility, a community shall be eligible to apply for a grant from the Industrial Facilities Development Fund through the Oklahoma Department of Commerce.

B. In order to be eligible for a grant, the community must establish to the Department that it:

1. Has previously demonstrated an ability to recruit new manufacturing business activity. A community may satisfy this requirement by proving that an establishment has located a manufacturing activity within the community employing at least ten persons not more than five (5) years prior to the date as of which the community makes application for funding; or

2. Employs at least one person on a full-time basis or is benefited by the efforts of at least one full-time employee of a local chamber of commerce or similar organization whose principal duty is the recruitment of new business activity to the community.

C. The community shall include in the application a statement of the estimated total project cost for the industrial facility. The community, or a combination of the community and the establishment for whose benefit the industrial facility will be constructed or improved, shall be required to provide matching

funds equal to at least twenty-five percent (25%) of the total cost of the project in order to receive a grant from the Industrial Facilities Development Fund.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2104 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. Communities making application for a grant from the Industrial Facilities Development Fund shall use a form to be prescribed by the Oklahoma Department of Commerce.

B. The Department shall have a period of sixty (60) days from the date an application is received in order to evaluate the application and to inform the applicant whether the application has been approved or rejected. If the application is rejected, the Department shall state the reason for the rejection.

C. 1. Upon approval of an application, the Department shall cause the amount of the grant to be paid to the applicant. All grants made pursuant to this act shall be paid to the community and shall not be paid directly to the legal entity engaged in the manufacturing activity.

2. The grant may only be used for the development, construction, or improvement of that portion of the project that will be owned by the community or a public trust of which the community is the beneficiary. Provided, however, the community or the public trust, as the case may be, may enter into a lease agreement with an establishment for long-term usage of any portion of the project funded through a grant made pursuant to this act.

D. No community shall be eligible for an award of a grant in excess of One Hundred Fifty Thousand Dollars (\$150,000.00) in any one fiscal year.

E. The community making application for a grant shall demonstrate in the application either that the community has already acquired at least twenty-five percent (25%) of the funds required for the total project cost or that a legally enforceable commitment exists as of the application date which will result in the receipt of at least twenty-five percent (25%) of the funds

required for the total project cost within ninety (90) days from the date the application is received.

F. Any project for which a grant is provided from the Industrial Facilities Development Fund shall be completed within six (6) months from the date the grant is paid to the applicant pursuant to this section. If an industrial facility has not been completed within the time period prescribed by this subsection, the grant paid to the applicant shall be repaid to the Department and shall be redeposited into the Industrial Facilities Development Fund.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2105 of Title 62, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a fund for the Oklahoma Department of Commerce to be designated the "Industrial Facilities Development Fund". The fund shall be subject to legislative appropriation and shall consist of all monies received by the Department for the implementation of the Industrial Facilities Development Act.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2106 of Title 62, unless there is created a duplication in numbering, reads as follows:

The expenditures from the Industrial Facilities Development Fund and other expenditures governed by this act, if made in accordance with the requirements of this act, shall be construed as an expenditure of public funds in furtherance of governmental functions and for the purpose of conferring general and uniform benefits resulting from the expenditures upon the residents and other legal entities located in or near the community qualifying for the receipt of the funds pursuant to this act.

SECTION 7. This act shall become effective November 1, 1998.

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