

STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL 259

By: Fisher of the Senate

and

Roach of the House

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to public finance; amending Section 14, Chapter 30, O.S.L. 1997, as amended by Section 11, Chapter 161, O.S.L. 1998 (40 O.S. Supp. 1998, Section 3-109.1), which relates to unemployment contributions; extending rate reduction; deleting condition; amending 62 O.S. 1991, Section 690.3, as last amended by Section 2, Chapter 349, O.S.L. 1998 (62 O.S. Supp. 1998, Section 690.3), which relates to designation of enterprise zones; correcting language; clarifying membership of Enterprise Zone Application Review Committee; creating Oklahoma Disaster Relief Act; providing short title; allowing certain governmental entities to utilize employees and resources to provide disaster relief; specifying disaster relief; limiting disaster relief; making disaster relief duties applicable to only certain employees; limiting disciplinary actions and terminations for failure to participate; providing Legislative findings; amending Section 6, Chapter 349, O.S.L. 1998, which relates to effective date; extending effective date; providing an effective date; providing short title; providing for codification; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 14, Chapter 30, O.S.L. 1997, as amended by Section 11, Chapter 161, O.S.L. 1998 (40 O.S. Supp. 1998, Section 3-109.1), is amended to read as follows:

Section 3-109.1 RATE REDUCTION. Notwithstanding the provisions of Sections 3-103, 3-109, 3-110 and 3-113 of this title, for the time period beginning July 1, 1998, and ending December 31, ~~1999~~ 2001, the contribution rate assigned to an employer shall be reduced by fifty percent (50%). ~~Provided,~~ provided: the tax rate of

employers assigned a tax rate pursuant to Sections 3-103 and 3-110 of this title shall not be reduced to less than one percent (1%)~~Employers; employers~~ who qualify for an earned rate calculated pursuant to Section 3-109 of this title, and are given a rate of five and one-half percent (5.5%) shall be reduced to no less than five and four-tenths percent (5.4%)~~Employers; and employers~~ who qualify for an earned rate calculated pursuant to Section 3-109 of this title, and are given a rate of one-tenth of one percent (0.1%), shall be reduced to a rate of zero percent (0.0%). ~~This section shall become ineffective for any calendar year in which a conditional factor exists as specified in Section 3-113 of this title.~~

SECTION 2. AMENDATORY 62 O.S. 1991, Section 690.3, as last amended by Section 2, Chapter 349, O.S.L. 1998 (62 O.S. Supp. 1998, Section 690.3), is amended to read as follows:

Section 690.3 A. On July 1 of each year, the Oklahoma Department of Commerce shall designate as enterprise zones those counties which meet the criteria set out in subparagraph a of paragraph 5 of Section 690.2 of this title or cities or towns or areas contiguous to cities or towns which meet the criteria set out in subparagraph b of paragraph 5 of Section 690.2 of this title. The list shall also include all areas designated as federal enterprise zones which shall be Priority Enterprise Zones for three (3) years.

B. The Oklahoma Department of Commerce shall, within thirty (30) days following July 1 of each year, submit to the board of county commissioners of each county a list of the counties designated enterprise zones.

C. Upon application by an enterprise seeking to qualify for the benefits and incentives authorized by the provisions of the Oklahoma Enterprise Zone Act, the Oklahoma Department of Commerce may approve an enterprise for the benefits and incentives as provided by law.

In order for an enterprise to qualify for the benefits and incentives available pursuant to the Oklahoma Enterprise Zone Act, the enterprise must demonstrate to the Oklahoma Department of Commerce the following conditions in an application to the Department using a form prescribed by the Department for such purpose:

1. A need for the presence of the enterprise in the area within which the enterprise is located or proposes to locate, including, but not limited to, a need for:

- a. addition to market value of commercial or industrial real property in the enterprise zone,
- b. addition of jobs contributing to sustained and stable employment in the enterprise zone,
- c. a business activity with the likelihood of future expansion, or the ability to attract similar enterprises or enterprises the business purpose of which is compatible with the business purposes of the applicant, and
- d. a business activity compatible with existing social and economic conditions prevailing in the area in or around the enterprise zone as of the application date;

2. Organization of the enterprise, including, but not limited to a business plan, site plan, market study or other indications of an objectively determined basis upon which to locate the enterprise in the enterprise zone identified in the application;

3. Likelihood of business success as determined by the probable ability of the enterprise to maintain the employment level anticipated during relevant periods of time after business operations begin;

4. Local support for the applicant which may be established by:

- a. letters of support from county or municipal officials,

- b. documents evidencing support from residents of the area in which the enterprise proposes to locate,
- c. documents evidencing support from existing or other proposed business entities,
- d. documents evidencing support from local economic development organizations, including, but not limited to, councils of government, community action agencies, or other public authorities,
- e. the existence of tax or other economic incentives offered or proposed to be offered by the county or city or town in which the enterprise proposes to locate, or
- f. such other evidence or demonstration of support for the proposed location of the establishment within the enterprise zone as may be relevant for purposes of making the determination required by this section; and

5. The existing location of the enterprise in an enterprise zone as of the date of the application for benefits and incentives or the proposed location of the enterprise in an enterprise zone, with demonstrated ability to commence business operations in the enterprise zone within one (1) year from the date an application is approved.

D. The Oklahoma Department of Commerce shall promulgate rules concerning application procedures and requirements for an enterprise to qualify for benefits and incentives pursuant to the Oklahoma Enterprise Zone Act in accordance with the ~~Oklahoma~~ Administrative Procedures Act.

E. All applications submitted to the Oklahoma Department of Commerce shall be submitted to and evaluated by an Enterprise Zone Application Review Committee to be composed of three (3) persons who shall be:

- 1. The Chairman of the Oklahoma Tax Commission, or a designee;

2. The Director of the Oklahoma Department of Commerce, or a designee; and

3. The ~~Chairman~~ private sector co-chairman of Oklahoma Futures, or a designee.

F. The Enterprise Zone Application Review Committee shall evaluate all applications received by it. The applications shall be submitted not later than the sixth month of the fiscal year. The Committee shall have the authority to conduct hearings, in accordance with the Oklahoma Administrative Procedures Act, to hear testimony and to evaluate evidence in support of an application.

G. The Enterprise Zone Application Review Committee shall select, within each fiscal year, not more than five total enterprises in each enterprise zone to qualify for the incentives and benefits available pursuant to the Oklahoma Enterprise Zone Act. Applications may be approved for enterprise zones designated pursuant to each of subparagraphs a, b, and c of paragraph 5 of Section 690.2 of this title for each fiscal year beginning July 1, 1999.

H. The Enterprise Zone Application Review Committee shall notify the successful applicant in each category as identified in subsection G of this section by certified mail, return receipt requested, within five (5) working days of its decision. The notification shall also contain a certificate, a copy of which shall be forwarded to the Oklahoma Tax Commission, identifying the enterprise as a successful applicant pursuant to the application and evaluation process as provided by this section.

I. The process for determining enterprises eligible for the benefits and incentives available pursuant to the Oklahoma Enterprise Zone Act shall terminate by operation of law, unless renewed pursuant to action by the Legislature, on July 1, 2001.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2201 of Title 62, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Disaster Relief Act".

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2202 of Title 62, unless there is created a duplication in numbering, reads as follows:

In areas of this state that have been declared by the Federal Emergency Management Agency (FEMA) eligible for Public Assistance, state and local governmental entities, and any other entity expending public funds, are hereby authorized to use their employees, property, and other resources, pursuant to this section, to provide services on private land or homes to the extent necessary to aid in disaster relief. Disaster relief shall be designed to assist in removing health and safety hazards and returning homes to a safe and habitable level. The disaster relief shall be limited to the cleanup of debris and repair of damage caused by a natural disaster. The disaster relief shall not be utilized for work relating to general home improvements. No state or local governmental employee or employee of an entity expending public funds, pursuant to this section, shall be assigned to duties which include the provision of disaster relief services unless the employee's job description includes duties of the same type as are required to provide the disaster relief services or the employee voluntarily agrees to such assignment. Such employees shall not be disciplined or terminated for failure to participate in disaster relief. However, an employee whose job description includes duties of the same type as are required to provide disaster relief services are not exempt from disciplinary action or termination for failure to perform disaster relief duties at the request of his or her

employer. The Legislature finds that it is a public purpose to provide disaster relief pursuant to this section.

SECTION 5. AMENDATORY Section 6, Chapter 349, O.S.L. 1998, is amended to read as follows:

Section 6. Sections 1 through 4 of this act shall become effective July 1, ~~1999~~ 2000.

SECTION 6. This act shall become effective July 1, 1999.

SECTION 7. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

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