

ENROLLED HOUSE
BILL NO. 2363

By: Ross, Gilbert, Ferguson,
Sullivan (Leonard) and
Settle of the House

and

Hendrick and Horner of
the Senate

An Act relating to capital formation and investment; enacting the Community Development Capital Formation Study Act; making legislative findings; creating the Community Development Capital Formation Task Force; prescribing method for appointments to Task Force; providing for conditions of service of members; providing for appointment of successors; exempting certain members of Task Force from statutory provision governing public offices; requiring initial meeting; providing for selection of chairman; authorizing meetings; prescribing quorum; providing for expense reimbursement; providing for assistance by legislative staff; imposing duties upon Community Development Capital Formation Task Force; requiring evaluation of capital formation methods; authorizing Task Force to obtain assistance from certain sources; requiring written report; specifying certain statutory provisions applicable to Community Development Capital Formation Task Force; specifying certain statutory provisions inapplicable to Community Development Capital Formation Task Force; providing for codification; 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 691.1 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 "Community Development Capital Formation Study Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 691.2 of Title 62, unless there is created a duplication in numbering, reads as follows:

The Legislature finds that the formation and investment of capital in urban and rural communities and investment of capital in business entities within communities is essential for sustained economic growth. Specialized needs of certain small business enterprises and certain urban and rural communities within the State of Oklahoma for capital resources require specialized approaches to the formation and investment of capital. In order to determine the most effective methods for attracting capital investment within

those communities and for maximizing the effect of capital invested in private business enterprises, the Legislature finds that it is desirable to undertake a study of methods which might be able to achieve both of those objectives.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 691.3 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the "Community Development Capital Formation Task Force".

B. The Task Force shall consist of nine (9) members as follows:

1. Three members to be appointed by the Speaker of the House of Representatives with consideration and emphasis for persons representing communities within the state confronting problems with access to capital for community development and for access to capital available for investment in small business enterprises, including minority business enterprises, within such communities;

2. Three members to be appointed by the President Pro Tempore of the Senate with consideration and emphasis for persons representing communities within the state confronting problems with access to capital for community development and for access to capital available for investment in small business enterprises, including minority business enterprises, within such communities; and

3. Three members to be appointed by the Governor from a list of seven nominees submitted pursuant to the agreement of the Speaker of the House of Representatives and the President Pro Tempore of the Senate with consideration and emphasis for persons having direct experience with the methods for determining the needs for development capital at the community and business entity level, including the specialized needs for capital access by minority business enterprises.

C. Each person appointed to the Task Force shall serve at the pleasure of the appointing authority. If a member of the Task Force resigns or is otherwise unable to serve, the appointing authority shall appoint a successor.

D. No person appointed to any of the positions constituting the Task Force who is, at the time of appointment to the Task Force or subsequent to the date of appointment, a public official or officer shall be deemed to be serving in a dual capacity and such person shall be specifically exempt from the provisions of Section 6 of Title 51 of the Oklahoma Statutes.

E. The Task Force shall conduct its initial meeting not later than ninety (90) days after the effective date of this act.

F. The Task Force shall select from among its membership a chairman who shall preside at the meetings of the Task Force.

G. The Task Force shall be authorized to conduct its meetings as often as may be required in order to perform the duties imposed upon it by law. A quorum of the Task Force shall be required in order for any official action of the Task Force.

H. Persons appointed to the Task Force shall be reimbursed for expenses pursuant to the State Travel Reimbursement Act. Legislators appointed to the Task Force shall be reimbursed for expenses pursuant to Section 456 of Title 74 of the Oklahoma Statutes.

I. Assistance for functions of the Task Force shall be provided by the staff of the Oklahoma House of Representatives and the Oklahoma State Senate as the Task Force may require.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 691.4 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The Community Development Capital Formation Task Force shall conduct an analysis of the needs of communities within the State of Oklahoma for capital investment within the community and the role of equity investment in private business enterprise in community development. The Task Force shall place special emphasis upon the role of minority business enterprise in communities seeking to improve the level of capital investment in a community and the role of minority business enterprise in the capital formation and distribution process within such communities.

B. The Task Force shall evaluate the probable effect of alternative methods for promoting capital formation in communities with specialized capital needs including, but not limited to:

1. Reduction of sales tax rates paid by business enterprises within enterprise zones or similar areas having economic characteristics indicating a need for specialized tax or other economic incentives to promote capital formation or capital investment;

2. Reduction of the state taxes imposed pursuant to requirements of federal law governing unemployment tax rates in order to promote the hiring and retention of a work force by business enterprises in communities with specialized needs conducive to profitable business operations, capital investment and real economic growth;

3. Formation of capital using a private or public trust the transfer of funds to which could qualify for a state income tax credit, state franchise tax credit or such other incentive as the Task Force determines to be appropriate as a tool to promote the formation and investment of capital in communities within the State of Oklahoma having a need for additional capital resources; and

4. Programs to define the method by which private business enterprises could benefit from the capital sources described in paragraph 3 of this subsection, together with recommendations for ways in which to make the capital resources accessible to communities and private business enterprises located or doing business within such communities in a fair and unrestricted manner, with due consideration to market conditions, credit risks, the rate of return on invested capital and other relevant factors.

C. The Task Force shall be authorized to extend invitations to such persons, associations, groups, firms, governmental agencies or political subdivisions as the Task Force decides may be useful in order to perform the duties imposed upon the Task Force and to appear before the Task Force and to work with the Task Force or any committees or subcommittees as the Task Force may establish to analyze strategies for community development capital formation.

D. The Task Force shall produce a written report of its findings and recommendations. The Task Force shall make a preliminary report of its findings and recommendations not later than December 31, 1998. The report shall be submitted to the Speaker of the House of Representatives, the President Pro Tempore of the Senate and the Governor.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 691.5 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The Community Development Capital Formation Task Force shall be subject to the provisions of the:

1. Oklahoma Open Meeting Act;
2. Oklahoma Open Records Act; and
3. State Travel Reimbursement Act.

B. The Community Development Capital Formation Task Force shall not be subject to the provisions of:

1. The Oklahoma Central Purchasing Act;
2. The Oklahoma Sunset Law;
3. The Governmental Tort Claims Act; or
4. The Oklahoma Administrative Procedures Act.

SECTION 6. This act shall become effective July 1, 1998.

SECTION 7. 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 House of Representatives the 22nd day of May, 1998.

Speaker of the House of
Representatives

Passed the Senate the 26th day of May, 1998.

President of the Senate