STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

SENATE BILL NO. 259 By: Fisher

AS INTRODUCED

An Act relating to public finance; amending 62 O.S. 1991, Section 690.3, as last amended by Section 2, Chapter 349, O.S.L. 1998 (62 O.S. Supp. 1998, Section 690.3), which relates to designation of enterprise zones; clarifying membership of Enterprise Zone Application Review Committee; correcting language; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 62 O.S. 1991, Section 690.3, as last amended by Section 2, Chapter 349, O.S.L. 1998 (62 O.S. Supp. 1998, Section 690.3), is amended to read as follows:

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

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

C. Upon application by an enterprise seeking to qualify for the benefits and incentives authorized by the provisions of the Oklahoma

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

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

a. addition to market value of commercial or industrial real property in the enterprise zone,

b. addition of jobs contributing to sustained and stable employment in the enterprise zone,

c. a business activity with the likelihood of future expansion, or the ability to attract similar enterprises or enterprises the business purpose of which is compatible with the business purposes of the applicant, and

d. a business activity compatible with existing social and economic conditions prevailing in the area in or around the enterprise zone as of the application date;

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

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

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

a. letters of support from county or municipal officials,

b. documents evidencing support from residents of the area in which the enterprise proposes to locate,

c. documents evidencing support from existing or other proposed business entities,

d. documents evidencing support from local economic development organizations, including, but not limited to, councils of government, community action agencies, or other public authorities,

e. the existence of tax or other economic incentives offered or proposed to be offered by the county or city or town in which the enterprise proposes to locate, or

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

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

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

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

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

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

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

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

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

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

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

SECTION 2. This act shall become effective July 1, 1999.

SECTION 3. 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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