

STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL 720

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

and

Benson, Bonny, Askins,
Braddock, Bengé, Beutler,
Deutschendorf, Gilbert,
Kirby, McCarter, Piatt and
Tyler of the House

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to space industry development; enacting the Oklahoma Space Industry Development Act; defining terms; creating the Oklahoma Space Industry Development Authority and stating purpose; stating powers; making Authority subject to certain laws and providing exceptions; exempting Authority from certain laws; requiring certain cabinet secretaries to make certain determination and providing procedures; requiring certain elected officials to confer for certain purposes; requiring certain actions of Governor to activate Authority and appoint Board members; creating Board of Directors and providing for membership, appointments, terms, vacancies, removal from office, officers, meetings, compensation, and surety requirements; requiring employment of person as Treasurer, stating duties and powers, compensation, surety, and requiring audit of books; authorizing Board to select depositories and to invest funds in certain manner; stating powers and duties of Board; providing for acquisition of property by purchase or condemnation and procedures related thereto; prohibiting acquisition of real property by condemnation in excess of certain area; prescribing requirements and remedies; granting Authority exclusive power to regulate, manage, and operate spaceports and space launches; creating Spaceport Territory Advisory Council; providing for membership, delay in appointments, and defining duties; providing property description for spaceport territory; granting certain authority with certain restrictions to construct, develop, create, maintain and operate projects, furnish facilities and services, and collect charges within and without boundaries of spaceport territory; authorizing authority to enter into certain negotiations; granting certain authority to acquire, construct, control, and maintain roads within spaceport territory and requiring certain agreements where road is owned by another agency or jurisdiction; authorizing Board and Department of Transportation to

enter into certain agreements and contracts for construction and maintenance of roads within spaceport territory; authorizing departments, agencies and political subdivisions of the state to enter into cooperative agreements with the Authority for furnishing certain facilities and services; granting Board of Directors certain exclusive jurisdiction and powers and exempting certain land, property, and activities within spaceport from codes, ordinances, requirements, plans, regulations, permits, and licenses promulgated by counties or municipalities, and state or local land use regulations, zoning, safety, or building codes, and stating exceptions; authorizing Board for certain purposes to adopt, amend, repeal, and enforce comprehensive plan for spaceport territory and safety and sanitary codes; requiring permit from Board to construct, alter, repair, remove or demolish certain structures within spaceport territory; granting Board for certain purposes certain additional powers over structures, activities, and facilities within spaceport territory, including the ability to regulate air and water pollution and to create zones or districts within spaceport territories; authorizing Board to alter spaceport territory boundaries and stating procedures relating thereto; providing procedures for owners of land to exclude their land from spaceport territory; prohibiting establishment of new municipalities partly or wholly within spaceport territory and prohibiting annexation of spaceport territory unless certain consent is given; prohibiting extension of certain services by Authorities into certain areas unless certain offers are made; granting Authority power to establish, charge, and collect fees and enter into contracts for consideration for facilities and services provided, and pledge same as security for bonds it issues; providing for recovery of delinquent charges and related fees and costs and granting power to discontinue services; authorizing Authority to accept federal and other monies for certain purposes and to comply with certain provisions; authorizing Authority to issue revenue bonds, and determine principal, interest, rates, maturity, amounts, and form of bonds; deeming certain signatures as valid; providing for public or private sale and restricting discount; specifying use of proceeds and providing for issuance of additional bonds and use of surplus; authorizing issuance of interim receipts, temporary bonds and replacement bonds; exempting issuance from certain approval and making issuance subject to certain provisions; providing for use of credit facility, repayment agreement, par formula for setting rates, and remarketing agreement and requiring approval of Authority; defining terms; allowing Authority to issue bonds subject to federal income taxation; allowing bonds to be secured by trust agreements and stating provisions which trust agreement may include; deeming bond proceeds and revenue received by Authority as trust funds to be used for certain purposes; granting holder of bonds and trustee certain rights; making bonds securities in which certain entities may invest; providing procedures for

approval of bonds and judicial determination of validity; providing for refunding bonds and provisions relating thereto; requiring Authority to submit certain report and information to Governor and requiring audit and filing of annual financial statement; exempting assets, revenues, and properties of Authority from state and local taxes; granting certain tax exemptions; authorizing Authority to apply for foreign trade zone designation for spaceport territory; deeming certain contracts to be valid and authorizing board member to vote on certain contracts if member's interest in or relationship to contracting party is stated prior to approval or authorization of contract; providing remedies and penalties to ensure compliance with act; stating legislative intent concerning involvement of certain persons in spaceport initiatives; providing for conflict of laws; providing for liberal interpretation; amending Sections 10 and 13, Chapter 345, O.S.L. 1996, 68 O.S. 1991, Sections 1356, as last amended by Section 4 of Enrolled Senate Bill No. 694 of the 1st Session of the 47th Oklahoma Legislature, and 3202, as amended by Section 48, Chapter 366, O.S.L. 1993 (68 O.S. Supp. 1998, Sections 500.10, 500.13 and 3202), which relate to excise, sales and documentary stamp taxes; providing exemption from levy of certain motor fuel taxes; providing exemption from levy of sales taxes; specifying property and transactions exempt from levy; providing exemption from levy of documentary stamp tax; providing for codification; providing an effective date; and declaring an emergency.

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

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

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

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

As used in this act:

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

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

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

4. "Complementary activity" means any space business incubator, space tourism activity, or space-related research and development;

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

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

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

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

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

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

11. "Person" means individuals, children, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, nations, federal, state or local governments, government or other agencies, subdivisions of the

state, municipalities, counties, business entities, and all other groups or combinations;

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

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

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

15. "Spaceport" means any area of land or water, or any man-made object or facility located therein, developed by the Authority under this act and located within spaceport territory, which area is intended for public use, or for the launching, takeoff and landing of spacecraft and aircraft; such areas may include appurtenant areas which are used or intended for public use, for spaceport buildings or other spaceport facilities or for rights-of-way, or any space facility, space propulsion system, or station of any kind possessing space flight capacity;

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

17. "Spaceport territory" means the site of any launch pad and the geographic area contiguous thereto as determined by the Authority to be necessary to protect the area from health and safety hazards from the operation of the spaceport, but not to exceed the geographic areas designated in Section 13 of this act and as amended or changed in accordance with Section 20 of this act; and

18. "Spaceport user" means any person that uses the facilities or services of any spaceport. For the purposes of any exemptions or rights granted hereafter, the spaceport user shall be deemed a spaceport user only during the time period in which the person actually uses any spaceport, and such rights and exemptions shall be granted with respect to transactions relating to spaceport projects only.

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

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

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

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

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

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

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

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

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

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

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

7. Subject to the limitations prescribed by Section 10 of this act, acquire by condemnation land and such interest therein as may be necessary in its determination for the purpose of establishing, constructing, maintaining, or operating a spaceport;

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

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

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

11. Own, acquire, construct, reconstruct, equip, operate, maintain, collect fees for services provided, extend and improve public utilities within a spaceport territory, including the following: electric power plants, transmission lines and related facilities, gas mains and facilities of any nature for the production or distribution of natural gas or hydrogen, telephone lines and related plants and systems, other communication systems of any nature including closed-circuit, cable television and computer systems, transmission lines and related facilities and plants, and

facilities for the generation and transmission of power; and purchase electric power, natural gas and other sources of power for distribution within any spaceport territory;

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

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

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

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

16. Own, acquire, construct, reconstruct, equip, operate, maintain, collect fees for services provided, extend and improve

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

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

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

B. Any information held by the Authority which is a trade secret, as defined in the Uniform Trade Secrets Act, including trade secrets of the Authority, any spaceport user, or the space industry, is confidential and may not be disclosed. If the Authority determines that any information requested by the public will reveal a trade secret, it shall, in writing, inform the person making the request of that determination. The Authority may hold executive sessions, as authorized by the Oklahoma Open Meeting Act, when trade secrets are discussed, and any minutes, recordings, or notes from such sessions are deemed confidential.

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

D. The Authority shall be exempt from the provisions of the Public Competitive Bidding Act of 1974 and the competitive bidding

provisions set forth in Section 85.7 of Title 74 of the Oklahoma Statutes.

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

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

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

C. Upon memorialization of the motion to activate the Authority, the Governor shall take such actions as are required, including, but not limited to, the appointment of members of the Board of Directors, in order to create and activate the Authority. After the appointments of its board of directors, the Authority shall be legally authorized to perform all actions and exercise all powers provided to the Authority and to the Board of Directors by law.

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

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

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

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

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

D. The Governor shall designate a member to serve as chair of the Board who, if such person remains a member of the Board, shall serve as chair until the expiration of the three-year terms of those members of the Board appointed initially for three-year terms. Each subsequent chair shall be selected by the Board members and shall serve a two-year term.

E. 1. The Board shall hold its initial meeting no later than twenty (20) days after the members have been appointed. Meetings shall be held quarterly or more frequently at the call of the chair. A majority of the members on the Board shall constitute a quorum, and a majority vote of the members present is necessary for any action taken by the Board.

2. At its initial meeting, or as soon thereafter as is practicable, the Board shall appoint a chief executive officer. The Board shall determine the annual salary of the chief executive officer.

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

G. Before the issuance of any revenue bonds under the provisions of this act, each member of the Board shall execute a

surety bond in the penal sum of Twenty-five Thousand Dollars (\$25,000.00). Each such surety bond shall be conditioned upon the faithful performance of the duties of the member's office, shall be executed by a surety company authorized to transact business in the State of Oklahoma as surety, and shall be filed in the office of the Secretary of State.

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

A. The Board of Directors shall employ a person who is a resident of this state as treasurer of the Oklahoma Space Industry Development Authority, who shall have charge of the funds of the Authority. Such funds shall be disbursed only upon the order of or pursuant to the resolution of the Board by warrant, check, authorization or automatic deposit signed or authorized by the treasurer or the treasurer's representative or by such other persons as may be authorized by the Board. The Board may give the treasurer such other powers and duties as the Board may deem appropriate, and shall establish the treasurer's compensation. The Board shall require the treasurer to give a bond in a minimum amount of One Hundred Thousand Dollars (\$100,000.00) and on such terms and with such sureties as may be deemed satisfactory to the Board to secure the performance by the treasurer of the powers and duties of the treasurer. The Board shall audit or have audited the books of the treasurer at least once a year.

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

C. The Board of Directors may in its discretion invest funds of the Authority in the following:

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

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

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

4. Bonds or other interest-bearing obligations of any county, district, city or town located in this state for which the full faith and credit of such political subdivision is pledged; or

5. Any investment authorized for insurers under the Oklahoma Insurance Code.

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

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

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

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

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

4. Hire employees, including a person to act as the chief executive officer of the Authority with such duties and power as the Board may prescribe and designate up to five positions as being in the unclassified service;

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

6. Execute intergovernmental agreements as provided by law;

7. Establish reserve funds for future Board operations;

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

9. Prepare an annual report of operations.

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

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

B. 1. The Authority shall not acquire through the power of condemnation a total area of real property for purposes of

establishing a spaceport in excess of twenty-five (25) acres. The total acreage acquired by the Authority pursuant to the power of condemnation shall be specifically identified in the records of the Authority and the Authority shall maintain a separate record of such acreage open to public inspection. If the Authority attempts to acquire an area through the power of condemnation that would exceed the acreage limit provided by this subsection, the proceeding for such acquisition shall be subject to an order for a temporary injunction which may be issued ex parte. Upon an adequate showing of proof, the Authority shall be permanently enjoined from acquiring real property pursuant to its powers of condemnation if the acquisition would exceed the maximum acreage authorized by this subsection.

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

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

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

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

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

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

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

B. The members appointed to the Advisory Council shall serve at the pleasure of the appointing authority. The members of the Advisory Council shall serve without compensation, but may be reimbursed for the actual expenses of attending the meetings of the Advisory Council or the meetings of the Oklahoma Space Industry Development Authority.

C. The Advisory Council may assist and advise the Authority with respect to the establishment, operation and maintenance of facilities within a spaceport territory. The Advisory Council may make recommendations to the Authority regarding land use and development, municipal annexation, zoning, construction, safety

regulations and such other matters as may be relevant to land use and development within a spaceport territory.

D. No appointments to the Advisory Council shall be made until appointments to the Board of Directors of the Authority have been made as otherwise provided in this act.

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

Without limiting the ability of the Oklahoma Space Industry Development Authority to establish other space industry facilities, the following property shall constitute the geographic area within which the spaceport territory is to be established:

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

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

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

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

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

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

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

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

A. The Oklahoma Space Industry Development Authority shall have the power to construct, develop, create, maintain and operate its projects within the geographic limits of any spaceport territory,

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

Provided, the Authority may not exercise any of the powers authorized under paragraphs 11 through 16 of Section 4 of this act within any portion of a spaceport territory located within the boundaries of a municipality unless the Authority has entered into a cooperative agreement with the governing body of the municipality regarding the terms and conditions under which services or facilities may be offered or provided.

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

C. The Authority shall have the power to negotiate with governing bodies of political subdivisions located outside of the geographic limits of any spaceport territory agreements for the overflight or recovery of space vehicles or payloads and related materials, debris or parts.

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

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

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

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

A. The departments, agencies, and political subdivisions of this state are authorized to aid and cooperate with the Oklahoma Space Industry Development Authority in carrying out any of the

purposes and projects of the Authority and to enter into cooperative agreements with the Authority for such purposes. These agreements may include the furnishing by the Authority to the departments, agencies, or political subdivisions of this state of any of the facilities and services of the Authority. These agreements also may include the furnishing by the departments, agencies, or political subdivisions of this state to the Authority and to persons within a spaceport territory of facilities and services of the type that the Authority is authorized to furnish or undertake. Such cooperative agreements may provide for the furnishing by any county, municipality, or other political subdivision of this state of fire and police protection for the Authority and persons and property within the Authority.

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

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

Consistent with the laws of this state, and any other laws of this state to the contrary notwithstanding, the jurisdiction and powers of the Board of Directors within the spaceport territory with respect to the matters provided for in this act pertaining to the operation maintenance, and safety of the spaceport shall be exclusive of any and all codes, ordinances, requirements, plans or other regulations of the boards of county commissioners or of any other agency or authority of any county or municipality in this state. All land, properties and activities within any spaceport territory pertaining to the operation, maintenance, and safety of the spaceport, shall be exempt from any and all such codes,

ordinances, requirements, plans and regulations, and any and all requirements for building and construction permits and licenses pertaining to the same, promulgated by the boards of county commissioners of any county or city councils of any municipality in the state; provided, however, nothing herein shall exempt any general contractor, electrical contractor, builder, owner-builder or specialty contractor from the provisions and requirements of any laws of this state, with respect to examination and licensing, or from any of the fees and bonds required of such contractors or builders by law. The Board may by appropriate rule provide that any spaceport territory, or such areas or parts thereof pertaining to the operation, maintenance, and safety of the spaceport, as the Board may designate from time to time, shall, for such time or times as the Board may determine, remain or become subject to such county or municipal zoning, building and safety codes and regulations, and regulations and controls with respect to subdivisions and plats and the vacating thereof, or any of them, as the Board may determine. The jurisdiction and powers of the Board provided for herein shall within the spaceport territory also be exclusive of any law now or hereafter enacted provided for land use regulation, zoning or building codes by this state or any agency or authority of the state, and the provisions of any such law shall not be applicable within the territorial limits of any spaceport territory. The Board may exercise the powers granted to it in this section within the city limits of any municipality now or hereafter organized or existing within the limits of any spaceport territory.

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

For the purposes of operating, maintaining, and providing for the safety of a spaceport the Board of Directors shall have the power within any spaceport territory to:

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

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

3. Prohibit within any spaceport territory the construction, alteration, repair, removal or demolition, or the commencement of the construction, alteration, repair except for emergency repairs, removal or demolition, of any building or structure, including but not limited to, public utility poles, lines, pipes and facilities, without first obtaining a permit from the Board or such other officer or agency as the Board may designate, and to prescribe the procedure with respect to the obtaining of such permit; and

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

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

In addition to other powers granted by this act, for the purposes of operating, maintaining, and providing for the safety of

a spaceport the Board of Directors shall have the power within any spaceport territory to:

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

2. Adopt rules to prohibit or control the pollution of air and water, and to require certain location and placement of electrical power, telephone and other utility lines, cables, pipes and ducts; and

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

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

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

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

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

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

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

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

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

C. Any owner of land located within the geographic limits of the spaceport territory may within ninety (90) days following the initial meeting of the Board, held pursuant to Section 7 of this act, make written application to the Board to have the land of such owner excluded from the boundaries of the spaceport territory. In the event such written application is made within the ninety-day period, the Board shall exclude the land of such owner from the spaceport territory and revise the boundaries thereof accordingly. No application under this subsection shall be granted if made later than the ninety-day period.

D. Nothing in this section shall permit the annexation or exclusion of lands contrary to the terms, covenants or conditions of any of the bonds or obligations of the Oklahoma Space Industry Development Authority, or in any manner that would impair the security of the holders of any bonds or other obligations of the Authority.

E. No town, city or other municipality having any of the powers of the Authority, or any like powers, shall hereafter be organized or established by any proceedings under the general laws of this state if upon such organization or establishment the territorial limits of such municipality would lie wholly or partly within the geographic boundaries of any spaceport territory, except upon the consent in writing given by the owners of a majority in acreage of the lands within such spaceport territory proposed to be so incorporated within such municipality. No land within the geographic boundaries of any spaceport territory shall be annexed to or incorporated by any proceeding under any general or special law, now or hereafter enacted into any town, city or other municipality, now existing or hereafter created, except upon the consent in writing given by the owners of a majority in acreage of the lands within such spaceport territory to be so annexed or incorporated.

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

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

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

A. 1. To recover the costs of a spaceport facility or system, the Oklahoma Space Industry Development Authority shall have the power to prescribe, fix, establish, and collect rates, fees, rentals, tolls, fares, or other charges, hereinafter referred to as "revenues", and to revise the same from time to time, for the facilities and service furnished or to be furnished by the Authority and a spaceport, including, but not limited to, launch pads, ranges, payload assembly and processing facilities, visitor and tourist

facilities, transportation facilities, and parking and other related facilities, and shall have the power to provide for reasonable penalties against any user or property for any such rates, fees, rentals, tolls, fares, or other charges that are delinquent.

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

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

C. In the event that the rates, fees, rentals, tolls, fares, or other charges for the services and facilities of any project are not paid when due, the Authority shall have the power to discontinue and shut off the same until such rates, fees, rentals, tolls, fares, or other charges, including interest, penalties, and charges for the shutting off and discontinuance and the restoration of such services and facilities, are fully paid. Such delinquent rates, fees, rentals, tolls, fares, or other charges, together with interest, penalties, and charges for the shutting off and discontinuance and the restoration of such services and facilities, and reasonable attorney fees and other expenses, may be recovered by the Authority by suit in any court of competent jurisdiction. The Authority may

also enforce payment of such delinquent rates, fees, rentals, tolls, fares, or other charges by any other lawful method of enforcement.

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

A. Except as provided in subsection B of this section, the Oklahoma Space Industry Development Authority is authorized to accept and receive federal monies, and other monies, either public or private, for the acquisition, development, construction, enlargement, improvement, maintenance, equipment, or operation of spaceports and other facilities, and sites therefor, and to comply with the provisions of the laws of the United States and any rules and regulations made thereunder for the expenditure of federal monies upon such spaceports and other facilities.

B. The Authority is not authorized to accept or receive from any source whatsoever any monies under any terms or conditions which limit, curtail, or preempt the power or prerogatives of the state or its political subdivisions.

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

A. 1. The Oklahoma Space Industry Development Authority may provide by resolution, at one time or from time to time, for the issuance of revenue bonds of the Authority for the purpose of paying all or any part of the cost of any one or more projects. The Authority, when it finds that it would be economical and beneficial to do so, may combine two or more, or any part thereof, or all of its proposed projects into one unit and consider the same as one project to the same extent and with like effect as if the same were a single project.

2. The principal of and the interest on the bonds shall be payable solely from the funds provided for such payment. The bonds

of each issue shall be dated, shall bear interest at such rate or rates not exceeding the limitations pertaining to public trust indebtedness from time to time expressed in subsection F of Section 176 of Title 60 of the Oklahoma Statutes, shall mature at such time or times not exceeding forty (40) years from their date or dates, as may be determined by the Authority, and may be made redeemable before maturity at the option of the Authority at such price or prices and pursuant to such terms and conditions as may be fixed by the Authority prior to the issuance of the bonds.

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

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

5. All bonds issued pursuant to the provisions of this act shall have all the qualities and incidents of negotiable instruments subject to the negotiable instruments law of this state. The bonds may be issued in coupon or in registered form, or both, as the Authority may determine, and provisions may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The Authority may sell the bonds in such amounts and in such manner, either at public or private sale, and for such price, as it may determine to be in the best interest of this state, but in no event

at a discount in excess of that from time to time expressed in subsection F of Section 176 of Title 60 of the Oklahoma Statutes.

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

C. Prior to the preparation of definitive bonds, the Authority, subject to like restrictions, may issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery. The Authority may also provide for the replacement of any bonds which have become mutilated or were destroyed or lost. Bonds may be issued pursuant to the provisions of this act without obtaining the consent of any department, division, commission, board, bureau, or agency of this state, and without any other proceedings or the occurrence of any other conditions or things other than those proceedings, conditions, or things that are specifically required by this act; provided, however, bonds and other obligations of the Authority shall be

subject to the provisions of Section 695.1 et seq. of Title 62 of the Oklahoma Statutes.

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

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

2. Be additionally supported by a credit facility;

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

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

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

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

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

1. "Credit facility" means an agreement entered into by the Authority with any bank, savings and loan association or other banking institution; an insurance company, reinsurance company, surety company, or other insurance institution; a corporation, investment banker or other investment institution; or any other financial institution providing for prompt payment of all or any

part of the principal, whether at maturity, presentment for purchase, redemption or acceleration, redemption premium, if any, and interest on any bonds payable on demand or tender by the owner issued in accordance with this section, in consideration of the Authority's agreeing to repay the provider of such credit facility in accordance with the terms and provisions of such repayment agreement, provided, that any such repayment agreement shall provide that the obligation of the Authority thereunder shall have only such sources of payment as are permitted for the payment of the bonds issued under this act; and

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

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

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

In the discretion of the Oklahoma Space Industry Development Authority, any bonds issued under the provisions of this act may be secured by a trust agreement by and between the Authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without this state. The trust agreement may pledge or assign the revenues to be received from the project constructed by the use of the proceeds of the bonds, but shall not convey or mortgage any project or any part thereof. The trust agreement or resolution providing for the issuance of the bonds may contain such provisions for protecting and enforcing the

rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the Authority in relation to the acquisition of property and the construction, improvement, maintenance, repair, operation and insurance of the project in connection with which the bonds shall have been authorized, and the custody, safeguarding and application of all monies, and provisions for the employment of consulting engineers in connection with the construction or operation of such project or projects. It shall be lawful for any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of bonds or of revenues to furnish such indemnifying bonds or to pledge such securities as may be required by the Authority. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders as is customary in trust agreements or trust indentures securing bonds and debentures of corporations. In addition to the foregoing, any such trust agreement may contain such other provisions as the Authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of the trust agreement may be treated as a part of the cost of the operation of the project or projects.

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

All monies received pursuant to the authority of this act, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds, to be held and applied solely as provided in this act. The resolution authorizing the bonds of any issue or the trust agreement securing such bonds shall provide that any officer to whom, or any bank or trust company to which, such money shall be paid shall act as trustee of the monies and shall hold and

apply the same for the purposes hereof, subject to such regulations as this act and such resolution or trust agreement may provide.

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

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

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

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

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

The Oklahoma Space Industry Development Authority is authorized in its discretion to file an application with the Supreme Court of

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

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

A. The Oklahoma Space Industry Development Authority is hereby authorized to provide by resolution for the issuance of revenue refunding bonds of the Authority for the purpose of refunding any bonds then outstanding which shall have been issued under the

provisions of this act including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and, if the Authority shall so determine, for the additional purpose of constructing improvements, extensions, or enlargements of the project or projects in connection with which the bonds to be refunded shall have been issued. The Authority is further authorized to provide for the issuance of its revenue bonds for the combined purpose of:

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

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

B. Bonds may be issued by the Authority under the provisions of this section at any time prior to the maturity or maturities or the date selected for the redemption of the bonds being refunded thereby. Pending the application of the proceeds of such refunding bonds, with any other available funds, to the payment of the principal, accrued interest, and any redemption premium of the bonds being refunded, and if so provided or permitted in the resolution authorizing the issuance of such refunding bonds or in the trust agreement securing the same, to the payment of any interest on such refunding bonds, and any expenses in connection with such refunding, such proceeds may be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America which shall mature or which shall be subject to redemption by the holder

thereof at the option of such holder, not later than the respective dates when the proceeds, together with the interest accruing thereon, will be required for the purposes intended. In lieu of such investments, all or any part of such proceeds may be placed in interest bearing time deposits or other similar arrangements may be made with regard thereto which will assure that such proceeds, together with the interest accruing thereon, will be available when required for the purposes intended.

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

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

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

The exercise of the powers granted by this act to the Oklahoma Space Industry Development Authority will be in all respects for the benefit of the people of the state. The operation and maintenance of projects by the Authority will constitute the performance of essential governmental functions, and the Authority shall not be required to pay any taxes or assessments upon any project or any property acquired or used by the Authority under the provisions of this act or upon the income therefrom, and the bonds issued under

the provisions of this act, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation within the state.

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

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

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

No member of the Board of Directors shall be deemed to have an interest in any contract of the Oklahoma Space Industry Development Authority with any person by reason of the fact that such Board member is related to such person or is a director, officer, employee, stockholder, partner or agent of such person. Contracts of the Authority with any such person shall not be invalid or unenforceable by reason of such interest, provided that each member of the Board shall have submitted to the Board a statement of the member's interest in or relationship to such person prior to the approval or authorization of the contract by the Authority. The statement shall be maintained as part of the permanent record book of the Authority for as long as the contract continues in effect and for not less than one (1) year thereafter.

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

The Board of Directors or any aggrieved person may have recourse to such remedies in law and equity as may be necessary to ensure compliance with the provisions of this act, including injunctive relief to enjoin or restrain any person from violating the

provisions of this act, and any rules, resolutions, procedures, and orders adopted under this act. The court shall, upon proof of any such violation, have the duty to issue temporary and permanent injunctions as are necessary to prevent further violation thereof. In case any building or structure is erected, constructed, reconstructed, altered, repaired, converted or maintained, or any building, structure, land or water is used, in violation of this act, or of any rules, resolutions, procedures, or orders adopted under authority conferred by this act or under law, the Board may institute any appropriate action or proceeding to prevent such unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance or use, to restrain, correct or avoid such violations, to prevent the occupancy of such building, structure, land or water, and to prevent any illegal act, conduct, business or use in or about such premises, land or water.

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

It is the intent of the Legislature and the public policy of this state that women, minorities, and socially, physically and economically disadvantaged business enterprises be encouraged to participate fully in all phases of economic and community development. Accordingly, to achieve such purpose, the Oklahoma Space Industry Development Authority shall, in accordance with applicable state and federal law, involve and utilize women, minorities, and socially, physically and economically disadvantaged business enterprises in all phases of the design, development, construction, maintenance, and operation of spaceports developed under this act.

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

If any provision of this act is in conflict with any other provision, limitation, or restriction pertaining to areas located within the spaceport territory which is now in effect under a law of this state or an ordinance of a local government, political subdivision, or municipality, or a rule or regulation adopted under such law or ordinance, this act controls.

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

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

SECTION 38. AMENDATORY Section 10, Chapter 345, O.S.L. 1996 (68 O.S. Supp. 1998, Section 500.10), is amended to read as follows:

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

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

- 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;

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

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

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

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

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

- a. used to operate equipment attached to a motor vehicle, if the diesel fuel was placed into the fuel supply tank of a motor vehicle that has a common fuel reservoir for travel on a highway and for the operation of equipment, or
- b. consumed by the vehicle while the vehicle is parked off the highways of this state;

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

13. Diesel fuel used as heating oil, or in railroad locomotives or any other motorized flanged-wheel rail equipment, or used for

other nonhighway purposes other than as expressly exempted under another provision;

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

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

16. Dyed diesel fuel; and

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

SECTION 39. AMENDATORY Section 13, Chapter 345, O.S.L. 1996 (68 O.S. Supp. 1998, Section 500.13), is amended to read as follows:

Section 500.13 The exemption for sales of motor fuel for use by the United States or any agency or instrumentality thereof, as provided in paragraph 5 of Section ~~40~~ 500.10 of this ~~act~~ title, district-owned public school vehicles and buses or FFA and 4-H Club trucks used for the purpose of legally transporting public school children and in the operation of vehicles used in driver training, as provided in paragraph 6 of Section ~~40~~ 500.10 of this ~~act~~ title, ~~and~~ for use by a county, city, town, volunteer fire department, rural electric cooperative, rural water and sewer district, rural ambulance service district, or federally recognized Indian tribe, as provided in paragraph 7 of Section ~~40~~ 500.10 of this ~~act~~ title, and for use by the Oklahoma Space Industry Development Authority or any spaceport user, as provided in paragraph 17 of Section 500.10 of this title, shall be perfected as follows:

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

a. the name and address of the purchasing entity,

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

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

- a. the name and address of the ultimate vendor,
- b. the federal employment identification number of the ultimate vendor,
- c. the quantity of motor fuel sold and the date of the sale,
- d. a certification that the ultimate vendor sold motor fuel to the purchasing entity for the exempt purpose,
- e. that the ultimate vendor has the necessary records to support the sale of the motor fuel, and
- f. that the ultimate vendor understands and agrees that the fraudulent use of the certificate to obtain fuel without paying the tax levied pursuant to Section

500.1 et seq. of this act title, or paying a refund of the tax, whether for the ultimate vendor or others, shall result in the payment of the tax by the ultimate vendor, with penalties and interest, as well as such other penalties provided in Section 500.1 et seq. of this act title;

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

4. If the sale of motor fuel to the purchasing entity occurs at a fixed retail pump available to the general public, the ultimate vendor, having made the sale to the purchasing entity without the tax, may apply for a refund from the Tax Commission by submitting the application and supporting documentation as the Tax Commission shall reasonably prescribe by regulation. However, if the purchase is charged to a fleet or government fueling credit card, or to an oil company credit card issued to the purchasing entity, the ultimate vendor may bill the purchasing entity without the tax and

seek a refund, or utilize the provisions of paragraph 1, 2, or 3 of this section if the issuer of the card is a supplier.

SECTION 40. AMENDATORY 68 O.S. 1991, Section 1356, as last amended by Section 4 of Enrolled Senate Bill No. 694 of the 1st Session of the 47th Oklahoma Legislature, is amended to read as follows:

Section 1356. Exemptions - Governmental and nonprofit entities.

There are hereby specifically exempted from the tax levied by this article:

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

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

3. Sales of property to agents appointed by or under contract with a political subdivision of this state if the sale of such property is associated with the development of a qualified federal facility, as provided in the Oklahoma Federal Facilities Development Act, and if ownership and possession of such property transfers immediately to the political subdivision or the state;

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

5. Sale of food in cafeterias or lunch rooms of elementary schools, high schools, colleges or universities which are operated

primarily for teachers and pupils and are not operated primarily for the public or for profit;

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

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

8. The amount of proceeds received from the sale of admission tickets which is separately stated on the ticket of admission for the repayment of money borrowed by any accredited state-supported college or university for the purpose of constructing or enlarging any facility to be used for the staging of an athletic event, a theatrical production, or any other form of entertainment, edification or cultural cultivation to which entry is gained with a paid admission ticket. Such facilities include, but are not limited to, athletic fields, athletic stadiums, field houses, amphitheaters and theaters. To be eligible for this sales tax exemption, the amount separately stated on the admission ticket shall be a surcharge which is imposed, collected and used for the sole purpose of servicing or aiding in the servicing of debt incurred by the college or university to effect the capital improvements hereinbefore described;

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

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

11. Sales of tangible personal property or services to private institutions of higher education and private elementary and secondary institutions of education accredited by the State Department of Education or registered by the State Board of Education for purposes of participating in federal programs or accredited as defined by the Oklahoma State Regents for Higher Education which are exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c) (3),

including materials, supplies, and equipment used in the construction and improvement of buildings and other structures owned by the institutions and operated for educational purposes.

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

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

13. Sales of tangible personal property made by:

- a. a public school,
- b. a private school offering instruction for grade levels kindergarten through twelfth grade,
- c. a public school district,
- d. a public or private school board,
- e. a public or private school student group or organization,
- f. a parent-teacher association or organization, or
- g. public or private school personnel for purposes of raising funds for the benefit of a public or private school, public school district, public or private school board or public or private school student group or organization.

The exemption provided by this paragraph for sales made by a public or private school shall be limited to those public or private

schools accredited by the State Department of Education or registered by the State Board of Education for purposes of participating in federal programs. Sale of tangible personal property in this paragraph shall include sale of admission tickets and concessions at athletic events;

14. Sales of tangible personal property by:

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

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

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

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

17. Sales of tangible personal property or services to fire departments organized pursuant to Section 592 of Title 18 of the Oklahoma Statutes which items are to be used for the purposes of the fire department. Any person making purchases on behalf of any such fire department shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the purchases are made for and on behalf of such fire department and set out the name of such fire department. Any person who wrongfully or erroneously certifies that the purchases are for any such fire

department or who otherwise violates the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be fined an amount equal to double the amount of sales tax involved or incarcerated for not more than sixty (60) days, or both;

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

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

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

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

22. Sales of tangible personal property or services to:

- a. any federally qualified community health center as defined in Section 254c of Title 42 of the United States Code,
- b. any migrant health center as defined in Section 254b of Title 42 of the United States Code,
- c. any clinic receiving disbursements of state monies from the Indigent Health Care Revolving Fund pursuant to the provisions of Section 66 of Title 56 of the Oklahoma Statutes, and
- d. any community based health center which meets all of the following criteria:
 - (1) provides primary care services at no cost to the recipient, and
 - (2) is exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3);

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

24. The first Fifteen Thousand Dollars (\$15,000.00) each year from sales of tangible personal property or services to or by a cultural organization established to sponsor and promote educational, charitable and cultural events for disadvantaged children, and which organization is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3);

25. Sales of tangible personal property or services to museums or other entities which have been accredited by the American Association of Museums. Any person making purchases on behalf of any such museum or other entity shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor

that the purchases are made for and on behalf of such museum or other entity and set out the name of such museum or other entity. Any person who wrongfully or erroneously certifies that the purchases are for any such museum or other entity or who otherwise violates the provisions of this paragraph shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined an amount equal to double the amount of sales tax involved or incarcerated for not more than sixty (60) days, or by both such fine and incarceration;

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

27. Sales of tangible personal property or services occurring on or after June 1, 1995, to children's homes which are supported or sponsored by one or more churches, members of which serve as trustees of the home;

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

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

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

31. Sales of tangible personal property or services to a municipality, county or school district pursuant to a lease or lease-purchase agreement executed between the vendor and a municipality, county or school district. A copy of the lease or lease-purchase agreement shall be retained by the vendor;

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

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

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

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

35. The sale, lease, use, storage, consumption, or distribution in this state of tangible personal property, placed on or used aboard any space facility, space propulsion system or space vehicle, satellite, or station possessing space flight capacity, which is launched into space, irrespective of whether such tangible property

is returned to this state for subsequent use, storage, or consumption in any manner;

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

37. The purchase or lease of machinery and equipment for use at a fixed location in this state, which is used exclusively in the manufacturing, processing, compounding, or producing of any space facility, space propulsion system or space vehicle, satellite, or station of any kind possessing space flight capacity. Provided, the exemption provided for in this paragraph shall not be allowed unless the purchaser or lessee signs an affidavit stating that the item or items to be exempted are for the exclusive use designated herein. Any person furnishing a false affidavit to the vendor for the purpose of evading payment of any tax imposed by Section 1354 of this title shall be subject to the penalties provided by law. As used in this paragraph, "machinery and equipment" means "section 38 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the Internal Revenue Code of 1986, which is used as an integral part of

the manufacturing, processing, compounding, or producing of items of tangible personal property. Such term includes parts and accessories only to the extent that the exemption thereof is consistent with the provisions of this paragraph.

SECTION 41. AMENDATORY 68 O.S. 1991, Section 3202, as amended by Section 48, Chapter 366, O.S.L. 1993 (68 O.S. Supp. 1998, Section 3202), is amended to read as follows:

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

1. Deeds recorded prior to the effective date of Sections 3201 through 3206 of this title;
2. Deeds which secure a debt or other obligation;
3. Deeds which, without additional consideration, confirm, correct, modify or supplement a deed previously recorded;
4. Deeds between husband and wife, or parent and child, or any persons related within the second degree of consanguinity, without actual consideration therefor;
5. Tax deeds;
6. Deeds of release of property which is security for a debt or other obligation;
7. Deeds executed by Indians in approval proceedings of the district courts or by the Secretary of the Interior;
8. Deeds of partition, unless, for consideration, some of the parties take shares greater in value than their undivided interests, in which event a tax attaches to each deed conveying such greater share computed upon the consideration for the excess;
9. Deeds made pursuant to mergers of partnerships, limited liability companies or corporations;
10. Deeds made by a subsidiary corporation to its parent corporation for no consideration other than the cancellation or surrender of the subsidiary's stock;

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

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

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

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

SECTION 42. This act shall become effective July 1, 1999.

SECTION 43. 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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