

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

HOUSE BILL HB1645

By: Deutschendorf

AS INTRODUCED

An Act relating to higher education; creating the Tulsa Race Riot Minority Scholarship Trust Fund; requiring certain percent of the Trust Fund be provided to minorities in certain priority; authorizing certain percent of the Trust Fund be provided to other persons; stating eligibility criteria; stating the makeup of the Trust Fund principal; providing for income and investment return accrual; prohibiting certain use of income, investment return and principal of the Trust Fund; specifying allocations of Trust Fund; providing for a credit against certain tax; providing for certain adjustments; stating purpose; providing for excess for purposes of adjustment formula; allowing certain credit to be carried forward; authorizing the Oklahoma Tax Commission to prescribe forms for certain purposes; authorizing certain investigations relating to certain credits; providing for codification; 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 to be codified in the Oklahoma Statutes as Section 3953.4 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created a trust fund to be known as the "Tulsa Race Riot Minority Scholarship Trust Fund".

B. Seventy-five percent (75%) of the Trust Fund shall be utilized to fund scholarships from the proceeds to postsecondary institutions of higher education accredited by the Oklahoma State Regents for Higher Education in accordance with the priority as follows:

1. Descendants of survivors who were victims of the Tulsa Race Riot of 1921, as identified in the Tulsa Race Riot Commission report;

2. An African-American student with demonstrated financial need; and

3. Any other racial minority student who demonstrates financial need.

All of the students provided for in this subsection must have graduated from a high school located in the Tulsa school district.

C. Twenty-five percent (25%) of the Trust Fund may be utilized to fund scholarships from the proceeds to postsecondary institutions of higher education accredited by the Oklahoma State Regents for Higher Education for any student who demonstrates financial need. All of the students provided for in this subsection must have graduated from a high school located in the Tulsa school district.

D. The Trust Fund principal shall consist of monies for purposes of this section as follows:

1. From the Oklahoma Tuition Scholarship Revolving Fund, Section 41.29e of Title 62 of the Oklahoma Statutes - \$500,000.00 per year from FY 2002 through FY 2003;

2. From the City of Tulsa - \$250,000.00 per year from FY 2002 through FY 2003;

3. From Tulsa County - \$250,000.00 per year from FY 2002 through FY 2003;

4. From contributions of corporations - \$2,000,000.00 in accordance with Section 2 of this act; and

5. From foundation endowments - \$1,000,000.00.

E. Notwithstanding other provisions of law, income and investment return on Trust Fund principal shall accrue to the Trust Fund for use as provided by subsections B and C of this section. Except as otherwise provided by law, no such income or investment return or principal shall be used for administrative expenses. Allocations from the Trust Fund may be made only for the purpose of covering the scholarship costs.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.85 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax years beginning after December 31, 2001, there shall be allowed a one-time credit against the tax imposed by subsection C or D of Section 2355 of Title 68 of the Oklahoma Statutes for contributions to the Tulsa Race Riot Minority Scholarship Trust Fund. The amount of the credit shall be fifty percent (50%) of the amount contributed.

The credit percentage, not to exceed fifty percent (50%), shall be adjusted annually so that the total estimate of credits does not exceed Two Million Dollars (\$2,000,000.00) annually. The formula to be used for the percentage adjustment shall be fifty percent (50%) times Two Million Dollars (\$2,000,000.00) divided by the credits claimed in the preceding year. In no event shall the credit be claimed more than once by a taxpayer each taxable year.

In the event the total tax credits authorized by this section exceed Two Million Dollars (\$2,000,000.00) in any calendar year, the Oklahoma Tax Commission shall permit any excess over Two Million Dollars (\$2,000,000.00) but shall factor such excess into the percentage adjustment formula for subsequent years.

B. If the credit allowed pursuant to this section exceeds the amount of state income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of credit allowed but not used in any taxable year may be carried forward as a credit against subsequent income tax liability for a period not exceeding five (5) years following the year in which the contribution was originally made.

C. The Oklahoma Tax Commission shall have the authority to prescribe forms for purposes of claiming the credit authorized by this section. The Oklahoma Tax Commission shall be authorized to conduct an investigation of the relevant facts as may be required in

order to verify the eligibility of a claimant to receive a credit for any applicable income tax year.

SECTION 3. This act shall become effective July 1, 2001.

SECTION 4. 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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