

1 STATE OF OKLAHOMA

2 1st Session of the 47th Legislature (1999)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 SENATE BILL NO. 720

By: Taylor, Capps, Kerr and
Crutchfield of the Senate

6 and

7 Benson and Bonny of the
8 House

9
10
11 COMMITTEE SUBSTITUTE

12 (Space industry development - Oklahoma Space
13 Industry Development Act - Oklahoma Space Industry
14 Development Authority - Board of Directors - powers
15 and duties of Board - acquisition of property by
16 purchase or condemnation - Spaceport Territory
17 Advisory Council - revenue bonds - codification -
18 effective date -
19 emergency)

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22 SECTION 1. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 5201 of Title 74, unless there
24 is created a duplication in numbering, reads as follows:

25 This act shall be known and may be cited as the "Oklahoma Space
26 Industry Development Act".

27 SECTION 2. NEW LAW A new section of law to be codified
28 in the Oklahoma Statutes as Section 5202 of Title 74, unless there
29 is created a duplication in numbering, reads as follows:

30 As used in this act:

31 1. "Authority" means the Oklahoma Space Industry Development
32 Authority as authorized to be created by this act;

1 2. "Board" or "Board of Directors" means the governing body of
2 the Authority as authorized to be created in Section 7 of this act;

3 3. "Bonds" means revenue bonds or other obligations issued by
4 the Authority for the purpose of financing its projects;

5 4. "Complementary activity" means any space business incubator,
6 space tourism activity, educational involvement in an incubator, or
7 space tourism and space-related research and development;

8 5. "Cost" means all costs, fees, charges, expenses and amounts
9 associated with the development of projects by the Authority;

10 6. "Federal aid" means any funding or other financial
11 assistance provided by the federal government to the Authority for
12 its projects;

13 7. "Financing agreement" means a lease, lease-purchase
14 agreement, lease with option to purchase, sale or installment sale
15 agreement, whether title passes in whole or in part at any time
16 prior to, at, or after completion of the project, loan agreement, or
17 other agreement forming the basis for the financing under this act,
18 including any agreements, guarantees, or security instruments
19 forming part of or related to providing assurance of payment of the
20 obligations under such financing agreement;

21 8. "Landing area" means the geographical area designated by the
22 Authority within or outside any spaceport territory for or intended
23 for the landing and surface maneuvering of any launch or other space
24 vehicles;

25 9. "Launch pad" means the launch pad or pads or spacecraft
26 launch structure used by the spaceport or spaceport user for
27 launching of space vehicles;

28 10. "Payload" means all property and cargo to be transported
29 aboard any vehicle launched or flown, by or from any spaceport;

30 11. "Person" means individuals, children, firms, associations,
31 joint ventures, partnerships, estates, trusts, business trusts,
32 syndicates, fiduciaries, corporations, nations, federal, state or

1 local governments, government or other agencies, subdivisions of the
2 state, municipalities, counties, business entities, and all other
3 groups or combinations;

4 12. "Project" means any development, improvement, property,
5 launch, utility, facility, system, works, road, sidewalk,
6 enterprise, service or convenience sponsored or promoted by the
7 Authority and conducted or performed from any spaceport territory;

8 13. "Range" means the geographical area designated by the
9 Authority or other appropriate body as the area for the launching of
10 space vehicles, rockets, missiles, launch vehicles, shuttles,
11 satellites and other vehicles designed to reach high altitudes,
12 suborbital and orbital, or possessing space flight capacity;

13 14. "Recovery" means the recovery of space vehicles and payload
14 or payloads which have been launched from or by any spaceport;

15 15. "Spaceport" means any area of land or water, or any manmade
16 object or facility located therein, developed by the Authority under
17 this act, which area is intended for public use, for the launching,
18 takeoff and landing of spacecraft and aircraft, and any appurtenant
19 areas which are used or intended for public use, for spaceport
20 buildings or other spaceport facilities or rights-of-way; any space
21 facility, space propulsion system, or station of any kind possessing
22 space flight capacity;

23 16. "Spaceport system" means the organizations and
24 infrastructure developed by the Authority for the development of
25 spaceports and the commercialization of the space industry;

26 17. "Spaceport territory" means the geographic areas designated
27 in Section 13 of this act and as amended or changed in accordance
28 with Section 21 of this act; and

29 18. "Spaceport user" means any person that uses the facilities
30 or services of any spaceport. For the purposes of any exemptions or
31 rights granted hereafter, the spaceport user shall be deemed a
32 spaceport user only during the time period in which the person

1 actually uses any spaceport, and such rights and exemptions shall be
2 granted with respect to transactions relating to spaceport projects
3 only.

4 SECTION 3. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 5203 of Title 74, unless there
6 is created a duplication in numbering, reads as follows:

7 A. Subject to the requirements of Section 6 of this act, there
8 is hereby created for the purpose of establishing commercial and
9 public-use spaceports a body corporate and politic, to be known as
10 the "Oklahoma Space Industry Development Authority", and by that
11 name the Authority may sue and be sued, and plead and be impleaded.
12 The Authority is hereby constituted an agency of this state, and the
13 exercise by the Authority of the powers conferred by this act shall
14 be deemed to be essential governmental functions of this state with
15 all the attributes thereof.

16 B. It shall be the purpose, function, and responsibility of the
17 Authority to plan spaceport systems and projects in this state, to
18 promote the development and improvement of space exploration and
19 spaceport facilities, to stimulate the development of space commerce
20 and education, including, but not limited to, the commercialization
21 of the space industry and the development of space-related
22 industries, to promote research and development related to space and
23 space-related industry, and to promote tourism in connection with
24 the foregoing. In carrying out this duty and responsibility, the
25 Authority may advise and cooperate with municipalities, counties,
26 regional authorities, state agencies and organizations, appropriate
27 federal agencies and organizations, and other interested persons and
28 groups.

29 SECTION 4. NEW LAW A new section of law to be codified
30 in the Oklahoma Statutes as Section 5204 of Title 74, unless there
31 is created a duplication in numbering, reads as follows:

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1 A. Subject to the requirements of Section 6 of this act, the
2 Oklahoma Space Industry Development Authority is hereby granted, has
3 and may exercise all powers necessary to carry out and effectuate
4 its purpose, including, but not limited to, the following:

5 1. Sue and be sued by its name in any court of competent
6 jurisdiction;

7 2. Adopt and use an official seal and alter the same at
8 pleasure;

9 3. Make and execute any and all contracts and other instruments
10 necessary or convenient to the exercise of its powers;

11 4. Issue revenue bonds or other obligations as authorized by
12 the provisions of this act or any other law, or any combination of
13 the foregoing, to pay all or part of the cost of the acquisition,
14 construction, reconstruction, extension, repair, improvement,
15 maintenance or operation of any project or combination of projects,
16 to provide for any facility, service or other activity of the
17 Authority and to provide for the retirement or refunding of any
18 bonds or obligations of the Authority, or for any combination of the
19 foregoing purposes;

20 5. Acquire property, real, personal, intangible, tangible, or
21 mixed, in fee simple or any lesser interest or estate, by purchase,
22 gift, devise, or lease, on such terms and conditions as the
23 Authority may deem necessary or desirable, and sell or otherwise
24 dispose of the same and of any of the assets and properties of the
25 Authority;

26 6. Lease as lessor or lessee to or from any person, public or
27 private, any facilities or property of any nature for the use of the
28 Authority and to carry out any of the purposes of the Authority;

29 7. Subject to the limitations prescribed by subsection B of
30 this section, acquire by condemnation land and such interest therein
31 as may be necessary in its determination for the purpose of
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1 establishing, constructing, maintaining, or operating a spaceport,
2 in accordance with the provisions of Section 11 of this act;

3 8. Own, acquire, construct, develop, create, reconstruct,
4 equip, operate, maintain, extend and improve launch pads, landing
5 areas, ranges, payload assembly buildings, payload processing
6 facilities, laboratories, space business incubators, launch
7 vehicles, payloads, space flight hardware, facilities and equipment
8 for the construction of payloads, space flight hardware, rockets,
9 and other launch vehicles, and spaceport facilities and systems,
10 including educational, recreational, cultural, and other space-
11 related initiatives;

12 9. Undertake a program of advertising to the public and
13 promoting the businesses, facilities and attractions within any
14 spaceport territory or at any spaceport and the projects of the
15 Authority, and expend monies and undertake such activities to carry
16 out such advertising and promotional programs as the Board from time
17 to time may determine;

18 10. Own, acquire, construct, reconstruct, equip, operate,
19 maintain, extend and improve transportation facilities appropriate
20 to meet the transportation requirements of the Authority and
21 activities conducted within a spaceport territory;

22 11. Own, acquire, construct, reconstruct, equip, operate,
23 maintain, collect fees for services provided, extend and improve
24 public utilities within a spaceport territory, including the
25 following: electric power plants, transmission lines and related
26 facilities, gas mains and facilities of any nature for the
27 production or distribution of natural gas or hydrogen, telephone
28 lines and related plants and systems, other communication systems of
29 any nature including closed-circuit, cable television and computer
30 systems, transmission lines and related facilities and plants, and
31 facilities for the generation and transmission of power; and
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1 purchase electric power, natural gas and other sources of power for
2 distribution within any spaceport territory;

3 12. Own, acquire, construct, reconstruct, equip, operate,
4 maintain, collect fees for services provided, extend and improve
5 within any spaceport territory water systems and sewer systems or
6 combined water and sewer systems; regulate the use of sewers, septic
7 tanks and other sanitary structures and appliances, and the supply
8 of water within any spaceport; and regulate the pretreatment of
9 waste and sell or otherwise dispose of the effluent, sludge, or
10 other by-products as a result of sewage treatment;

11 13. Own, acquire, construct, reconstruct, equip, operate,
12 maintain, collect fees for services provided, extend and improve
13 waste collection, recycling and disposal systems, and to sell,
14 recycle or otherwise dispose of any effluent, residue or other by-
15 products of such systems consistent with the laws of the state;

16 14. Adopt a plan of reclamation, and own, acquire, construct,
17 reconstruct, equip, operate, maintain, extend and improve canals,
18 ditches, drains, dikes, levees, pumps, plants and pumping systems
19 and other works for drainage purposes, and irrigation works,
20 machinery and plants;

21 15. Own, acquire, construct, reconstruct, equip, operate,
22 maintain, extend and improve water and flood control facilities and
23 regulate the supply and level of water within any spaceport
24 territory which may include diverting waters from one area or body
25 of water to another, regulating, controlling or restricting the
26 development and use of natural and artificial streams or bodies of
27 water, lakes or ponds, and taking all measures determined by the
28 Authority to be necessary or desirable to prevent or alleviate land
29 erosion; and

30 16. Own, acquire, construct, reconstruct, equip, operate,
31 maintain, collect fees for services provided, extend and improve
32 public safety facilities for any spaceport, including police

1 station, police vehicles, medical facilities, fire stations, water
2 mains and plugs, fire trucks and other vehicles and equipment; hire
3 employees, police officers and fire fighters; and undertake such
4 works and construct such facilities determined by the Board to be
5 necessary or desirable to promote and ensure public safety within
6 any spaceport territory.

7 B. The Authority shall not acquire through the power of
8 condemnation a total area of real property for purposes of
9 establishing a spaceport in excess of twenty-five (25) acres. The
10 total acreage acquired by the Authority pursuant to the power of
11 condemnation shall be specifically identified in the records of the
12 Authority and the Authority shall maintain a separate record of such
13 acreage open to public inspection. If the Authority attempts to
14 acquire an area through the power of condemnation that would exceed
15 the acreage limit provided by this subsection, the proceeding for
16 such acquisition shall be subject to an order for a temporary
17 injunction which may be issued ex parte. Upon an adequate showing
18 of proof, the Authority shall be permanently enjoined from acquiring
19 real property pursuant to its powers of condemnation if the
20 acquisition would exceed the maximum acreage authorized by this
21 subsection.

22 SECTION 5. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 5205 of Title 74, unless there
24 is created a duplication in numbering, reads as follows:

25 A. The Oklahoma Space Industry Development Authority shall be
26 subject to the Administrative Procedures Act, the Oklahoma Open
27 Meeting Act, and the Oklahoma Open Records Act, except as provided
28 in subsection B of this section.

29 B. Any information held by the Authority which is a trade
30 secret, as defined in the Uniform Trade Secrets Act, including trade
31 secrets of the Authority, any spaceport user, or the space industry,
32 is confidential and may not be disclosed. If the Authority

1 determines that any information requested by the public will reveal
2 a trade secret, it shall, in writing, inform the person making the
3 request of that determination. The Authority may hold executive
4 sessions, as authorized by the Oklahoma Open Meeting Act, when trade
5 secrets are discussed, and any minutes, recordings, or notes from
6 such sessions are deemed confidential.

7 C. The Authority shall be granted sovereign immunity in the
8 same manner as this state, and the liability of the Authority and
9 its members, officers, and employees shall be governed by the
10 provisions of the Governmental Tort Claims Act. Provided, however,
11 the Authority is authorized to carry liability insurance to the
12 extent authorized by the Authority.

13 D. The Authority shall be exempt from the provisions of the
14 Public Competitive Bidding Act of 1974 and the Oklahoma Central
15 Purchasing Act.

16 SECTION 6. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 5206 of Title 74, unless there
18 is created a duplication in numbering, reads as follows:

19 A. The Secretary of Commerce and the Secretary of
20 Transportation shall monitor events and transactions related to the
21 need for the State of Oklahoma to activate the Oklahoma Space
22 Industry Development Authority. Upon a determination and a
23 recommendation by both the Secretary of Commerce and the Secretary
24 of Transportation that because of a site location announcement,
25 actual investment by a business enterprise, acquisition of real or
26 personal property, or both, having relevance for the establishment
27 of a spaceport or in preparation for the establishment of a
28 spaceport within the State of Oklahoma, the Secretaries shall
29 communicate their recommendation to the Governor, the Speaker of the
30 House of Representatives and the President Pro Tempore of the
31 Senate. The communication shall be in writing and shall be
32 transmitted by certified mail, with return receipt requested.

1 B. Upon receipt of the recommendation for activation of the
2 Oklahoma Space Industry Development Authority, the Governor, the
3 Speaker of the House of Representatives and the President Pro
4 Tempore of the Senate shall confer and if two of such officials
5 agree to do so, pursuant to a record of their affirmative vote, then
6 the officials who vote affirmatively to do so shall cause the motion
7 for the activation of the Authority to be memorialized and to be
8 transmitted by certified mail, with return receipt requested, to the
9 Secretary of Commerce and to the Secretary of Transportation. For
10 purposes of the action authorized by this subsection, the Governor,
11 the Speaker of the House of Representatives and the President Pro
12 Tempore of the Senate shall not be subject to the Oklahoma Open
13 Meeting Act and may confer by telephonic or other electronic means.

14 C. Upon receipt of the communication described by subsection B
15 of this section, the Governor shall take such actions as are
16 required, including, but not limited to, the appointment of members
17 of the Board of Directors, in order to create and activate the
18 Oklahoma Space Industry Development Authority. After the
19 appointments of its board of directors, the Authority shall be
20 legally authorized to perform all actions and exercise all powers
21 provided to the Authority and to the board of directors by law.

22 SECTION 7. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 5207 of Title 74, unless there
24 is created a duplication in numbering, reads as follows:

25 A. Subject to the provisions of Section 6 of this act, there is
26 created within the Oklahoma Space Industry Development Authority,
27 the Board of Directors consisting of seven (7) members who shall be
28 appointed by the Governor with advice and consent of the Senate.
29 All but one Board member shall be a resident of this state. Each
30 member appointed to serve on the Board shall have experience in the
31 aerospace or commercial space industry or finance, or have other
32 significant relevant experience.

1 B. 1. Initially, the Governor shall appoint four members for
2 terms of three (3) years and three members for terms of four (4)
3 years. Thereafter, each member shall serve a term of four (4) years
4 or until a successor is appointed and qualified. Initial
5 appointments shall be made no later than sixty (60) days after the
6 communication is received by the Governor pursuant to subsection C
7 of Section 6 of this act. The term of the members shall commence on
8 the date of appointment and terminate on June 30 of the year of the
9 end of the term. No member shall serve on the Board for more than
10 two full four-year terms. Except as prohibited by the Oklahoma
11 Constitution, appointment to the Board shall not preclude any member
12 from holding any other private or public position.

13 2. An appointment to fill a vacancy in a member's office shall
14 be made by the Governor for the unexpired portion of the term of the
15 member who vacated that office.

16 C. The Governor has the authority to remove from the Board any
17 member in the manner and for cause as defined by the laws of this
18 state and applicable to situations which may arise before the Board.
19 Unless excused by the chair of the Board, a member's absence from
20 two or more consecutive Board meetings creates a vacancy in the
21 office to which the member was appointed.

22 D. The first chair shall be designated by the Governor and, if
23 such person remains a member of the Board, shall serve as chair
24 until the expiration of the three-year terms of those members of the
25 Board appointed initially for three-year terms. Each subsequent
26 chair shall be selected by the Board members and shall serve a two-
27 year term.

28 E. 1. The Board shall hold its initial meeting no later than
29 twenty (20) days after the members have been appointed. Meetings
30 shall be held quarterly or more frequently at the call of the chair.
31 A majority of the members on the Board shall constitute a quorum,
32

1 and a majority vote of the members present is necessary for any
2 action taken by the Board.

3 2. At its initial meeting, or as soon thereafter as is
4 practicable, the Board shall appoint an executive director. The
5 Board shall determine the annual salary of the executive director.

6 F. The members of the Board shall receive a stipend of Three
7 Hundred Dollars (\$300.00) for each official board meeting attended
8 for which a quorum was present. Each member shall be reimbursed for
9 expenses incurred in the performance of duties on behalf of the
10 Authority as provided for in the State Travel Reimbursement Act.

11 G. Before the issuance of any revenue bonds under the
12 provisions of this act, each member of the Board shall execute a
13 surety bond in the penal sum of Twenty-five Thousand Dollars
14 (\$25,000.00) and the secretary and treasurer shall execute a surety
15 bond in the penal sum of One Hundred Thousand Dollars (\$100,000.00).
16 Each such surety bond shall be conditioned upon the faithful
17 performance of the duties of the member's office, shall be executed
18 by a surety company authorized to transact business in the State of
19 Oklahoma as surety, and shall be filed in the office of the
20 Secretary of State.

21 SECTION 8. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 5208 of Title 74, unless there
23 is created a duplication in numbering, reads as follows:

24 A. The Board of Directors shall designate a person who is a
25 resident of this state as Treasurer of the Authority, who shall have
26 charge of the funds of the Authority. Such funds shall be disbursed
27 only upon the order of or pursuant to the resolution of the Board by
28 warrant, check, authorization or automatic deposit signed or
29 authorized by the Treasurer or the Treasurer's representative or by
30 such other persons as may be authorized by the Board. The Board may
31 give the Treasurer such other powers and duties as the Board may
32 deem appropriate, and shall establish the Treasurer's compensation.

1 In addition to the bond required in Section 7 of this act, the Board
2 may require the Treasurer to give a bond in such amount, on such
3 terms and with such sureties as may be deemed satisfactory to the
4 Board to secure the performance by the Treasurer of the powers and
5 duties of the Treasurer. The Board shall audit or have audited the
6 books of the Treasurer at least once a year.

7 B. The Board is authorized to select as depositories in which
8 the funds of the Board and of the Authority shall be deposited any
9 bank or other financial institution organized under the laws of this
10 state or under the laws of the United States, doing business in this
11 state, upon such terms and conditions as to the payment of interest
12 by such depository upon the funds so deposited as the Board may deem
13 just and reasonable.

14 C. The Board of Directors may in its discretion invest funds of
15 the Oklahoma Space Industry Development Authority in the following:

16 1. Direct obligations of or obligations guaranteed by the
17 United States of America or for the payment of the principal and
18 interest of which the faith and credit of the United States is
19 pledged;

20 2. Bonds or notes issued by any of the following Federal
21 agencies: Bank for Cooperatives; Federal Intermediate Credit Banks;
22 Federal Home Loan Bank System; Federal Land Banks; or the Federal
23 National Mortgage Association, including debentures or participating
24 certificates issued by such Association;

25 3. Public housing bonds issued by public housing authorities
26 and secured by a pledge or annual contributions under an annual
27 contribution contract or contracts with the United States of
28 America;

29 4. Bonds or other interest-bearing obligations of any county,
30 district, city or town located in this state for which the full
31 faith and credit of such political subdivision is pledged; or
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1 5. Any investment authorized for insurers under the Oklahoma
2 Insurance Code.

3 SECTION 9. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 5209 of Title 74, unless there
5 is created a duplication in numbering, reads as follows:

6 The powers and duties of the Oklahoma Space Industry Development
7 Authority shall be exercised by and through the Board of Directors.
8 Without limiting the generality of the foregoing, the Board shall
9 have the power and authority to:

10 1. Adopt, amend, and repeal rules to carry out the purposes of
11 this act;

12 2. Maintain an office at such place or places as it may
13 designate;

14 3. Execute all contracts and other documents necessary or
15 desirable to carry out the purposes of this act; provided, the Board
16 may authorize one or more members of the Board to execute contracts
17 and other documents on behalf of the Board or the Authority;

18 4. Hire employees and appoint a person to act as executive
19 director of the Authority, having such official title, function,
20 duties and power as the Board may prescribe;

21 5. Engage in the planning for spaceports and the spaceport
22 system;

23 6. Execute intergovernmental agreements as provided by law;

24 7. Establish reserve funds for future Board operations;

25 8. Enter into agreements for the joint development of
26 properties necessary or convenient for, the operation of spaceports
27 and the spaceport system; and

28 9. Prepare an annual report of operations.

29 SECTION 10. NEW LAW A new section of law to be codified
30 in the Oklahoma Statutes as Section 5210 of Title 74, unless there
31 is created a duplication in numbering, reads as follows:

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1 A. The Oklahoma Space Industry Development Authority is hereby
2 authorized and empowered to acquire by purchase, or condemnation,
3 real property and such interest therein as may be necessary in its
4 determination for the purpose of establishing, constructing,
5 maintaining, or operating a spaceport and spaceport facilities, upon
6 such terms and at such price as may be considered by the Authority
7 to be reasonable and can be agreed upon between the Authority and
8 the owner of the land. The Authority shall take title to the
9 property in its name; provided, however, such right and title shall
10 be limited to the surface rights only and shall not include oil or
11 other mineral rights.

12 B. Except in instances where there are nonresident owners,
13 unknown heirs, imperfect titles, and owners whose whereabouts cannot
14 be ascertained with reasonable diligence, the Oklahoma Space
15 Industry Development Authority shall give the owner an opportunity
16 to sell the necessary real property or interests therein to the
17 Authority before exercising the power of condemnation.

18 C. In cases where the Authority exercises the power of
19 condemnation, the Authority shall be governed by the provisions of
20 Section 1708 of Title 69 of the Oklahoma Statutes.

21 D. The Oklahoma Space Industry Development Authority shall pay
22 compensation to the owners of any and all real property located
23 wholly or partially within the area required to be evacuated for the
24 launch of any vehicle from spaceport territory for the economic
25 value of the lost value of the beneficial use of such property as a
26 result of requirements imposed by the Authority pursuant to its
27 powers for the establishment, maintenance and safe operation of a
28 spaceport or spaceport facility. Compensation for such economic
29 value shall be made according to the requirements of Section 24 of
30 Article 2 of the Constitution of the State of Oklahoma.

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1 SECTION 11. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 5211 of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

4 This act specifically provides that the Oklahoma Space Industry
5 Development Authority shall have exclusive power and authority to
6 regulate spaceports and space launches in this state. No other
7 person shall participate in or exercise control in the management
8 and operation of any spaceport and space launch, except when
9 officially requested by the Authority.

10 SECTION 12. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 5212 of Title 74, unless there
12 is created a duplication in numbering, reads as follows:

13 A. There is hereby created the Spaceport Territory Advisory
14 Council. The Council shall consist of one person appointed by the
15 board of county commissioners of each county located within the area
16 defined pursuant to the provisions of Section 13 of this act or
17 other provisions of this act as a spaceport territory and one person
18 appointed by the municipal governing body of any incorporated city
19 or town located partially or wholly within the area defined pursuant
20 to the provisions of Section 13 of this act or other provisions of
21 this act as a spaceport territory.

22 B. The members appointed to the Spaceport Territory Advisory
23 Council shall serve at the pleasure of the appointing authority.
24 The members of the Spaceport Territory Advisory Council shall serve
25 without compensation, but may be reimbursed for the actual expenses
26 of attending the meetings of the Spaceport Territory Advisory
27 Council or the meetings of the Oklahoma Space Industry Development
28 Authority.

29 C. The Spaceport Territory Advisory Council may assist and
30 advise the Oklahoma Space Industry Development Authority with
31 respect to the establishment, operation and maintenance of
32 facilities within a spaceport territory. The Advisory Council may

1 make recommendations to the Oklahoma Space Industry Development
2 Authority regarding land use and development, municipal annexation,
3 zoning, construction, safety regulations and such other matters as
4 may be relevant to land use and development within a spaceport
5 territory.

6 D. No appointments to the Spaceport Territory Advisory Council
7 shall be made until the Board of Directors of the Oklahoma Space
8 Industry Development Authority have been made as otherwise provided
9 in this act.

10 SECTION 13. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 5213 of Title 74, unless there
12 is created a duplication in numbering, reads as follows:

13 Without limiting the ability of the Oklahoma Space Industry
14 Development Authority to establish other spaceports, the following
15 property shall constitute spaceport territory:

16 Certain real property located in Washita County within and above
17 all of the following areas:

18 Sections 1 through 36 inclusive, Township 10 North, Range
19 19 West, I.M.

20 Sections 1 through 36 inclusive, Township 10 North, Range
21 20 West, I.M.

22 Sections 1 through 18 inclusive, Township 9 North, Range 19
23 West, I.M.

24 Sections 1 through 18 inclusive, Township 9 North, Range 20
25 West, I.M.

26 Sections 7 through 36 inclusive, Township 11 North, Range
27 19 West, I.M.

28 Sections 7 through 36 inclusive, Township 11 North, Range
29 20 West, I.M.

30 SECTION 14. NEW LAW A new section of law to be codified
31 in the Oklahoma Statutes as Section 5214 of Title 74, unless there
32 is created a duplication in numbering, reads as follows:

1 The Oklahoma Space Industry Development Authority shall have the
2 power to exercise any of its rights, powers, privileges and
3 authorities in any and all portions of any spaceport territory lying
4 within the boundaries of any municipality or other political
5 subdivision, heretofore or hereafter created or organized, whose
6 boundaries lie wholly or partly within the geographic limits of any
7 spaceport territory, to the same extent and in the same manner as in
8 areas of any spaceport territory not incorporated as part of a
9 municipality or other political subdivision. With respect to any
10 municipality or other political subdivision whose boundaries lie
11 partly within and partly without the geographic limits of the
12 spaceport territory, the Authority shall have the power to exercise
13 its rights, powers, privileges and authorities only within the
14 portion of such municipality or other political subdivision lying
15 within the boundaries of the spaceport territory, except as
16 otherwise provided in Section 15 of this act. In the event of a
17 conflict between the provisions of this act and the powers of the
18 Authority herein provided for and the provision of any charter or
19 law, now or hereafter enacted or adopted, establishing or pertaining
20 to any municipality or other political subdivision, whose boundaries
21 lie wholly or partly within any spaceport territory, the provision
22 of this act shall control in the portion of such municipality or
23 other political subdivision which lies within the geographic limits
24 of any spaceport territory, unless such other enactment specifically
25 repeals or amends this act.

26 SECTION 15. NEW LAW A new section of law to be codified
27 in the Oklahoma Statutes as Section 5215 of Title 74, unless there
28 is created a duplication in numbering, reads as follows:

29 A. The Oklahoma Space Industry Development Authority shall have
30 the power to construct, develop, create, maintain and operate its
31 projects within the geographic limits of any spaceport territory,
32 including any portions of any spaceport territory located inside the

1 boundaries of any municipality or other political subdivision, and
2 to offer, supply and furnish the facilities and services provided
3 for in this act to, and to collect fees, rentals and other charges
4 from persons, public or private, within the geographic limits of any
5 spaceport territory and for the use of the Authority itself.

6 B. The Authority shall have the power to construct, maintain
7 and operate its projects outside the boundaries of the geographic
8 limits of any spaceport territory, and to offer, supply and furnish
9 the facilities and services provided for in this act to, and to
10 collect fees, rental and other charges from, persons, firms,
11 corporations, municipalities, counties, political subdivisions and
12 other public or private agencies or bodies outside of the geographic
13 limits of any spaceport territory; provided, however, the Authority
14 shall not construct any project or offer, furnish or supply
15 facilities and services outside of the territorial limits of any
16 spaceport territory except upon the consent, approval, and
17 certification of any regulatory agency or governing body of this
18 state or of any municipality or other political subdivision thereof
19 whose consent, approval, or certification may be required by law.

20 SECTION 16. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 5216 of Title 74, unless there
22 is created a duplication in numbering, reads as follows:

23 A. Within the geographic limits of any spaceport territory, the
24 Oklahoma Space Industry Development Authority has the right to
25 acquire, through purchase or interagency agreement, or as otherwise
26 provided in law, and to construct, control, and maintain roads
27 deemed necessary by the Authority and connections thereto and
28 extensions thereof now or hereafter acquired, constructed, or
29 maintained in accordance with established highway safety standards;
30 provided that, in the event a road being addressed by the Authority
31 is owned by another agency or jurisdiction, the Authority, prior to
32 proceeding with the proposed project or work activity, shall have

1 either coordinated the desired work with the owning agency or
2 jurisdiction or shall have successfully executed an interagency
3 agreement with the owning agency or jurisdiction.

4 B. The Board shall have the authority to sell or lease any road
5 to the Department of Transportation, enter into lease-purchase
6 agreements with respect thereto with the Department of
7 Transportation, and contract with the same for the construction or
8 maintenance of any road, on such terms and conditions as the Board
9 and the Department of Transportation may agree. The Department of
10 Transportation is hereby authorized to purchase or lease any road
11 from the Authority, enter lease-purchase agreements with respect to
12 the same and construct or maintain any road within any spaceport
13 territory pursuant to such agreement with the Board.

14 SECTION 17. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 5217 of Title 74, unless there
16 is created a duplication in numbering, reads as follows:

17 A. The departments, agencies, and political subdivisions of
18 this state are authorized to aid and cooperate with the Oklahoma
19 Space Industry Development Authority in carrying out any of the
20 purposes and projects of the Authority and to enter into cooperative
21 agreements with the Authority for such purposes. These agreements
22 may include the furnishing by the Authority to the departments,
23 agencies, or political subdivisions of this state of any of the
24 facilities and services of the Authority. These agreements also may
25 include the furnishing by the departments, agencies, or political
26 subdivisions of this state to the Authority and to persons within a
27 spaceport territory of facilities and services of the type that the
28 Authority is authorized to furnish or undertake. Such cooperative
29 agreements may provide for the furnishing by any county,
30 municipality, or other political subdivision of this state of fire
31 and police protection for the Authority and persons and property
32 within the Authority.

1 B. Without limitation of the foregoing, the Authority may
2 undertake and finance any of the projects of the Authority, in whole
3 or in part, jointly with any municipality or municipalities, or in
4 any other manner combine the projects of the Authority with the
5 projects of such municipality or municipalities.

6 SECTION 18. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 5218 of Title 74, unless there
8 is created a duplication in numbering, reads as follows:

9 Consistent with the laws of this state, and any other laws of
10 this state to the contrary notwithstanding, the jurisdiction and
11 powers of the Board of Directors with respect to the matters
12 provided for in this act shall be exclusive of any and all codes,
13 ordinances, requirements, plans or other regulations of the boards
14 of county commissioners or of any other agency or authority of any
15 county or municipality in this state. The Oklahoma Space Industry
16 Development Authority, and all land, properties and activities
17 within any spaceport territory, shall be exempt from any and all
18 such codes, ordinances, requirements, plans and regulations, and any
19 and all requirements for building and construction permits and
20 licenses pertaining to the same, promulgated by the boards of county
21 commissioners of any county or city councils of any municipality in
22 the state; provided, however, nothing herein shall exempt any
23 general contractor, electrical contractor, builder, owner-builder or
24 specialty contractor from the provisions and requirements of any
25 laws of this state, with respect to examination and licensing, or
26 from any of the fees and bonds required of such contractors or
27 builders by law. The Board may by appropriate rule provide that any
28 spaceport territory or such areas or parts thereof as the Board may
29 designate from time to time, shall, for such time or times as the
30 Board may determine, remain or become subject to such county or
31 municipal zoning, building and safety codes and regulations, and
32 regulations and controls with respect to subdivisions and plats and

1 the vacating thereof, or any of them, as the Board may determine.
2 The jurisdiction and powers of the Board provided for herein shall
3 also be exclusive of any law now or hereafter enacted provided for
4 land use regulation, zoning or building codes by this state or any
5 agency or authority of the state, and the provisions of any such law
6 shall not be applicable within the territorial limits of any
7 spaceport territory. The Board may exercise the powers granted to
8 it in this section within the city limits of any municipality now or
9 hereafter organized or existing within the limits of any spaceport
10 territory.

11 SECTION 19. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 5219 of Title 74, unless there
13 is created a duplication in numbering, reads as follows:

14 The Board of Directors shall have the power to:

15 1. Adopt, and from time to time review, amend, supplement or
16 repeal, a comprehensive general plan for the physical development of
17 the area within any spaceport territory in accordance with the
18 objectives and purposes of this act;

19 2. Adopt, and from time to time review, amend, supplement or
20 repeal, codes regulating the following matter within any spaceport
21 territory: building safety, elevators, escalators and similar
22 devices, the prevention of fire hazards, plumbing and electrical
23 installations, the operation of amusement and recreation
24 installations, the operation and development of missile ranges,
25 launch pads, payload procession and assembly facilities, the
26 operation of amusement and recreation parks and facilities, water
27 supply wells and drainage wells, and such other safety or sanitary
28 codes as the Board may determine to be necessary or desirable;

29 3. Prohibit within any spaceport territory the construction,
30 alteration, repair, removal or demolition, or the commencement of
31 the construction, alteration, repair except for emergency repairs,
32 removal or demolition, of any building or structure, including but

1 not limited to, public utility poles, lines, pipes and facilities,
2 without first obtaining a permit from the Board or such other
3 officer or agency as the Board may designate, and to prescribe the
4 procedure with respect to the obtaining of such permit; and

5 4. Provide for the manner in which such comprehensive general
6 plans, codes, regulations and restrictions shall be determined,
7 established and enforced, and from time to time amended,
8 supplemented, changed or repealed, as the Board may determine.

9 SECTION 20. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 5220 of Title 74, unless there
11 is created a duplication in numbering, reads as follows:

12 In addition to other powers granted by this act, the Board of
13 Directors shall have the power within any spaceport territory to:

14 1. Regulate, restrict and determine the location, height,
15 number of stories, size, cubic contents, area and design, and the
16 erection, construction, reconstruction, alteration and repair of
17 buildings and other structures for space industry development,
18 trade, industry, commerce, residence and other purposes, and the
19 materials used in the construction thereof; the number, location,
20 height, size, appearance and use of billboards and all other
21 advertising signs, banners, handbills and devices; the percentage
22 and portion of lots and land that may be occupied or built on;
23 setback lines; the density of population; the use of buildings,
24 structures, land and water for trade, industries, commerce, and
25 residences and any and all other purposes; the location, size and
26 plan of spaceport facilities, launch pads, ranges, payload assembly
27 and processing facilities, parks and recreational areas, commercial
28 and industrial facilities, public and private utilities, traffic,
29 parking facilities and drainage and water control facilities; and to
30 appoint inspectors;

31 2. Adopt rules to prohibit or control the pollution of air and
32 water, and to require certain location and placement of electrical

1 power, telephone and other utility lines, cables, pipes and ducts;
2 and

3 3. Divide any spaceport territory into zones or districts of
4 such number, shape and area as the Board may deem best suited to
5 carry out the purposes of this act, and within and for each such
6 district adopt rules and restrictions as provided for in this
7 section.

8 SECTION 21. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 5221 of Title 74, unless there
10 is created a duplication in numbering, reads as follows:

11 A. The Board of Directors may at any time strike out or correct
12 the description of any land within or claimed to be within the
13 boundary lines of any spaceport territory upon the consent and
14 writing of the owners of all the land that would be included or
15 excluded from the boundary lines of any spaceport territory or
16 otherwise affected by the taking of such action, and of the owners
17 of not less than the majority in acreage of all lands within any
18 spaceport territory. The Board may enlarge the geographical limits
19 of any spaceport territory to include lands not then within any
20 spaceport territory as follows:

21 1. Upon the written consent of the simple majority of owners of
22 all the land to be included in any spaceport territory and of not
23 less than a majority in acreage of all the land then within any
24 spaceport territory; or

25 2. By resolution of the Board approved at a special election
26 called for such purpose, by vote of a majority of land owners
27 residing within the area to be annexed and a majority of land owners
28 residing within any spaceport territory.

29 B. The Board may contract the geographical limits of any
30 spaceport territory so as to exclude from any spaceport territory
31 any land then within any spaceport territory as follows:
32

1 1. Upon the written consent of the owners of all of the land to
2 be so excluded and of the owners of not less than a majority in
3 acreage of all the land within any spaceport territory;

4 2. By resolution of the Board approved at a special election
5 called for any purposes, by vote of a majority of land owners
6 residing within the area to be excluded and a majority of the land
7 owners residing within any spaceport territory; or

8 3. By resolution of the Board approved by the owners of not less
9 than a majority in acreage of the land within the spaceport
10 territory.

11 C. Any owner of land located within the geographic limits of
12 the spaceport territory may within ninety (90) days following the
13 effective date of this act make written application to the Board to
14 have the land of such owner excluded from the boundaries of the
15 spaceport territory. In the event such written application is made
16 within the ninety-day period, the Board shall exclude the land of
17 such owner from the spaceport territory and revise the boundaries
18 thereof accordingly. No application under this subsection shall be
19 granted if made later than ninety (90) days after the effective date
20 of this act.

21 D. Nothing in this section shall permit the annexation or
22 exclusion of lands contrary to the terms, covenants or conditions of
23 any of the bonds or obligations of the Authority, or in any manner
24 that would impair the security of the holders of any bonds or other
25 obligations of the Authority.

26 E. No town, city or other municipality having any of the powers
27 of the Authority, or any like powers, shall hereafter be organized
28 or established by any proceedings under the general laws of this
29 state if upon such organization or establishment the territorial
30 limits of such municipality would lie wholly or partly within the
31 geographic boundaries of any spaceport territory, except upon the
32 consent in writing given by the owners of a majority in acreage of

1 the lands within such spaceport territory proposed to be so
2 incorporated within such municipality. No land within the
3 geographic boundaries of any spaceport territory shall be annexed to
4 or incorporated by any proceeding under any general or special law,
5 now or hereafter enacted into any town, city or other municipality,
6 now existing or hereafter created, except upon the consent in
7 writing given by the owners of a majority in acreage of the lands
8 within such spaceport territory to be so annexed or incorporated.

9 F. In the event that the geographic boundaries of the spaceport
10 territory, as set forth in Section 13 of this act, are revised so as
11 to include within the spaceport territory any areas not presently
12 contained within the spaceport territory, the Authority shall not
13 engage in the business of furnishing telephone service in such
14 annexed area unless the Authority offers to purchase from any
15 telephone company that is at the time engaged in the business of
16 furnishing telephone service within such annexed area such portion
17 of its plant and property suitable and used for such business in
18 connection therewith as lies within the limits of such annexed area.

19 G. In the event that the geographic limits of the spaceport
20 territory, as set forth in Section 13 of this act, are revised so as
21 to include within any spaceport territory any areas not presently
22 contained within any spaceport territory, the Authority shall not
23 engage in the business of furnishing electric power for sale in such
24 annexed area, unless the Authority offers to purchase from any
25 person who is at the time engaged in the business of making,
26 generating or distributing electricity for sale within such annexed
27 area, such portion of its electric plant and property suitable and
28 used for business in connection therewith as lies within the limits
29 of such annexed area.

30 SECTION 22. NEW LAW A new section of law to be codified
31 in the Oklahoma Statutes as Section 5222 of Title 74, unless there
32 is created a duplication in numbering, reads as follows:

1 A. 1. To recover the costs of a spaceport facility or system,
2 the Oklahoma Space Industry Development Authority shall have the
3 power to prescribe, fix, establish, and collect rates, fees,
4 rentals, tolls, fares, or other charges, hereinafter referred to as
5 "revenues", and to revise the same from time to time, for the
6 facilities and service furnished or to be furnished by the Authority
7 and a spaceport, including, but not limited to, launch pads, ranges,
8 payload assembly and processing facilities, visitor and tourist
9 facilities, transportation facilities, and parking and other related
10 facilities, and shall have the power to provide for reasonable
11 penalties against any user or property for any such rates, fees,
12 rentals, tolls, fares, or other charges that are delinquent.

13 2. The Authority shall have the power to enter into contracts
14 for the use of the projects of the Authority and for the services
15 and facilities furnished or to be furnished by the Authority,
16 including, but not limited to, launch services, payload assembly and
17 processing, and other space-related services, for such consideration
18 and on such other terms and conditions as the Authority may approve.
19 Such contracts, and revenues or service charges received or to be
20 received by the Authority thereunder, may be pledged as security for
21 any of the bonds of the Authority.

22 B. In the event that the rates, fees, rentals, tolls, fares, or
23 other charges, or delinquent penalties shall not be paid as and when
24 due and shall be in default for thirty (30) days or more, the unpaid
25 balance thereof and all interest accrued thereon, together with
26 attorney's fees and costs, may be recovered by the Authority in a
27 civil action.

28 C. In the event that the rates, fees, rentals, tolls, fares, or
29 other charges for the services and facilities of any project are not
30 paid when due, the Authority shall have the power to discontinue and
31 shut off the same until such rates, fees, rentals, tolls, fares, or
32 other charges, including interest, penalties, and charges for the

1 shutting off and discontinuance and the restoration of such services
2 and facilities, are fully paid. Such delinquent rates, fees,
3 rentals, tolls, fares, or other charges, together with interest,
4 penalties, and charges for the shutting off and discontinuance and
5 the restoration of such services and facilities, and reasonable
6 attorney's fees and other expenses, may be recovered by the
7 Authority by suit in any court of competent jurisdiction. The
8 Authority may also enforce payment of such delinquent rates, fees,
9 rentals, tolls, fares, or other charges by any other lawful method
10 of enforcement.

11 SECTION 23. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 5223 of Title 74, unless there
13 is created a duplication in numbering, reads as follows:

14 The Oklahoma Space Industry Development Authority is authorized
15 to accept and receive federal monies, and other monies, either
16 public or private, for the acquisition, development, construction,
17 enlargement, improvement, maintenance, equipment, or operation of
18 spaceports and other facilities, and sites therefor, and to comply
19 with the provisions of the laws of the United States and any rules
20 and regulations made thereunder for the expenditure of federal
21 monies upon such spaceports and other facilities.

22 SECTION 24. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 5224 of Title 74, unless there
24 is created a duplication in numbering, reads as follows:

25 A. 1. The Oklahoma Space Industry Development Authority may
26 provide by resolution, at one time or from time to time, for the
27 issuance of revenue bonds of the Authority for the purpose of paying
28 all or any part of the cost of any one or more projects. The
29 Authority, when it finds that it would be economical and beneficial
30 to do so, may combine two or more, or any part thereof, or all of
31 its proposed projects into one unit and consider the same as one
32

1 project to the same extent and with like effect as if the same were
2 a single project.

3 2. The principal of and the interest on the bonds shall be
4 payable solely from the funds provided for such payment. The bonds
5 of each issue shall be dated, shall bear interest at such rate or
6 rates not exceeding the limitations pertaining to public trust
7 indebtedness from time to time expressed in subsection F of Section
8 176 of Title 60 of the Oklahoma Statutes, shall mature at such time
9 or times not exceeding forty (40) years from their date or dates, as
10 may be determined by the Authority, and may be made redeemable
11 before maturity at the option of the Authority at such price or
12 prices and pursuant to such terms and conditions as may be fixed by
13 the Authority prior to the issuance of the bonds.

14 3. The Authority shall determine the form of the bonds,
15 including any interest coupons to be attached thereto, and the
16 manner of execution of the bonds, and shall fix the denomination or
17 denominations of the bonds and the place or places of payment of
18 principal and interest, which may be at any bank or trust company
19 within or without the state.

20 4. If any officer whose signature or facsimile of whose
21 signature appears on any bonds or coupons shall cease to be the
22 officer before the delivery of the bonds, the signature or the
23 facsimile shall nevertheless be valid and sufficient for all
24 purposes the same as if the person had remained in office until such
25 delivery.

26 5. All bonds issued pursuant to the provisions of this act
27 shall have all the qualities and incidents of negotiable instruments
28 subject to the negotiable instruments law of this state. The bonds
29 may be issued in coupon or in registered form, or both, as the
30 Authority may determine, and provisions may be made for the
31 registration of any coupon bonds as to principal alone and also as
32 to both principal and interest, and for the reconversion into coupon

1 bonds of any bonds registered as to both principal and interest.
2 The Authority may sell the bonds in such amounts and in such manner,
3 either at public or private sale, and for such price, as it may
4 determine to be in the best interest of this state, but in no event
5 at a discount in excess of that from time to time expressed in
6 subsection F of Section 176 of Title 60 of the Oklahoma Statutes.

7 B. The proceeds of the bonds of each issue shall be used solely
8 for the payment of the cost of the project for which the bonds have
9 been issued, and shall be disbursed in such manner and pursuant to
10 such restrictions, if any, as the Authority may provide in the
11 resolution authorizing the issuance of the bonds or in the trust
12 agreement securing the same. If the proceeds of the bonds of any
13 issue, by error of estimates or otherwise, shall be less than such
14 cost, additional bonds may in like manner be issued to provide the
15 amount of such deficit, and, unless otherwise provided for in the
16 resolution authorizing the issuance of such bonds or in the trust
17 agreement securing the same, shall be deemed to be of the same issue
18 and shall be entitled to payment from the same fund without
19 preference or priority of the bonds first issued. If the proceeds
20 of the bonds of any issue shall exceed such cost, the surplus shall
21 be deposited to the credit of the sinking fund for such bonds, or
22 shall be used by the Authority in implementing any other power
23 expressly granted to the Authority in this act.

24 C. Prior to the preparation of definitive bonds, the Authority,
25 subject to like restrictions, may issue interim receipts or
26 temporary bonds, with or without coupons, exchangeable for
27 definitive bonds when such bonds have been executed and are
28 available for delivery. The Authority may also provide for the
29 replacement of any bonds which have become mutilated or were
30 destroyed or lost. Bonds may be issued pursuant to the provisions
31 of this act without obtaining the consent of any department,
32 division, commission, board, bureau, or agency of this state, and

1 without any other proceedings or the occurrence of any other
2 conditions or things other than those proceedings, conditions, or
3 things that are specifically required by this act; provided,
4 however, bonds and other obligations of the Authority shall be
5 subject to the provisions of Section 695.1 et seq. of Title 62 of
6 the Oklahoma Statutes.

7 D. The Authority is hereby authorized to provide that the
8 bonds:

9 1. Be made payable from time to time on demand or tender for
10 purchase by the owner provided a credit facility supports such
11 bonds, unless the Authority specifically determines that a credit
12 facility is not required;

13 2. Be additionally supported by a credit facility;

14 3. Be made subject to redemption prior to maturity, with or
15 without premium, on such notice and at such time or times and with
16 such redemption provisions as may be determined by the Authority or
17 with such variations as may be permitted in connection with a par
18 formula;

19 4. Bear interest at a rate or rates that may vary as permitted
20 pursuant to a par formula and for such period or periods of time,
21 all as may be determined by the Authority; and

22 5. Be made the subject of a remarketing agreement whereby an
23 attempt is made to remarket the bonds to new purchasers prior to
24 their presentment for payment to the provider of the credit facility
25 or to the Authority.

26 No credit facility, repayment agreement, par formula or
27 remarketing agreement shall become effective without the approval of
28 the Authority.

29 E. As used in this section, the following terms shall have the
30 following meanings:

31 1. "Credit facility" means an agreement entered into by the
32 Authority with any bank, savings and loan association or other

1 banking institution; an insurance company, reinsurance company,
2 surety company, or other insurance institution; a corporation,
3 investment banker or other investment institution; or any other
4 financial institution providing for prompt payment of all or any
5 part of the principal, whether at maturity, presentment for
6 purchase, redemption or acceleration, redemption premium, if any,
7 and interest on any bonds payable on demand or tender by the owner
8 issued in accordance with this section, in consideration of the
9 Authority's agreeing to repay the provider of such credit facility
10 in accordance with the terms and provisions of such repayment
11 agreement, provided, that any such repayment agreement shall provide
12 that the obligation of the Authority thereunder shall have only such
13 sources of payment as are permitted for the payment of the bonds
14 issued under this act; and

15 2. "Par formula" means any provision or formula adopted by the
16 Authority to provide for the adjustment, from time to time, of the
17 interest rate or rates borne by any such bonds so that the purchase
18 price of such bonds in the open market would be as close to par as
19 possible.

20 F. Any other provision of law notwithstanding, the Authority
21 shall have the right to issue bonds or other obligations the
22 interest income, in whole or in part, on which is subject, directly
23 or indirectly, to federal income taxation.

24 SECTION 25. NEW LAW A new section of law to be codified
25 in the Oklahoma Statutes as Section 5225 of Title 74, unless there
26 is created a duplication in numbering, reads as follows:

27 In the discretion of the Oklahoma Space Industry Development
28 Authority any bonds issued under the provisions of this act may be
29 secured by a trust agreement by and between the Authority and a
30 corporate trustee, which may be any trust company or bank having the
31 powers of a trust company within or without the state. The trust
32 agreement may pledge or assign the revenues to be received from the

1 project constructed by the use of the proceeds of the bonds, but
2 shall not convey or mortgage any project or any part thereof. The
3 trust agreement or resolution providing for the issuance of the
4 bonds may contain such provisions for protecting and enforcing the
5 rights and remedies of the bondholders as may be reasonable and
6 proper and not in violation of law, including covenants setting
7 forth the duties of the Authority in relation to the acquisition of
8 property and the construction, improvement, maintenance, repair,
9 operation and insurance of the project in connection with which the
10 bonds shall have been authorized, and the custody, safeguarding and
11 application of all monies, and provisions for the employment of
12 consulting engineers in connection with the construction or
13 operation of such project or projects. It shall be lawful for any
14 bank or trust company incorporated under the laws of the state which
15 may act as depository of the proceeds of bonds or of revenues to
16 furnish such indemnifying bonds or to pledge such securities as may
17 be required by the Authority. Any such trust agreement may set
18 forth the rights and remedies of the bondholders and of the trustee,
19 and may restrict the individual right of action by bondholders as is
20 customary in trust agreements or trust indentures securing bonds and
21 debentures of corporations. In addition to the foregoing any such
22 trust agreement may contain such other provisions as the Authority
23 may deem reasonable and proper for the security of the bondholders.
24 All expenses incurred in carrying out the provisions of the trust
25 agreement may be treated as a part of the cost of the operation of
26 the project or projects.

27 SECTION 26. NEW LAW A new section of law to be codified
28 in the Oklahoma Statutes as Section 5226 of Title 74, unless there
29 is created a duplication in numbering, reads as follows:

30 All monies received pursuant to the authority of this act,
31 whether as proceeds from the sale of bonds or as revenues, shall be
32 deemed to be trust funds, to be held and applied solely as provided

1 in this act. The resolution authorizing the bonds of any issue or
2 the trust agreement securing such bonds shall provide that any
3 officer to whom, or any bank or trust company to which, such money
4 shall be paid shall act as trustee of the monies and shall hold and
5 apply the same for the purposes hereof, subject to such regulations
6 as this act and such resolution or trust agreement may provide.

7 SECTION 27. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 5227 of Title 74, unless there
9 is created a duplication in numbering, reads as follows:

10 Any holder of bonds issued under the provisions of this act or
11 any of the coupons appertaining thereto, and the trustee under the
12 trust agreement, except to the extent the rights herein given may be
13 restricted by such trust agreement, may, either at law or in equity,
14 by suit, action, mandamus, or other proceeding protect and enforce
15 any and all rights under the laws of this state or granted hereunder
16 or under such trust agreement or the resolution authorizing the
17 issuance of such bonds, and may enforce and compel the performance
18 of all duties required by this act or by such trust agreement or
19 resolution to be performed by the Authority or by any officer
20 thereof.

21 SECTION 28. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 5228 of Title 74, unless there
23 is created a duplication in numbering, reads as follows:

24 Bonds issued under the provisions of this act are hereby made
25 securities in which all public officers and public bodies, agencies,
26 and instrumentalities of the state and its political subdivisions,
27 all banks, trust companies, trust and loan associations, investment
28 companies, and others carrying on a banking business, and all
29 insurance companies and insurance associations, and others carrying
30 on an insurance business, may legally and properly invest funds
31 including capital in their control or belonging to them.

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1 SECTION 29. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 5229 of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

4 The Oklahoma Space Industry Development Authority is authorized
5 in its discretion to file an application with the Supreme Court of
6 Oklahoma for the approval of any bonds to be issued hereunder, and
7 exclusive original jurisdiction is hereby conferred upon the Supreme
8 Court to hear and determine each such application. It shall be the
9 duty of the Court to give such applications precedence over the
10 other business of the Court and to consider and pass upon the
11 applications and any protests which may be filed thereto as speedily
12 as possible. Notice of the hearing on each application shall be
13 given by a notice published in a newspaper of general circulation in
14 this state that on a day named the Authority will ask the Court to
15 hear its application and approve the bonds. Such notice shall
16 inform all persons interested that they may file protests against
17 the issuance of the bonds and be present at the hearing and contest
18 the legality thereof. Such notice shall be published one time not
19 less than ten (10) days prior to the date named for the hearing and
20 the hearing may be adjourned from time to time in the discretion of
21 the Court. If the Court shall be satisfied that the bonds have been
22 properly authorized in accordance with this act and that when
23 issued, they will constitute valid obligations in accordance with
24 their terms, the Court shall render its written opinion approving
25 the bonds and shall fix the time within which a petition for
26 rehearing may be filed. The decision of the Court shall be a
27 judicial determination of the validity of the bonds, shall be
28 conclusive as to the Authority, its officers and agents, and
29 thereafter the bonds so approved and the revenues pledged to their
30 payment shall be incontestable in any court in this state.

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1 SECTION 30. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 5230 of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

4 A. The Oklahoma Space Industry Development Authority is hereby
5 authorized to provide by resolution for the issuance of revenue
6 refunding bonds of the Authority for the purpose of refunding any
7 bonds then outstanding which shall have been issued under the
8 provisions of this act including the payment of any redemption
9 premium thereon and any interest accrued or to accrue to the date of
10 redemption of such bonds, and, if the Authority shall so determine,
11 for the additional purpose of constructing improvements, extensions,
12 or enlargements of the project or projects in connection with which
13 the bonds to be refunded shall have been issued. The Authority is
14 further authorized to provide for the issuance of its revenue bonds
15 for the combined purpose of:

16 1. Refunding any bonds then outstanding which shall have been
17 issued under the provisions of this act, including the payment of
18 any redemption premium thereon and any interest accrued, or to
19 accrue to the date of redemption of such bonds; and

20 2. Paying all or any part of the cost of any additional project
21 or projects as authorized by this act. The issuance of such bonds,
22 the maturities and other details thereof, the rights of the holders
23 thereof, and the rights, duties, and obligations of the Authority in
24 respect of the same, shall be governed by the provisions of this act
25 insofar as the same may be applicable.

26 B. Bonds may be issued by the Authority under the provisions of
27 this section at any time prior to the maturity or maturities or the
28 date selected for the redemption of the bonds being refunded
29 thereby. Pending the application of the proceeds of such refunding
30 bonds, with any other available funds, to the payment of the
31 principal, accrued interest, and any redemption premium of the bonds
32 being refunded, and if so provided or permitted in the resolution

1 authorizing the issuance of such refunding bonds or in the trust
2 agreement securing the same, to the payment of any interest on such
3 refunding bonds, and any expenses in connection with such refunding,
4 such proceeds may be invested in direct obligations of, or
5 obligations the principal of and the interest on which are
6 unconditionally guaranteed by, the United States of America which
7 shall mature or which shall be subject to redemption by the holder
8 thereof at the option of such holder, not later than the respective
9 dates when the proceeds, together with the interest accruing
10 thereon, will be required for the purposes intended. In lieu of
11 such investments, all or any part of such proceeds may be placed in
12 interest bearing time deposits or other similar arrangements may be
13 made with regard thereto which will assure that such proceeds,
14 together with the interest accruing thereon, will be available when
15 required for the purposes intended.

16 SECTION 31. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 5231 of Title 74, unless there
18 is created a duplication in numbering, reads as follows:

19 The Oklahoma Space Industry Development Authority shall make and
20 submit to the Governor, within ninety (90) days of the close of the
21 Authority's fiscal year, a full report showing anticipated projects,
22 projects under construction and projects in operation, and the
23 financial condition of the Authority and the sinking fund of each
24 separate project, and such other information as the Governor shall
25 require. The annual financial statements must be audited and filed
26 in accordance with the requirements set forth for financial
27 statement audits in Section 212A of Title 74 of the Oklahoma
28 Statutes.

29 SECTION 32. NEW LAW A new section of law to be codified
30 in the Oklahoma Statutes as Section 5232 of Title 74, unless there
31 is created a duplication in numbering, reads as follows:

32

1 The exercise of the powers granted by this act to the Oklahoma
2 Space Industry Development Authority will be in all respects for the
3 benefit of the people of the state. The operation and maintenance
4 of projects by the Authority will constitute the performance of
5 essential governmental functions, and the Authority shall not be
6 required to pay any taxes or assessments upon any project or any
7 property acquired or used by the Authority under the provisions of
8 this act or upon the income therefrom, and the bonds issued under
9 the provisions of this act, their transfer and the income therefrom,
10 including any profit made on the sale thereof, shall at all times be
11 free from taxation within the state.

12 SECTION 33. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 5233 of Title 74, unless there
14 is created a duplication in numbering, reads as follows:

15 The Oklahoma Space Industry Development Authority shall have the
16 power to apply to the federal government for a grant allowing the
17 designation of any spaceport territory as a foreign trade zone.

18 SECTION 34. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 5234 of Title 74, unless there
20 is created a duplication in numbering, reads as follows:

21 No member of the Board of Directors shall be deemed to have an
22 interest in any contract of the Oklahoma Space Industry Development
23 Authority with any person by reason of the fact that such Board
24 member is related to such person or is a director, officer,
25 employee, stockholder, partner or agent of such person. Contracts
26 of the Authority with any such person shall not be invalid or
27 unenforceable by reason of such interest, provided that each member
28 of the Board shall have submitted to the Board a statement of the
29 member's interest in or relationship to such person prior to the
30 approval or authorization of the contract by the Authority. The
31 statement shall be maintained as part of the permanent record book
32

1 of the Authority for as long as the contract continues in effect and
2 for not less than one (1) year thereafter.

3 SECTION 35. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 5235 of Title 74, unless there
5 is created a duplication in numbering, reads as follows:

6 The Board of Directors or any aggrieved person may have recourse
7 to such remedies in law and equity as may be necessary to ensure
8 compliance with the provisions of this act, including injunctive
9 relief to enjoin or restrain any person from violating the
10 provisions of this act, and any rules, resolutions, procedures, and
11 orders adopted under this act. The court shall, upon proof of any
12 such violation, have the duty to issue temporary and permanent
13 injunctions as are necessary to prevent further violation thereof.
14 In case any building or structure is erected, constructed,
15 reconstructed, altered, repaired, converted or maintained, or any
16 building, structure, land or water is used, in violation of this
17 act, or of any rules, resolutions, procedures, or orders adopted
18 under authority conferred by this act or under law, the Board may
19 institute any appropriate action or proceeding to prevent such
20 unlawful erection, construction, reconstruction, alteration, repair,
21 conversion, maintenance or use, to restrain, correct or avoid such
22 violations, to prevent the occupancy of such building, structure,
23 land or water, and to prevent any illegal act, conduct, business or
24 use in or about such premises, land or water.

25 SECTION 36. NEW LAW A new section of law to be codified
26 in the Oklahoma Statutes as Section 5236 of Title 74, unless there
27 is created a duplication in numbering, reads as follows:

28 It is the intent of the Legislature and the public policy of
29 this state that women, minorities, and socially, physically and
30 economically disadvantaged business enterprises be encouraged to
31 participate fully in all phases of economic and community
32 development. Accordingly, to achieve such purpose, the Oklahoma

1 Space Industry Development Authority shall, in accordance with
2 applicable state and federal law, involve and utilize women,
3 minorities, and socially, physically and economically disadvantaged
4 business enterprises in all phases of the design, development,
5 construction, maintenance, and operation of spaceports developed
6 under this act.

7 SECTION 37. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 5237 of Title 74, unless there
9 is created a duplication in numbering, reads as follows:

10 If any provision of this act is in conflict with any other
11 provision, limitation, or restriction which is now in effect under a
12 law of this state or an ordinance of a local government, political
13 subdivision, or municipality, or a rule or regulation adopted under
14 such law or ordinance, this act controls.

15 SECTION 38. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 5238 of Title 74, unless there
17 is created a duplication in numbering, reads as follows:

18 The provisions of this act shall be liberally construed to
19 effect its purposes and shall be deemed cumulative, supplemental and
20 alternative authority for the exercise of the powers provided
21 herein.

22 SECTION 39. AMENDATORY Section 10, Chapter 345, O.S.L.
23 1996 (68 O.S. Supp. 1998, Section 500.10), is amended to read as
24 follows:

25 Section 500.10 Subject to the procedural requirements and
26 conditions set out in ~~Sections 10 through 17~~ this section and
27 Sections 500.11 through 500.17 of this ~~act~~ title, the following are
28 exempt from the tax imposed by Section 4 500.4 of this ~~act~~ title on
29 motor fuel:

30 1. Motor fuel for which proof of export is available in the
31 form of a terminal-issued destination state shipping paper:
32

- a. exported by a supplier who is licensed in the destination state, or
- b. sold by a supplier to a licensed exporter for immediate export;

2. Motor fuel which was acquired by an unlicensed exporter and as to which the tax imposed by Section 500.4 of this act title has previously been paid or accrued and was subsequently exported by transport truck by or on behalf of the licensed exporter in a diversion across state boundaries properly reported in conformity with Section ~~46~~ 500.46 of this ~~act~~ title;

3. Motor fuel exported out of a bulk plant in this state in a tank wagon if the destination of that vehicle does not exceed twenty-five (25) miles from the border of this state and as to which the tax imposed by Section 500.4 of this act title has previously been paid or accrued, subject to gallonage limits and other conditions established by the Oklahoma Tax Commission;

4. K-1 kerosene sold at retail through dispensers which have been designed and constructed to prevent delivery directly from the dispenser into a vehicle fuel supply tank, and K-1 kerosene sold at retail through nonbarricaded dispensers in quantities of not more than twenty-one (21) gallons for use other than for highway purposes, under such rules as the Tax Commission shall reasonably require;

5. Motor fuel sold to the United States or any agency or instrumentality thereof;

6. Motor fuel used solely and exclusively in district-owned public school vehicles or FFA and 4-H Club trucks for the purpose of legally transporting public school children, and motor fuel purchased by any school district for use exclusively in school buses leased or hired for the purpose of legally transporting public school children, or in the operation of vehicles used in driver training;

1 7. Motor fuel used solely and exclusively as fuel to propel
2 motor vehicles on the public roads and highways of this state, when
3 leased or owned and being operated for the sole benefit of a county,
4 city, town, a volunteer fire department with a state certification
5 and rating, rural electric cooperatives, rural water and sewer
6 districts, rural ambulance service districts, or federally
7 recognized Indian tribes;

8 8. Motor fuel used as fuel for farm tractors or stationary
9 engines owned or leased and operated by any person and used
10 exclusively for agricultural purposes, except as to two and eight
11 one-hundredths cents (\$0.0208) per gallon of gasoline as provided in
12 subsection C of Section 4 500.4 of this ~~act~~ title;

13 9. Gasoline, diesel fuel and kerosene sold for use as fuel to
14 generate power in aircraft engines, whether in aircraft or for
15 training, testing or research purposes of aircraft engines, except
16 as to eight one-hundredths of one cent (\$0.0008) per gallon as
17 provided in subsection B of Section 4 500.4 of this ~~act~~ title;

18 10. Motor fuel sold within an Indian reservation or within
19 Indian country by a federally recognized Indian tribe to a member of
20 that tribe and used in motor vehicles owned by that member of the
21 tribe. This exemption does not apply to sales within an Indian
22 reservation or within Indian country by a federally recognized
23 Indian tribe to non-Indian consumers or to Indian consumers who are
24 not members of the tribe selling the motor fuel;

25 11. Subject to determination by the Tax Commission, that
26 portion of diesel fuel:

27 a. used to operate equipment attached to a motor vehicle,
28 if the diesel fuel was placed into the fuel supply
29 tank of a motor vehicle that has a common fuel
30 reservoir for travel on a highway and for the
31 operation of equipment, or
32

1 b. consumed by the vehicle while the vehicle is parked
2 off the highways of this state;

3 12. Motor fuel acquired by a consumer out of state and carried
4 into this state, retained within and consumed from the same vehicle
5 fuel supply tank within which it was imported;

6 13. Diesel fuel used as heating oil, or in railroad locomotives
7 or any other motorized flanged-wheel rail equipment, or used for
8 other nonhighway purposes other than as expressly exempted under
9 another provision;

10 14. Motor fuel which was lost or destroyed as a direct result
11 of a sudden and unexpected casualty;

12 15. Taxable diesel which had been accidentally contaminated by
13 dye so as to be unsaleable as highway fuel as proved by proper
14 documentation; ~~and~~

15 16. Dyed diesel fuel; and

16 17. Motor fuel sold to the Oklahoma Space Industry Development
17 Authority or any spaceport user as defined in the Oklahoma Space
18 Industry Development Act.

19 SECTION 40. AMENDATORY Section 13, Chapter 345, O.S.L.
20 1996 (68 O.S. Supp. 1998, Section 500.13), is amended to read as
21 follows:

22 Section 500.13 The exemption for sales of motor fuel for use by
23 the United States or any agency or instrumentality thereof, as
24 provided in paragraph 5 of Section ~~40~~ 500.10 of this ~~act~~ title,
25 district-owned public school vehicles and buses or FFA and 4-H Club
26 trucks used for the purpose of legally transporting public school
27 children and in the operation of vehicles used in driver training,
28 as provided in paragraph 6 of Section ~~40~~ 500.10 of this ~~act~~ title,
29 ~~and~~ for use by a county, city, town, volunteer fire department,
30 rural electric cooperative, rural water and sewer district, rural
31 ambulance service district, or federally recognized Indian tribe, as
32 provided in paragraph 7 of Section ~~40~~ 500.10 of this ~~act~~ title, and

1 for use by the Oklahoma Space Industry Development Authority or any
2 spaceport user, as provided in paragraph 17 of Section 500.10 of
3 this title, shall be perfected as follows:

4 1. The ultimate vendor shall obtain a certificate signed by the
5 purchasing entity listed in this section setting forth:

- 6 a. the name and address of the purchasing entity,
- 7 b. the quantity of motor fuel, or if the certificate is
8 for all the motor fuel purchased by the purchasing
9 entity, the certificate shall be for a period not to
10 exceed three (3) years,
- 11 c. the exempt use of the motor fuel,
- 12 d. the name and address of the ultimate vendor from whom
13 the motor fuel was purchased,
- 14 e. the federal employer identification number of the
15 purchasing entity, and
- 16 f. a statement that the purchasing entity understands
17 that the fraudulent use of the certificate to obtain
18 fuel without paying the tax levied pursuant to Section
19 500.1 et seq. of this act title shall result in the
20 purchaser paying the tax, with penalties and interest,
21 as well as such other penalties provided in Section
22 500.1 et seq. of this act title;

23 2. The ultimate vendor, having obtained from the purchasing
24 entity the certificate, which the ultimate vendor shall retain for a
25 period of not less than three (3) years, shall execute an ultimate
26 vendor certificate which shall contain the following information:

- 27 a. the name and address of the ultimate vendor,
 - 28 b. the federal employment identification number of the
29 ultimate vendor,
 - 30 c. the quantity of motor fuel sold and the date of the
31 sale,
- 32

- 1 d. a certification that the ultimate vendor sold motor
2 fuel to the purchasing entity for the exempt purpose,
3 e. that the ultimate vendor has the necessary records to
4 support the sale of the motor fuel, and
5 f. that the ultimate vendor understands and agrees that
6 the fraudulent use of the certificate to obtain fuel
7 without paying the tax levied pursuant to Section
8 500.1 et seq. of this act title, or paying a refund of
9 the tax, whether for the ultimate vendor or others,
10 shall result in the payment of the tax by the ultimate
11 vendor, with penalties and interest, as well as such
12 other penalties provided in Section 500.1 et seq. of
13 this act title;

14 3. The ultimate vendor shall give the executed ultimate vendor
15 certificate to the supplier who, having made reasonable commercial
16 inquiries into the accuracy of the information in the certificate,
17 shall be eligible to claim a credit against the tax liability on the
18 ensuing monthly report of the supplier. As a condition of obtaining
19 the credit, the supplier shall credit or refund the tax to the
20 ultimate vendor who made the sale to the purchasing entity. If
21 there is an intermediate vendor, or vendors, in the distribution
22 chain between the supplier and the ultimate vendor, each vendor
23 shall endorse the certificate, subject to rules promulgated by the
24 Oklahoma Tax Commission, and transmit the certificate to the
25 supplier and remit the credit, once received, to the customer of the
26 intermediate vendor. The supplier and all vendors, if they accept
27 the certificate in good faith and make a reasonable inquiry as to
28 the accuracy of the information contained in the certificate, shall
29 be held harmless if the purchasing entity has made a fraudulent
30 claim; and

31 4. If the sale of motor fuel to the purchasing entity occurs at
32 a fixed retail pump available to the general public, the ultimate

1 vendor, having made the sale to the purchasing entity without the
2 tax, may apply for a refund from the Tax Commission by submitting
3 the application and supporting documentation as the Tax Commission
4 shall reasonably prescribe by regulation. However, if the purchase
5 is charged to a fleet or government fueling credit card, or to an
6 oil company credit card issued to the purchasing entity, the
7 ultimate vendor may bill the purchasing entity without the tax and
8 seek a refund, or utilize the provisions of paragraph 1, 2, or 3 of
9 this section if the issuer of the card is a supplier.

10 SECTION 41. AMENDATORY 68 O.S. 1991, Section 1356, as
11 last amended by Section 7, Chapter 385, O.S.L. 1998 (68 O.S. Supp.
12 1998, Section 1356), is amended to read as follows:

13 Section 1356. Exemptions - Governmental and nonprofit entities.

14 There are hereby specifically exempted from the tax levied by
15 Section 1350 et seq. of this article title:

16 1. Sale of tangible personal property or services to the United
17 States government or to the State of Oklahoma, any political
18 subdivision of this state or any agency of a political subdivision
19 of this state; provided, all sales to contractors in connection with
20 the performance of any contract with the United States government,
21 State of Oklahoma or any of its political subdivisions shall not be
22 exempted from the tax levied by this article, except as hereinafter
23 provided;

24 2. Sales of property to agents appointed by or under contract
25 with agencies or instrumentalities of the United States government
26 if ownership and possession of such property transfers immediately
27 to the United States government;

28 3. Sales of property to agents appointed by or under contract
29 with a political subdivision of this state if the sale of such
30 property is associated with the development of a qualified federal
31 facility, as provided in the Oklahoma Federal Facilities Development
32

1 Act, and if ownership and possession of such property transfers
2 immediately to the political subdivision or the state;

3 4. Sales made directly by county, district or state fair
4 authorities of this state, upon the premises of the fair authority,
5 for the sole benefit of the fair authority;

6 5. Sale of food in cafeterias or lunch rooms of elementary
7 schools, high schools, colleges or universities which are operated
8 primarily for teachers and pupils and are not operated primarily for
9 the public or for profit;

10 6. Dues paid to fraternal, religious, civic, charitable or
11 educational societies or organizations by regular members thereof,
12 provided, such societies or organizations operate under what is
13 commonly termed the lodge plan or system, and provided such
14 societies or organizations do not operate for a profit which inures
15 to the benefit of any individual member or members thereof to the
16 exclusion of other members and dues paid monthly or annually to
17 privately owned scientific and educational libraries by members
18 sharing the use of services rendered by such libraries with students
19 interested in the study of geology, petroleum engineering or related
20 subjects;

21 7. Sale of tangible personal property or services to or by
22 churches, except sales made in the course of business for profit or
23 savings, competing with other persons engaged in the same or a
24 similar business;

25 8. The amount of proceeds received from the sale of admission
26 tickets which is separately stated on the ticket of admission for
27 the repayment of money borrowed by any accredited state-supported
28 college or university for the purpose of constructing or enlarging
29 any facility to be used for the staging of an athletic event, a
30 theatrical production, or any other form of entertainment,
31 edification or cultural cultivation to which entry is gained with a
32 paid admission ticket. Such facilities include, but are not limited

1 to, athletic fields, athletic stadiums, field houses, amphitheaters
2 and theaters. To be eligible for this sales tax exemption, the
3 amount separately stated on the admission ticket shall be a
4 surcharge which is imposed, collected and used for the sole purpose
5 of servicing or aiding in the servicing of debt incurred by the
6 college or university to effect the capital improvements
7 hereinbefore described;

8 9. Sales of tangible personal property or services to the
9 council organizations or similar state supervisory organizations of
10 the Boy Scouts of America, Girl Scouts of U.S.A. and the Campfire
11 Boys and Girls shall be exempt from sales tax;

12 10. Sale of tangible personal property or services to any
13 county, municipality, rural water district, public school district,
14 the institutions of The Oklahoma State System of Higher Education,
15 the Grand River Dam Authority, the Northeast Oklahoma Public
16 Facilities Authority and the Oklahoma Municipal Power Authority, or
17 to any person with whom any of the above-named subdivisions or
18 agencies of this state has duly entered into a public contract
19 pursuant to law, necessary for carrying out such public contract or
20 to any subcontractor to such a public contract. Any person making
21 purchases on behalf of such subdivision or agency of this state
22 shall certify, in writing, on the copy of the invoice or sales
23 ticket to be retained by the vendor that the purchases are made for
24 and on behalf of such subdivision or agency of this state and set
25 out the name of such public subdivision or agency. Any person who
26 wrongfully or erroneously certifies that purchases are for any of
27 the above-named subdivisions or agencies of this state or who
28 otherwise violates this section shall be guilty of a misdemeanor and
29 upon conviction thereof shall be fined an amount equal to double the
30 amount of sales tax involved or incarcerated for not more than sixty
31 (60) days or both;

32

1 11. Sales of tangible personal property or services to private
2 institutions of higher education and private elementary and
3 secondary institutions of education accredited by the State
4 Department of Education or registered by the State Board of
5 Education for purposes of participating in federal programs or
6 accredited as defined by the Oklahoma State Regents for Higher
7 Education which are exempt from taxation pursuant to the provisions
8 of the Internal Revenue Code, 26 U.S.C., Section 501(c) (3),
9 including materials, supplies, and equipment used in the
10 construction and improvement of buildings and other structures owned
11 by the institutions and operated for educational purposes.

12 Any person, firm, agency or entity making purchases on behalf of
13 any institution, agency or subdivision in this state, shall certify
14 in writing, on the copy of the invoice or sales ticket the nature of
15 the purchases, and violation of this paragraph shall be a
16 misdemeanor as set forth in paragraph 10 of this section;

17 12. Tuition and educational fees paid to private institutions
18 of higher education and private elementary and secondary
19 institutions of education accredited by the State Department of
20 Education or registered by the State Board of Education for purposes
21 of participating in federal programs or accredited as defined by the
22 Oklahoma State Regents for Higher Education which are exempt from
23 taxation pursuant to the provisions of the Internal Revenue Code, 26
24 U.S.C., Section 501(c) (3);

25 13. Sales of tangible personal property made by:

- 26 a. a public school,
- 27 b. a private school offering instruction for grade levels
28 kindergarten through twelfth grade,
- 29 c. a public school district,
- 30 d. a public or private school board,
- 31 e. a public or private school student group or
32 organization,

- 1 f. a parent-teacher association or organization, or
- 2 g. public or private school personnel for purposes of
- 3 raising funds for the benefit of a public or private
- 4 school, public school district, public or private
- 5 school board or public or private school student group
- 6 or organization.

7 The exemption provided by this paragraph for sales made by a
8 public or private school shall be limited to those public or private
9 schools accredited by the State Department of Education or
10 registered by the State Board of Education for purposes of
11 participating in federal programs. Sale of tangible personal
12 property in this paragraph shall include sale of admission tickets
13 and concessions at athletic events;

14 14. Sales of tangible personal property by:

- 15 a. local 4-H clubs,
- 16 b. county, regional or state 4-H councils,
- 17 c. county, regional or state 4-H committees,
- 18 d. 4-H leader associations,
- 19 e. county, regional or state 4-H foundations, and
- 20 f. authorized 4-H camps and training centers.

21 The exemption provided by this paragraph shall be limited to
22 sales for the purpose of raising funds for the benefit of such
23 organizations. Sale of tangible personal property exempted by this
24 paragraph shall include sale of admission tickets;

25 15. The first Seventy-five Thousand Dollars (\$75,000.00) each
26 year from sale of tickets and concessions at athletic events by each
27 organization exempt from taxation pursuant to the provisions of the
28 Internal Revenue Code, 26 U.S.C., Section 501(c)(4);

29 16. Items or services which are subsequently given away by the
30 Oklahoma Tourism and Recreation Department as promotional items
31 pursuant to Section 1834 of Title 74 of the Oklahoma Statutes;

1 17. Sales of tangible personal property or services to fire
2 departments organized pursuant to Section 592 of Title 18 of the
3 Oklahoma Statutes which items are to be used for the purposes of the
4 fire department. Any person making purchases on behalf of any such
5 fire department shall certify, in writing, on the copy of the
6 invoice or sales ticket to be retained by the vendor that the
7 purchases are made for and on behalf of such fire department and set
8 out the name of such fire department. Any person who wrongfully or
9 erroneously certifies that the purchases are for any such fire
10 department or who otherwise violates the provisions of this section
11 shall be deemed guilty of a misdemeanor and upon conviction thereof,
12 shall be fined an amount equal to double the amount of sales tax
13 involved or incarcerated for not more than sixty (60) days, or both;

14 18. Complimentary or free tickets for admission to places of
15 amusement, sports, entertainment, exhibition, display or other
16 recreational events or activities which are issued through a box
17 office or other entity which is operated by a state institution of
18 higher education with institutional employees or by a municipality
19 with municipal employees;

20 19. The first Fifteen Thousand Dollars (\$15,000.00) each year
21 from sales of tangible personal property by fire departments
22 organized pursuant to Titles 11, 18, or 19 of the Oklahoma Statutes
23 for the purposes of raising funds for the benefit of the fire
24 department. Fire departments selling tangible personal property for
25 the purposes of raising funds shall be limited to no more than six
26 (6) days each year to raise such funds in order to receive the
27 exemption granted by this paragraph;

28 20. Sales of tangible personal property or services to any Boys
29 & Girls Clubs of America affiliate in this state which is not
30 affiliated with the Salvation Army and which is exempt from taxation
31 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,
32 Section 501(c) (3);

1 21. Sales of tangible personal property or services to any
2 organization, which takes court-adjudicated juveniles for purposes
3 of rehabilitation, and which is exempt from taxation pursuant to the
4 provisions of the Internal Revenue Code, 26 U.S.C., Section
5 501(c)(3), provided that at least fifty percent (50%) of the
6 juveniles served by such organization are court adjudicated and the
7 organization receives state funds in an amount less than ten percent
8 (10%) of the annual budget of the organization;

9 22. Sales of tangible personal property or services to:

10 a. any federally qualified community health center as
11 defined in Section 254c of Title 42 of the United
12 States Code,

13 b. any migrant health center as defined in Section 254b
14 of Title 42 of the United States Code,

15 c. any clinic receiving disbursements of state monies
16 from the Indigent Health Care Revolving Fund pursuant
17 to the provisions of Section 66 of Title 56 of the
18 Oklahoma Statutes, and

19 d. any community based health center which meets all of
20 the following criteria:

21 (1) provides primary care services at no cost to the
22 recipient, and

23 (2) is exempt from taxation pursuant to the
24 provisions of Section 501(c)(3) of the Internal
25 Revenue Code, 26 U.S.C., Section 501(c)(3);

26 23. Dues or fees, including free or complimentary dues or fees
27 which have a value equivalent to the charge that could have
28 otherwise been made, to YMCAs or YWCAs for the use of facilities and
29 programs;

30 24. The first Fifteen Thousand Dollars (\$15,000.00) each year
31 from sales of tangible personal property or services to or by a
32 cultural organization established to sponsor and promote

1 educational, charitable and cultural events for disadvantaged
2 children, and which organization is exempt from taxation pursuant to
3 the provisions of the Internal Revenue Code, 26 U.S.C., Section
4 501(c)(3);

5 25. Sales of tangible personal property or services to museums
6 or other entities which have been accredited by the American
7 Association of Museums. Any person making purchases on behalf of
8 any such museum or other entity shall certify, in writing, on the
9 copy of the invoice or sales ticket to be retained by the vendor
10 that the purchases are made for and on behalf of such museum or
11 other entity and set out the name of such museum or other entity.
12 Any person who wrongfully or erroneously certifies that the
13 purchases are for any such museum or other entity or who otherwise
14 violates the provisions of this paragraph shall be deemed guilty of
15 a misdemeanor and, upon conviction thereof, shall be fined an amount
16 equal to double the amount of sales tax involved or incarcerated for
17 not more than sixty (60) days, or by both such fine and
18 incarceration;

19 26. Sales of tickets for admission by any museum accredited by
20 the American Association of Museums. In order to be eligible for
21 the exemption provided by this paragraph, an amount equivalent to
22 the amount of the tax which would otherwise be required to be
23 collected pursuant to the provisions of Section 1350 et seq. of this
24 title shall be separately stated on the admission ticket and shall
25 be collected and used for the sole purpose of servicing or aiding in
26 the servicing of debt incurred by the museum to effect the
27 construction, enlarging or renovation of any facility to be used for
28 entertainment, edification or cultural cultivation to which entry is
29 gained with a paid admission ticket;

30 27. Sales of tangible personal property or services occurring
31 on or after June 1, 1995, to children's homes which are supported or
32

1 sponsored by one or more churches, members of which serve as
2 trustees of the home;

3 28. Sales of tangible personal property or services to the
4 organization known as the Disabled American Veterans, Department of
5 Oklahoma, Inc., and subordinate chapters thereof;

6 29. Sales of tangible personal property or services to youth
7 camps which are supported or sponsored by one or more churches,
8 members of which serve as trustees of the organization; ~~and~~

9 30. Transfer of tangible personal property made pursuant to
10 Section 3226 of Title 63 of the Oklahoma Statutes by the University
11 Hospitals Trust;

12 31. Sales of tangible personal property or services to any
13 spaceport user, as defined in the Oklahoma Space Industry
14 Development Act;

15 32. The sale, use, storage, consumption, or distribution in
16 this state, whether by the importer, exporter, or another person, of
17 any satellite or any associated launch vehicle, including components
18 of, and parts and motors for, any such satellite or launch vehicle,
19 imported or caused to be imported into this state for the purpose of
20 export by means of launching into space. This exemption provided by
21 this paragraph shall not be affected by:

- 22 a. the destruction in whole or in part of the satellite
- 23 or launch vehicle,
- 24 b. the failure of a launch to occur or be successful, or
- 25 c. the absence of any transfer or title to, or possession
- 26 of, the satellite or launch vehicle after launch;

27 33. The sale, lease, use, storage, consumption, or distribution
28 in this state of any space facility, space propulsion system or
29 space vehicle, satellite, or station of any kind possessing space
30 flight capacity, including components thereof;

31 34. The sale, lease, use, storage, consumption, or distribution
32 in this state of tangible personal property, placed on or used

1 aboard any space facility, space propulsion system or space vehicle,
2 satellite, or station possessing space flight capacity, which is
3 launched into space, irrespective of whether such tangible property
4 is returned to this state for subsequent use, storage, or
5 consumption in any manner;

6 35. The sale, lease, use, storage, consumption, or distribution
7 in this state of tangible personal property meeting the definition
8 of "section 38 property" as defined in Sections 48(a)(1)(A) and
9 (B)(i) of the Internal Revenue Code of 1986, that is an integral
10 part of and used primarily in support of space flight; however,
11 Section 38 property used in support of space flight shall not
12 include general office equipment, any boat, mobile home, motor
13 vehicle, or other vehicle of a class or type required to be
14 registered, licensed, titled, or documented in this state or by the
15 United States government, or any other property not specifically
16 suited to supporting space activity. The term "in support of space
17 flight", for purposes of this paragraph, means the altering,
18 monitoring, controlling, regulating, adjusting, servicing, or
19 repairing of any space facility, space propulsion systems or space
20 vehicle, satellite, or station possessing space flight capacity,
21 including the components thereof; and

22 36. The purchase or lease of machinery and equipment for use
23 at a fixed location in this state, which is used exclusively in the
24 manufacturing, processing, compounding, or producing of any space
25 facility, space propulsion system or space vehicle, satellite, or
26 station of any kind possessing space flight capacity. Provided, the
27 exemption provided for in this paragraph shall not be allowed unless
28 the purchaser or lessee signs an affidavit stating that the item or
29 items to be exempted are for the exclusive use designated herein.
30 Any person furnishing a false affidavit to the vendor for the
31 purpose of evading payment of any tax imposed by Section 1354 of
32 this title shall be subject to the penalties provided by law.

1 As used in this paragraph, "machinery and equipment" means "section
2 38 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the
3 Internal Revenue Code of 1986, which is used as an integral part of
4 the manufacturing, processing, compounding, or producing of items of
5 tangible personal property. Such term includes parts and
6 accessories only to the extent that the exemption thereof is
7 consistent with the provisions of this paragraph.

8 SECTION 42. AMENDATORY 68 O.S. 1991, Section 3202, as
9 amended by Section 48, Chapter 366, O.S.L. 1993 (68 O.S. Supp. 1998,
10 Section 3202), is amended to read as follows:

11 Section 3202. The tax imposed by Section 3201 of this title
12 shall not apply to:

13 1. Deeds recorded prior to the effective date of Sections 3201
14 through 3206 of this title;

15 2. Deeds which secure a debt or other obligation;

16 3. Deeds which, without additional consideration, confirm,
17 correct, modify or supplement a deed previously recorded;

18 4. Deeds between husband and wife, or parent and child, or any
19 persons related within the second degree of consanguinity, without
20 actual consideration therefor;

21 5. Tax deeds;

22 6. Deeds of release of property which is security for a debt or
23 other obligation;

24 7. Deeds executed by Indians in approval proceedings of the
25 district courts or by the Secretary of the Interior;

26 8. Deeds of partition, unless, for consideration, some of the
27 parties take shares greater in value than their undivided interests,
28 in which event a tax attaches to each deed conveying such greater
29 share computed upon the consideration for the excess;

30 9. Deeds made pursuant to mergers of partnerships, limited
31 liability companies or corporations;

32

1 10. Deeds made by a subsidiary corporation to its parent
2 corporation for no consideration other than the cancellation or
3 surrender of the subsidiary's stock;

4 11. Deeds or instruments to which the State of Oklahoma or any
5 of its instrumentalities, agencies or subdivisions is a party,
6 whether as grantee or as grantor or in any other capacity;

7 12. Deeds or instruments to which the United States or any of
8 its agencies or departments is a party, whether as grantor or as
9 grantee or in any other capacity, provided that this shall not
10 exempt transfers to or from national banks or federal savings and
11 loan associations; ~~or~~

12 13. Any deed executed pursuant to a foreclosure proceeding in
13 which the grantee is the holder of a mortgage on the property being
14 foreclosed, or any deed executed pursuant to a power of sale in
15 which the grantee is the party exercising such power of sale or any
16 deed executed in favor of the holder of a mortgage on the property
17 in consideration for the release of the borrower from liability on
18 the indebtedness secured by such mortgage except as to cash
19 consideration paid; provided, however, the tax shall apply to deeds
20 in other foreclosure actions, unless otherwise hereinabove exempted,
21 and shall be paid by the purchaser in such foreclosure actions; or

22 14. Deeds and other instruments to which the Oklahoma Space
23 Industry Development Authority or a spaceport user, as defined in
24 the Oklahoma Space Industry Development Act, is a party.

25 SECTION 43. This act shall become effective July 1, 1999.

26 SECTION 44. It being immediately necessary for the preservation
27 of the public peace, health and safety, an emergency is hereby
28 declared to exist, by reason whereof this act shall take effect and
29 be in full force from and after its passage and approval.

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31 47-1-15134 JB 6/11/15
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