

ENGROSSED HOUSE  
BILL NO. 2010

By: Roach, Ervin,  
Deutschendorf, Covey,  
Turner, Braddock, Corn and  
McCarter of the House

and

Fisher of the Senate

( economic development - Rural Venture Capital  
Formation Incentive Act - tax credits for  
investments - amending 62 O.S., Sections 690.2,  
690.3 and 690.20 - Oklahoma Enterprise Zone Act -  
codification - noncodification - effective dates -  
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 2357.71 of Title 68, unless  
there is created a duplication in numbering, reads as follows:

Sections 1 through 6 of this act shall be known and may be cited  
as the "Rural Venture Capital Formation Incentive Act".

SECTION 2. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 2357.72 of Title 68, unless  
there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Acquisition" means the use of capital by an Oklahoma rural  
small business venture within six (6) months after obtaining the  
capital to purchase fifty-one percent (51%) or more of the voting  
interest entitled to elect the governing board, or its equivalent,  
of any other legal entity, regardless of the legal form of the

entity. As used in this act, "acquisition" does not mean the right to participate in the proceeds from sale of goods or services, whether denominated a royalty, royalty interest or otherwise, and does not mean the right to intellectual property, whether the rights arise from copyright, trademark or patent law;

2. "Capitalization" means a contractual commitment to provide funds with substantial economic penalties for breach of the commitment to provide such funds;

3. "Equity and near-equity security" means common stock, preferred stock, warrants or other rights to subscribe to stock or its equivalent, or an interest in a partnership, or subordinated debt that is convertible into, or entitles the holder to receive upon its exercise, common stock, preferred stock, royalty interest, or an interest in a partnership;

4. "Financial lending institution" means a bank, credit union, savings and loan, commercial finance company or other entity principally engaged in the extension of credit;

5. "Oklahoma rural small business venture" means a business, incorporated or unincorporated, which:

- a. has or will have, immediately after a loan or investment is made by a qualified rural small business capital company, at least fifty percent (50%) of its employees or assets located in Oklahoma,
- b. needs financial assistance in order to commence or expand such business which provides or intends to provide goods or services,
- c. has its principal place of business within a nonmetropolitan area of the state and conducts the activity resulting in at least seventy-five percent (75%) of its gross annual revenue from a nonmetropolitan area of the state,

- d. is engaged in a lawful business activity under any Industry Number appearing under any Major Group Number of Divisions A, B, C, D, E, F or I of the Standard Industrial Classification Manual, 1987 revision, and
- e. qualifies as a small business as defined by the federal Small Business Administration;

6. "Qualified investment" means "equity" and "near-equity" as defined in paragraph 3 of this section or "subordinated debt" as defined in paragraph 8 of this section;

7. "Qualified rural small business capital company" means a C corporation or a subchapter S corporation, as defined by the Internal Revenue Code of 1986, as amended, incorporated pursuant to the laws of Oklahoma, limited liability company or a registered business partnership with a certificate of partnership filed as required by law, which meets the following criteria:

- a. the corporation, limited liability company or partnership is organized to provide the direct investment of equity and near-equity funds to rural small business entities within this state,
- b. the principal place of business of the corporation, limited liability company or partnership is located within this state,
- c. the capitalization of the corporation, limited liability company or partnership is not less than Five Hundred Thousand Dollars (\$500,000.00), and
- d. the corporation, limited liability company or partnership has investment of not more than twenty-five percent (25%) of its funds in any one company; and

8. "Subordinated debt" means indebtedness that is subordinated to all other indebtedness of the issuer that has been issued or is to be issued to a financial lending institution.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.73 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For taxable years beginning after December 31, 2000, and before January 1, 2008, there shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for qualified investment in qualified rural small business capital companies.

B. The credit provided for in subsection A of this section shall be thirty percent (30%) of the cash amount invested in qualified rural small business capital companies and may only be claimed for a taxable year during which the qualified rural small business capital company invests funds in an Oklahoma rural small business venture and the credit shall be allowed for the amount of funds invested in an Oklahoma rural small business venture. If the tax credit exceeds the amount of taxes due or if there are no state taxes due of the taxpayer, the amount of the claim not used as an offset against the taxes of a taxable year may be carried forward for a period not to exceed ten (10) taxable years.

C. No taxpayer may claim the credit provided for in this section for investments in qualified rural small business capital companies made prior to January 1, 2001.

D. No taxpayer may claim the credit provided for in this section if the capital provided by a qualified rural small business capital company is used by an Oklahoma rural small business venture for the acquisition of any other legal entity.

E. No financial lending institution shall be eligible to claim the credit provided for in this section.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.74 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For taxable years beginning after December 31, 2000, and before January 1, 2008, there shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for qualified investment made in Oklahoma rural small business ventures in conjunction with investment in such ventures made by a qualified rural small business capital company.

B. The credit provided for in this section shall be thirty percent (30%) of the cash amount of qualified investment made in Oklahoma rural small business ventures in conjunction with investment in such ventures made by a qualified rural small business capital company and shall be allowed for a taxable year during which the investment is made in an Oklahoma rural small business venture. If the tax credit allowed pursuant to subsection A of this section exceeds the amount of taxes due or if there are no state taxes due of the taxpayer, the amount of the claim not used as an offset against the taxes of a taxable year may be carried forward for a period not to exceed ten (10) taxable years. To qualify for the credit authorized by this section, an investment shall be:

1. Made by a shareholder or partner of a qualified rural small business capital company that has invested funds in an Oklahoma rural small business venture;

2. Invested in the purchase of equity or near-equity in an Oklahoma rural small business venture;

3. Made under the same terms and conditions as the investment made by the qualified rural small business capital company; and

4. Limited to the lesser of:

a. two hundred percent (200%) of any investment by the taxpayer in the qualified rural small business capital company, or

b. two hundred percent (200%) of the investment made by the qualified rural small business capital company in the Oklahoma rural small business venture.

C. No taxpayer may claim the credit provided for in this section for investment made prior to January 1, 2001.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.75 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. Each qualified rural small business capital company shall file an annual report with the Oklahoma Tax Commission no later than April 30 of each year which lists all funds invested in or in conjunction with such company which may qualify for the tax credit allowed by Section 3 or Section 4 of this act. The report shall state the amount of funds invested in or in conjunction with such company during the taxable year by persons, partnerships or corporations and the social security number of such person or the federal identification number of such partnership or corporation making such investments. The report shall also include a schedule listing the type and amount of investment made by or in conjunction with the rural small business capital company and such other information as the Tax Commission may prescribe.

B. Each qualified rural small business capital company shall furnish to each person, partnership or corporation which made an investment in or in conjunction with such company during the preceding year a written statement showing the name of the rural small business capital company, the name of the investor, the total amount of investment in or in conjunction with the company made by such person, partnership or corporation and such other information as the Tax Commission may require. The statement shall be attached to the income tax return of such person, partnership or corporation in order to qualify for the tax credit allowed by Section 3 or Section 4 of this act.

C. Any qualified rural small business capital company who refuses or fails to comply with the provisions of this section or is hereafter found guilty in a court of competent jurisdiction of any

violation of any Oklahoma income tax law shall not be eligible to be a qualified rural small business capital company for purposes of this act.

D. Any taxpayer who refuses or fails to comply with the provisions of this section or is hereafter found guilty in a court of competent jurisdiction of any violation of any Oklahoma income tax law shall not be eligible for the tax credits granted in Sections 3 and 4 of this act.

E. The Tax Commission is directed to immediately develop a system for registration of any income tax credits issued pursuant to Sections 3 and 4 of this act and a system which permits verification that any tax credit claimed upon an income tax return is validly issued and properly taken in the year of claim.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.76 of Title 68, unless there is created a duplication in numbering, reads as follows:

On or before November 1 of each year subsequent to the effective date of the Rural Venture Capital Formation Incentive Act, the Oklahoma Tax Commission shall file a report with the Speaker of the House of Representatives and the President Pro Tempore of the Senate. The report shall state the amount of credits actually claimed and allowed pursuant to the provisions of this act and the amount of credits likely to be claimed and allowed pursuant to the Rural Venture Capital Formation Incentive Act for the following year.

SECTION 7. AMENDATORY 62 O.S. 1991, Section 690.2, as last amended by Section 1, Chapter 349, O.S.L. 1998 (62 O.S. Supp. 1999, Section 690.2), is amended to read as follows:

Section 690.2 For the purposes of Section 690.1 et seq. of this title:

1. "Authority" means an "Enterprise District Management Authority" created pursuant to Section 690.7 of this title;

2. "Building" means a structure consisting of a foundation, walls, roof and other parts necessary to its occupation; provided however, it shall not include a structure intended to be used for residence purposes;

3. "Enterprise" means any form of business organization including, but not limited to, any partnership, sole proprietorship, corporation, limited liability company or other legally constituted business entity;

4. "Enterprise district" means at least three but not more than six contiguous enterprise zones formed for the purpose of issuing general obligation bonds;

5. "Enterprise zone" means:

a. a county which:

- (1) has experienced a decrease in population ~~equal to a percentage,~~ during the ten-year period preceding the date as of which an establishment either locates within an enterprise zone or expands activity within an existing enterprise zone as annually determined by the Oklahoma Department of Commerce ~~for purposes of qualifying a county as an enterprise zone, in the calendar year preceding the beginning of the fiscal year for which an application is made pursuant to Section 690.3 of this title. The Oklahoma Department of Commerce shall promulgate rules describing the percentage of population loss which determines eligibility for enterprise zone designations pursuant to this division,~~ or
- (2) has been determined to rank in the lowest one-third (1/3) of all counties, which for purposes of this division shall be computed as the lowest twenty-five (25) counties, for per capita

personal income as measured by the Bureau of Economic Analysis for the Oklahoma region for the calendar year preceding the beginning of the fiscal year for which an application is made pursuant to Section 690.3 of this title,

b. an area within or contiguous to the corporate limits of any city or town of this state which the Oklahoma Department of Commerce determines, upon application, as an area of economic distress. For purposes of this subparagraph, an area within or contiguous to the corporate limits of a city or town may be determined to be an area of economic distress if it consists of one or more census tracts located within a city or town or contiguous to a city or town. The area as defined by this subparagraph must:

- (1) contain a population of persons equal to or greater than thirty percent (30%) of the total population the household income for whom is equal to or less than the poverty level as measured by the U.S. Census Bureau for the Oklahoma region for the most recent year for which data is available prior to the date an application is made pursuant to Section 690.3 of this title, or
- (2) contain a population of persons the per capita gross income for whom is twenty percent (20%) or more below the state per capita income, ~~or~~

c. an area designated as a federal enterprise zone as provided by Section 690.3 of this title, or

d. any enterprise zone designated by the Oklahoma Department of Commerce prior to July 1, 2000;

6. "Equipment" means machinery necessary to the construction or manufacture of products for resale;

7. "Expand" means to make expenditures to add land, buildings, machinery, equipment or other materials, except inventory, to a facility that equal at least ten percent (10%) of the market value of the facility prior to such expenditures, as determined for the purposes of local property taxation;

8. "Facility" means an enterprise's place of business in an enterprise zone, including land, buildings, machinery, equipment and other materials, except inventory used in business. "Facility" does not include an establishment used primarily for making retail sales;

9. "Full-time employee" means an individual who is employed for consideration by an enterprise for at least thirty-five (35) hours a week, or who renders any other standard of service generally accepted by custom or specified by contract as full-time employment;

10. "New employee" means a full-time employee first employed by an enterprise at a facility after the designation of an enterprise zone;

11. "Position" means the position of one full-time employee performing a particular set of tasks and duties;

12. "Priority Enterprise Zones" means enterprise zones which are selected to receive additional resources or programs after meeting the criteria specified in this act;

13. "Project" means any undertaking by an enterprise to establish a facility or to improve a facility by expansion, in an enterprise zone or enterprise district;

14. "Responsible tenant" means any person, partnership, firm, company or corporation whether organized for profit or not deemed by the Authority, after proper investigation, to be financially responsible to assume all rental and all other obligations prescribed by the Authority in the leasing of any building or equipment on which the Authority has a loan outstanding; and

15. "Renovate" means to make expenditures to alter or repair a facility that equal at least fifty percent (50%) of the market value

of the facility prior to such expenditures, as determined for the purposes of local property taxation.

SECTION 8. AMENDATORY 62 O.S. 1991, Section 690.3, as last amended by Section 2, Chapter 382, O.S.L. 1999 (62 O.S. Supp. 1999, Section 690.3), is amended to read as follows:

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

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

C. Upon application by an enterprise seeking to qualify for the benefits and incentives authorized by the provisions of the Oklahoma Enterprise Zone Act, the Oklahoma Department of Commerce may approve an enterprise for the benefits and incentives as provided by law. ~~In order for an enterprise to qualify for the benefits and incentives available pursuant to the Oklahoma Enterprise Zone Act, the enterprise must demonstrate to the Oklahoma Department of Commerce the following conditions in an application to the Department using a form prescribed by the Department for such purpose:~~

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

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

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

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

- ~~4. Local support for the applicant which may be established by:~~
- ~~a. letters of support from county or municipal officials,~~
  - ~~b. documents evidencing support from residents of the area in which the enterprise proposes to locate,~~
  - ~~c. documents evidencing support from existing or other proposed business entities,~~
  - ~~d. documents evidencing support from local economic development organizations, including, but not limited to, councils of government, community action agencies, or other public authorities,~~
  - ~~e. the existence of tax or other economic incentives offered or proposed to be offered by the county or~~

~~city or town in which the enterprise proposes to locate, or~~

~~f. such other evidence or demonstration of support for the proposed location of the establishment within the enterprise zone as may be relevant for purposes of making the determination required by this section; and~~

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

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

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

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

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

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

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

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

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

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

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 840 of Title 62, unless there is created a duplication in numbering, reads as follows:

Sections 9 through 15 of this act shall be known and may be cited as the "Oklahoma Local Development and Enterprise Zone Incentive Leverage Act".

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 841 of Title 62, unless there is created a duplication in numbering, reads as follows:

As used in Sections 11 through 15 of the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act:

1. "Enterprise" means any form of business organization including, but not limited to, any partnership, sole proprietorship, corporation, limited liability company or other legally constituted business entity;

2. "Enterprise zone" means an area as defined pursuant to subparagraph a, b, c or d of Section 690.2 of Title 62 of the Oklahoma Statutes;

3. "Facility" means the definition contained in paragraph 8 of Section 690.2 of Title 62 of the Oklahoma Statutes;

4. "Governing body" means a county, city or town in the case of single increment or incentive district when the boundaries of the district are coextensive with or contained within the jurisdiction of any such single governmental entity or the combination of counties, cities, or towns forming an increment or incentive district pursuant to the provisions of the Local Development Act;

5. "Incentive district" means an area created pursuant to the provisions of the Local Development Act, Section 850 et seq. of Title 62 of the Oklahoma Statutes, including Section 856 of Title 62 of the Oklahoma Statutes;

6. "Increment district" means an area created pursuant to the provisions of the Local Development Act, Section 850 et seq. of Title 62 of the Oklahoma Statutes, including Section 856 of Title 62 of the Oklahoma Statutes; and

7. "State matching incentive" or "state matching incentive for local enterprise" means the payment authorized by Section 12 of this act.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 842 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. An enterprise which locates its facility within an enterprise zone or which expands its existing facility after the designation of an enterprise zone as authorized by law and which is

located in either an incentive district or an increment district as authorized pursuant to the provisions of the Local Development Act shall be eligible for the state matching incentive for local enterprise payment authorized pursuant to Section 12 of this act.

B. The combined maximum amount of state matching incentive for sales tax and the amount of income tax credit authorized pursuant to Section 13 of this act for a given enterprise per fiscal year shall not exceed Two Hundred Thousand Dollars (\$200,000.00).

C. For purposes of the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, the investment in any individual facility which shall qualify for a state matching incentive pursuant to Section 12 of this act or for an income tax credit as authorized by Section 13 of this act shall:

1. Be computed for each county of the state by multiplying Two Hundred Dollars (\$200.00) times the population of the county according to the last available estimate provided by the United States Bureau of the Census as a minimum investment required for a facility to be eligible for the provisions of either Section 12 or Section 13 of this act;

2. Not be greater than Twenty-five Million Dollars (\$25,000,000.00) for counties with a population not in excess of one hundred twenty thousand (120,000) persons; and

3. Not be greater than Forty Million Dollars (\$40,000,000.00) for all other counties of the state.

D. The state matching incentive payment authorized by Section 12 of this act and the income tax credit authorized by Section 13 of this act shall be available for business entities qualifying pursuant to the Local Development Act for investments made within an incentive district or increment district prior to December 31, 2002, or for which an incentive district or increment district has been created prior to December 31, 2002, if the investment takes place not later than December 31, 2003.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 843 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. If an enterprise is located within an incentive district pursuant to the provisions of Section 856 of Title 62 of the Oklahoma Statutes, and the enterprise either constructs or expands a facility that is located within an enterprise zone designated pursuant to the provisions of Section 690.2 of Title 62 of the Oklahoma Statutes, the enterprise shall be eligible for a state matching incentive for local enterprise payment equal to the amount of sales tax exemption afforded to the enterprise pursuant to Section 860 of Title 62 of the Oklahoma Statutes.

B. In order to receive the state matching incentive payment pursuant to the provisions of subsection A of this section, the enterprise shall obtain a certification, provided by the governing body of the increment district or incentive district, acknowledged by the chief elected official of the local governing body that the enterprise has qualified pursuant to the Local Development Act for sales tax exemption. The certification document shall include:

1. The beginning date of the exemption;
2. The ending date of the exemption;
3. The total amount of sales tax exemption afforded to the enterprise; and
4. The legal name and business entity classification of the entity to which exemption is afforded or to which payment is made by the local governmental entity or entities pursuant to the provisions of the Local Development Act.

C. After the enterprise provides a certification from the local governing body, the Oklahoma Tax Commission shall make payment to the enterprise identified in the certification document equal to the amount of the sales tax from which the enterprise is certified as exempt as identified in the certification.

D. The state matching incentive payment shall be made only for sales tax foregone by local governmental entities or rebated to the business enterprise by local entities for purchases made by the business enterprise and not on the basis of any sales tax collected by the business enterprise from consumers or users on taxable sales made by the enterprise.

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.81 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. There shall be allowed as a credit against the tax imposed pursuant to Section 2355 of Title 68 of the Oklahoma Statutes, an amount equal to one hundred percent (100%) of the amount of ad valorem taxes exempted pursuant to the provisions of Section 860 of Title 62 of the Oklahoma Statutes for an enterprise locating a new facility within or expanding an existing facility within an enterprise zone as designated pursuant to Section 690.2 of Title 68 of the Oklahoma Statutes if such enterprise zone is also located within an increment district or incentive district.

B. In order to claim the credit authorized by this section, the taxpayer shall obtain a certification from the local governing body approving the incentive district or the increment district which shall be acknowledged by the chief elected official of the local governing body. The certification shall bear the endorsement, acknowledged by the Director of the Department of Commerce or designee, that the facility is located within an enterprise zone.

C. The credit authorized by this section shall be allowable only to the extent of ad valorem taxes levied upon the taxable value of real property and improvements physically attached to real property constituting the eligible facility and shall not be allowable to the extent that the credit is claimed for ad valorem taxes levied upon the taxable value of personal property of the enterprise even if the incentive granted by the participating

governmental entities in the incentive district or increment district includes personal property.

D. If the tax credit authorized by this section exceeds the amount of taxes due or if there are no state taxes due of the taxpayer, the amount of the claim not used as an offset against the taxes of a taxable year may be carried forward for a period not to exceed ten (10) years.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 844 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Tax Commission shall maintain a record of state matching incentive for local enterprise payments made pursuant to Section 12 of this act and a record of income tax credits claimed pursuant to Section 13 of this act.

B. The Tax Commission shall prepare a report separately identifying the amounts described in subsection A of this section and shall submit the report prior to the first Tuesday in February each year to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

SECTION 15. AMENDATORY Section 4, Chapter 349, O.S.L. 1998 (62 O.S. Supp. 1999, Section 690.20), is amended to read as follows:

Section 690.20 The provisions of this act shall not operate as a limitation upon any benefit conferred upon an enterprise prior to July 1, ~~1999~~ 2000. An enterprise which has previously qualified for a benefit or incentive pursuant to Section 690.1 et seq. of Title 62 of the Oklahoma Statutes prior to July 1, ~~1999~~ 2000, or which has expended money or undertaken an obligation or made a location decision in reliance upon the conditions prescribed by Section 690.1 et seq. of Title 62 of the Oklahoma Statutes or other provisions of law related to benefits available based upon location of business

activity within an enterprise zone shall continue to be entitled to all such benefits or incentives on and after July 1, ~~1999~~ 2000.

SECTION 16. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

The Oklahoma Finance Authorities shall utilize the provisions of the Quality Jobs Investment Program and such other provisions of law providing for the ability of the Oklahoma Finance Authorities to induce private investment as may be available in conjunction with the Small Business Capital Formation Incentive Act and the provisions of the Rural Venture Capital Formation Incentive Act in order to promote the maximum possible effective use of both public sector and private sector capital for purposes of promoting investment in Oklahoma business enterprises.

SECTION 17. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

A. The Legislature finds that:

1. The trucking industry serves the State of Oklahoma by making possible both intrastate and interstate commerce for individuals and business entities within and without the state;

2. The State of Oklahoma recognizes the value created in the Oklahoma economy because of the efficient and profitable operations of trucking companies;

3. The Oklahoma economy would benefit from a carefully designed and implemented comprehensive policy, the goal of which is to promote profitable trucking operations within the state;

4. In addition to the value generated within the Oklahoma economy by individuals and companies engaged in the transportation of raw materials and finished goods for hire, there are opportunities for the State of Oklahoma to create a favorable business climate for the manufacture of truck-tractors, semitrailers and parts and for the operation of truck maintenance and repair facilities; and

5. There may also be opportunity for the State of Oklahoma to create a favorable business climate for the operation of other facilities related to the trucking industry which do not currently exist or that existing businesses involved in trucking could benefit from a carefully designed economic incentive package.

B. It is the intent of the Oklahoma Legislature to undertake a specific effort to design an economic incentive package, the goal of which is to promote the trucking industry and its related industries and lines of business within the state.

SECTION 18. Sections 1 through 6 of this act shall become effective January 1, 2001.

SECTION 19. Sections 7 through 15 of this act shall become effective July 1, 2000.

SECTION 20. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 1st day of March, 2000.

\_\_\_\_\_  
Speaker of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2000.

\_\_\_\_\_  
President of the Senate