ENGROSSED SENATE
CONCURRENT
RESOLUTION NO. 87

By: Fisher and Haney of the Senate

and

Blackburn, Nations and Roach of the House

A Concurrent Resolution urging the Oklahoma Supreme Court to grant the request for rehearing in pending consolidated appeal No. 93084; and directing distribution.

WHEREAS, Section 6C of Article X of the Oklahoma Constitution was approved by the people of this state on November 6, 1990, authorizing the Oklahoma Legislature to grant political subdivisions the ability to provide incentives, exemptions and other forms of tax relief for certain purposes, and to authorize political subdivisions to use local taxes and fees for specific public investments, development financing assistance or as a specific revenue source for other public entities in the area in which improvements take place and to direct the apportionment of such taxes and fees for such purposes; and

WHEREAS, in 1992, the Oklahoma Legislature adopted the Local Development Act, Section 850 et seq. of Title 62 of the Oklahoma Statutes, to implement the provisions of Section 6C of Article X of the Oklahoma Constitution; and

WHEREAS, on January 5, 1993, pursuant to the Local Development Act, the City of Oklahoma City adopted Ordinance No. 19,875, approving the Oklahoma Health Center Economic Development Project and creating Tax Increment District No. 1, City of Oklahoma City, in order to stimulate $200 million in new investment and $80 million in new annual job payrolls through the expansion of the Oklahoma Health

Center and the creation of a bio-technical park to convert medical research into commercially marketable processes and products; and

WHEREAS, the Oklahoma City Urban Renewal Authority brought suit in the District Court of Oklahoma County, styled Oklahoma City Urban Renewal Authority v. Medical Technology and Research Authority of Oklahoma, et al., CJ-97-6486, asking court validation of the applicable provisions of the Local Development Act, Ordinance No. 19,875, the Oklahoma Health Center Economic Development Project, and Tax Increment District No. 1, City of Oklahoma City; and

WHEREAS, the District Court of Oklahoma County upheld the applicable provisions of the Local Development Act, Ordinance No. 19,875, the Oklahoma Health Center Economic Development Project, and Tax Increment District No. 1, City of Oklahoma City; and

WHEREAS, the decision of the District Court was appealed to the Supreme Court of Oklahoma in consolidated appeal No. 93084, which appeal was retained by the Oklahoma Supreme Court for decision on an accelerated schedule; and

WHEREAS, the Oklahoma Supreme Court has issued an opinion in consolidated appeal No. 93084 determining that tax increment financing under the Local Development Act and Section 6C of Article X of the Oklahoma Constitution is facially constitutional, and that the provisions of Section 6C of Article X of the Oklahoma Constitution allow the Legislature to define the outer limit of time for which apportionment is allowed, but that the tax apportionment provision contained in Ordinance 19,875 is invalid under Section 26 of Article X of the Oklahoma Constitution; and

WHEREAS, the City of Oklahoma City has amended the ordinance in question to comply with the direction of the Court and, supported by other parties, has requested a rehearing asking the Court to acknowledge the severability clause in the ordinance and seeking resolution of the remaining issues in the case; and

WHEREAS, it is critical to the State and its communities that the Oklahoma Supreme Court provide direction to the cities, towns and counties in order for tax apportionment to be an effective instrument for economic development.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE 2ND SESSION OF THE 47TH OKLAHOMA LEGISLATURE, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:

THAT the Oklahoma Supreme Court is respectfully urged to grant the request for rehearing in pending consolidated appeal No. 93084 by reason of the severability clause in the Oklahoma City Ordinance, and to resolve the remaining issues in the case to provide essential direction to cities, towns, and counties throughout Oklahoma in order to utilize tax apportionment as an effective instrument for financing and implementing economic development plans pursuant to the Local Development Act.

THAT copies of this resolution be distributed to the Clerk of the Oklahoma Supreme Court, the Secretary of Commerce and the Governor.

Adopted by the Senate the 26th day of April, 2000.

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President of the Senate

Adopted by the House of Representatives the ____ day of _____, 2000.

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Speaker of the House of Representatives