

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2720

By: Roach

COMMITTEE SUBSTITUTE

An Act relating to economic development; enacting the Oklahoma Urban Economic Development Grant Act of 2002; making legislative findings; providing for creation of certain separate accounts within the Oklahoma Urban Economic Development Grant Fund; creating Oklahoma Urban Economic Development Grant Fund; specifying procedures governing use of accounts; prohibiting transfers of monies from accounts; imposing limitations upon maximum expenditures; prescribing conditions related to eligibility for use of funds; prescribing limitations upon use of funds for benefit of certain municipalities; requiring development of plan; specifying required content of plan; requiring filing of organizational plan with State Auditor and Inspector; prescribing procedural requirements for adoption of plan; providing matching funds or equivalent value not required; prohibiting use of funds for administrative expenses; providing exception; requiring State Auditor and Inspector to monitor expenditures; prescribing penalty for misuse of funds; providing for treble damage penalty; prescribing use of monies imposed as penalty; providing for initial planning expenditure; providing for method of expenditures from Oklahoma Urban Economic Development Grant Fund; specifying use of funds to be construed as in furtherance of essential governmental functions; providing for codification; providing for noncodification; 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 not to be codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Oklahoma Urban Economic Development Grant Act of 2002".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2021 of Title 62, unless there is created a duplication in numbering, reads as follows:

The Legislature finds that economic conditions in certain urban areas of the State of Oklahoma reflect reduced individual earning power, relatively lower returns on business investment and the corresponding effects upon fiscal capacity of the incorporated areas of certain political subdivisions. In order to remove impediments to economic development in certain urban areas, in order to alleviate the negative effects of urban population shifts, population decreases, and increased demand for governmental services and in order to maintain a desirable quality of life for residents and other legal entities in certain urban areas, the Legislature hereby establishes a procedure pursuant to which public funds may be used in a flexible manner for the general improvement of living and working conditions in certain urban areas of the State of Oklahoma for which an identifiable need has been determined.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2022 of Title 62, unless there is created a duplication in numbering, reads as follows:

The monies appropriated to the Oklahoma Urban Economic Development Grant Fund shall be subject to all of the requirements of Sections 2 through 11 of this act. There shall be deposited into each of the accounts provided by Section 4 of this act the sum of one-eleventh (1/11) of the amount appropriated to the Oklahoma Urban Economic Development Grant Fund.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2023 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. There is hereby established a fund within the State Treasury to be known as the Oklahoma Urban Economic Development Grant Fund. The fund shall be a continuing fund not subject to fiscal year

limitations. Within the Oklahoma Urban Economic Development Grant Fund there shall be established eleven separate accounts into which shall be deposited such funds as may be provided by law.

B. Each account shall be available to each entity described in subsection A of Section 5 of this act.

C. No funds deposited into one account shall be transferred to any other account. No entity may access any more than one account per fiscal year and the total expenditure from any one account for each fiscal year may not exceed the amount of funds available to each account as may be provided by law.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2024 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. A voluntary association of Oklahoma local governmental jurisdictions or another legal entity, including a public trust or a nonprofit corporation or other entity which performs functions for the benefit of or which exists for the primary benefit of Oklahoma local governmental jurisdictions shall be eligible to obtain funding for urban economic development projects as authorized by subsection B of Section 4 of this act.

B. The entities described in subsection A of this section and which are eligible for any funds authorized by Section 4 of this act shall be authorized to make expenditures on behalf of any city or town within the jurisdiction of such entity if the population of such city or town is in excess of seven thousand (7,000) persons according to the latest Federal Decennial Census or most recent population estimate.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2025 of Title 62, unless there is created a duplication in numbering, reads as follows:

The governing board of an entity described by subsection A of Section 5 of this act shall develop a plan for the use of available

funds for the economic development of qualifying urban areas included within its respective jurisdiction. For purposes of this act, "economic development" shall include, but shall not be limited to, the following purposes:

1. Promoting full employment in areas of high unemployment within the boundaries of any qualifying municipality within its jurisdiction;

2. Providing programs designed to assist persons with low incomes residing in areas of any qualifying municipality within its jurisdiction; and

3. The preservation and construction of critical infrastructure within the boundary of any qualifying municipality within its jurisdiction.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2026 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. In order for an eligible entity to obtain funds provided for by Section 4 of this act, the entity shall file the organizational plan required by Section 6 of this act with the State Auditor and Inspector.

B. In order to be filed, the plan shall have first been approved by an affirmative vote of two-thirds (2/3) of the governing board of an entity described by subsection A of Section 5 of this act. The vote shall be memorialized in a document, executed under oath, that the record of the vote is a true and accurate account of the proceedings conducted by the governing board to be filed with the State Auditor and Inspector.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2027 of Title 62, unless there is created a duplication in numbering, reads as follows:

No entity which qualifies for funds pursuant to Section 4 of this act shall be required to provide matching funds or to provide

equivalent value in order to obtain available funds or funds for planning expenditures.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2028 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. Except as otherwise provided by subsection C of this section, the funds available pursuant to the provisions of Section 4 of this act shall not be used to pay any administrative expenses of the entity requesting the funds. The State Auditor and Inspector shall monitor expenditures made pursuant to the Oklahoma Urban Economic Development Grant Act to ensure compliance with the provisions of this section. Misuse of funds by an entity shall disqualify the entity from further funding for a period of one (1) year from the date as of which any report by the State Auditor and Inspector is issued revealing a violation of the requirements of this section.

B. Except for funds authorized by subsection C of this section, an entity which violates the provisions of this section shall be liable to the State of Oklahoma for treble the amount of funds identified as having been impermissibly used for the payment or reimbursement of administrative expenses. The payment shall be made to the State Auditor and Inspector for deposit in the Oklahoma Urban Economic Development Grant Fund and such funds shall become available for distribution as otherwise provided by this act except that no such funds shall be paid to an entity which has been required to make the treble damage payment.

C. Upon verification by the State Auditor and Inspector's office that an entity is qualified to receive funds for a purpose authorized by this act, the entity shall be eligible for an initial planning expenditure payment of not to exceed five percent (5%) of the amount contained in the account created for the entity pursuant to Section 4 of this act.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2029 of Title 62, unless there is created a duplication in numbering, reads as follows:

Expenditures from the Oklahoma Urban Economic Development Grant Fund shall be made in the same manner as provided by law for the expenditure of other public funds.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2030 of Title 62, unless there is created a duplication in numbering, reads as follows:

The expenditures from the Oklahoma Urban Economic Development Grant Fund and other expenditures governed by this act, if made in accordance with the requirements of this act, shall be construed as an expenditure of public funds in furtherance of governmental functions and for the purpose of conferring general and uniform benefits resulting from the expenditures upon the residents and other legal entities located in areas subject to the jurisdiction of the entities described in subsection A of Section 5 of this act.

SECTION 12. This act shall become effective July 1, 2002.

SECTION 13. 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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