

ENGROSSED HOUSE  
JOINT  
RESOLUTION NO. 1028

By: Ross and Toure of the House

and

Horner of the Senate

( Joint Resolution - "Black Wall Street" - Distressed  
Areas Restoration and Development Act of 2001 -  
Greenwood Area - codification -  
effective date )

WHEREAS, in 1921, an area known as "Black Wall Street" and its surrounding community was destroyed in an incident which has become known as the "Tulsa Race Riot"; and

WHEREAS, the citizens of that community and their relatives and descendants were never able to fully recover from the devastating impact of the Tulsa Race Riot; and

WHEREAS, the economic and social progress of the citizens of this community was seriously disrupted; and

WHEREAS, even in the present, the area formerly known as "Black Wall Street" and its surrounding community areas continue to suffer the effects of the 1921 riot; and

WHEREAS, it would be desirable to establish a program and incentives which would stimulate investment in capital assets and which could serve as the platform for renewed economic and social progress in this area of Tulsa.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE 1ST SESSION OF THE 48TH OKLAHOMA LEGISLATURE:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8210 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 "Distressed Areas Restoration and Development Act of 2001".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8211 of Title 74, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Civil unrest" means an event or series of events or acts or series of acts committed by one or more persons occurring in a metropolitan area which, as of the latest federal Decennial Census or most recent population estimate, has a population in excess of three hundred fifty thousand (350,000) persons, and which has resulted in or which results in property damage, measured in current value, of at least Ten Million Dollars (\$10,000,000.00);

2. "Distressed area" means a census tract or block numbering area, as defined by the United States Bureau of the Census, in which a qualified business entity is located and doing business and in which reside a number of persons, whose gross household income from all sources for the calendar year preceding the year in which the determination is made are below the poverty level established by the United States Bureau of the Census, equal to or greater than thirty percent (30%) of the total number of residents of the area;

3. "High priority targeted area" means an area located in a municipality with a population in excess of three hundred fifty thousand (350,000) persons which has experienced significant economic decline as a result of civil unrest at any time prior to the effective date of this act;

4. "Located" means having a permanent business location at which or from which lawful sales of goods, services or goods and services, in any combination, are made to either wholesale or retail

customers. A qualified business entity is not located within a targeted area if the only business activity conducted at a location within a targeted area consists of administrative functions and does not involve the manufacture, production, delivery or other sales-related activity for the goods or services or the goods and services produced by the business entity;

5. "Qualified business entity" means a sole proprietor, general partnership, limited partnership, limited liability partnership, corporation, limited liability company or other business entity actively engaged in the lawful sale of goods or services or goods and services, in any combination, for profit;

6. "Qualified business reinvestment expense" means the use of sales tax revenues which would otherwise be remitted to the Oklahoma Tax Commission pursuant to law for:

- a. improvements to the physical structure constituting the primary or other physical business location, including warehouse, storage, manufacturing, distribution or other facilities of a qualified business entity if the structure is located within a high priority targeted area,
- b. acquisition of real property for the purpose of expanding lawful business operations within a high priority targeted area,
- c. acquisition of inventory for the purpose of making lawful sales of tangible personal property within a high priority targeted area,
- d. acquisition of property or equipment which would be eligible for a business expense deduction pursuant to the Internal Revenue Code of 1986, as amended, and,
- e. other expenses incurred in connection with the operation of the business; provided, however, a qualified business reinvestment expense cannot consist

of general or administrative expenses, salary, compensation for the persons responsible for management of the business enterprise or for management or employee benefits; and

7. "Targeted area" means a "distressed area" as defined by this section.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8212 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. For the period beginning January 1, 2002, through the period ending December 31, 2011, a qualified business already located in or that, on or after the effective date of this act, locates in a targeted area shall be exempt from:

1. The tax levied upon the taxable sales made to such qualified business entity pursuant to Section 1354 of Title 68 of the Oklahoma Statutes. Except as otherwise provided by Section 4 of this act, taxable sales made by any such qualified business entity shall not be subject to the provisions of this section and the qualified business entity shall collect and remit sales tax upon all taxable sales pursuant to the requirements of the Oklahoma Sales Tax Code;

2. The tax levied upon the taxable use of personal property by such qualified business entity pursuant to Section 1402 of Title 68 of the Oklahoma Statutes;

3. The tax levied upon the taxable income of the business entity pursuant to Section 2355 of Title 68 of the Oklahoma Statutes or upon the adjusted gross income of an individual pursuant to Section 2355 of Title 68 of the Oklahoma Statutes, whether a sole proprietor or a shareholder, member or partner of a business organization not subject to the levy of the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes; and

4. Except as otherwise provided by Section 5 or Section 6 of this act, the tax imposed pursuant to Section 1202 or Section 1203

of Title 68 of the Oklahoma Statutes, the Oklahoma Franchise Tax Code, Section 1201 et seq. of Title 68 of the Oklahoma Statutes.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8213 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. Notwithstanding any provision of the Oklahoma Sales Tax Code to the contrary, a qualified business entity located in a high priority targeted area making otherwise taxable sales of goods or services or goods and services to consumers or users of the qualified business entity shall be authorized to retain, for the uses prescribed by this act, the full amount of sales taxes collected on otherwise taxable sales made from the permanent business location of the qualified business entity.

B. In order to qualify for the retention of sales tax authorized by subsection A of this section, the qualified business entity shall be required to expend the sales tax revenues which would otherwise be remitted to the Oklahoma Tax Commission pursuant to the requirements of the Oklahoma Sales Tax Code for a qualified business reinvestment expense.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8214 of Title 74, unless there is created a duplication in numbering, reads as follows:

A qualified business located in a targeted area shall have the option to either remit the franchise tax imposed pursuant to Section 1203 or Section 1204 of Title 68 of the Oklahoma Statutes in the manner prescribed by law or to remit the tax payment to the Oklahoma Department of Commerce which shall be deposited in the Distressed Area Restoration and Development Fund for use in making loans or grants to qualified businesses located in a target area in the manner prescribed by and subject to the limitations imposed by Section 10 of this act.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8215 of Title 74, unless there is created a duplication in numbering, reads as follows:

A qualified business located in a high priority targeted area shall have the option to either remit the franchise tax imposed pursuant to Section 1203 or Section 1204 of Title 68 of the Oklahoma Statutes in the manner prescribed by law or to remit the tax payment to the Oklahoma Department of Commerce which shall be deposited in the Greenwood Area Restoration and Development Fund for use in making loans or grants to qualified businesses located in a high priority target area in the manner prescribed by and subject to the limitations imposed by Section 11 of this act.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8216 of Title 74, unless there is created a duplication in numbering, reads as follows:

There is hereby created the "Distressed Area Restoration and Development Fund". The fund shall be a continuing fund not subject to fiscal year limitations and shall consist of the revenues paid directly to such fund pursuant to Section 5 of this act. The monies in the fund shall be used for the purposes specified in Section 10 of this act. The maximum principal amount of the Distressed Area Restoration and Development Fund shall not exceed Five Million Dollars (\$5,000,000.00).

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8217 of Title 74, unless there is created a duplication in numbering, reads as follows:

There is hereby created the "Greenwood Area Restoration and Development Fund". The fund shall be a continuing fund not subject to fiscal year limitations and shall consist of the revenues paid directly to such fund pursuant to Section 6 of this act. The monies in the fund shall be used for the purposes specified in Section 11 of this act. The maximum principal amount of the Distressed Area

Restoration and Development Fund shall not exceed Five Million Dollars (\$5,000,000.00).

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8218 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Department of Commerce shall administer the Distressed Area Restoration and Development Fund and the Greenwood Area Restoration and Development Fund.

B. Each of the funds specified in subsection A of this section shall be used for the purpose of making loans or grants to qualified applicants for the restoration, development, rehabilitation and establishment of real property or improvements to real property located in a targeted area or a high priority targeted area or for the acquisition, rehabilitation, improvement or replacement of such items of personal property that may be defined as qualified business reinvestment expense.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8219 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. Funds from the Distressed Area Restoration and Development Fund may only be disbursed to a qualified business entity located in a targeted area.

B. Upon application, the Oklahoma Department of Commerce may authorize a loan of funds from the Distressed Area Restoration and Development Fund. The maximum principal loan amount shall not exceed One Hundred Thousand Dollars (\$100,000.00) for a single qualified business entity.

C. Upon application, the Oklahoma Department of Commerce may authorize a grant of funds from the Distressed Area Restoration and Development Fund. The maximum grant amount shall not exceed Twenty-five Thousand Dollars (\$25,000.00).

D. No funds shall be disbursed or credit extended pursuant to this section unless the qualified business entity provides adequate documentation prior to the funding of the grant or the extension of credit that the proceeds will be used for a qualified business reinvestment expense.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8220 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. Funds from the Greenwood Area Restoration and Development Fund may only be disbursed to a qualified business entity located in a high priority targeted area.

B. Upon application, the Oklahoma Department of Commerce may authorize a loan of funds from the Greenwood Area Restoration and Development Fund. The maximum principal loan amount shall not exceed One Hundred Fifty Thousand Dollars (\$150,000.00) for a single qualified business entity.

C. Upon application, the Oklahoma Department of Commerce may authorize a grant of funds from the Greenwood Area Restoration and Development Fund. The maximum grant amount shall not exceed Fifty Thousand Dollars (\$50,000.00).

D. No funds shall be disbursed or credit extended pursuant to this section unless the qualified business entity provides adequate documentation prior to the funding of the grant or the extension of credit that the proceeds will be used for a qualified business reinvestment expense.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8221 of Title 74, unless there is created a duplication in numbering, reads as follows:

The Distressed Area Restoration and Development Fund and the Greenwood Area Restoration and Development Fund are for the purpose of promoting business growth in targeted areas and high priority targeted areas, respectively. The use of monies from the funds is

hereby declared to be in furtherance of a public purpose for the promotion of revitalization of business infrastructure and the promotion of lawful business activity in certain areas of the state where impediments to normal profitable business operation require infusion of public resources in order to promote the well-being and prosperity of the citizens of these areas which the Legislature declares to be in the public interest.

SECTION 13. This act shall become effective July 1, 2001.

Passed the House of Representatives the 27th day of February, 2001.

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Presiding Officer of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2001.

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Presiding Officer of the Senate