

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

SENATE BILL 1401

By: Campbell

AS INTRODUCED

An Act relating to public finance; stating legislative intent; prohibiting granting of certain tax benefits or financial incentives to certain business entities; amending 62 O.S. 2001, Section 854, which relates to the Local Development Act; limiting powers of municipality or county under Local Development Act with respect to certain business entities; 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 854.1 of Title 62, unless there is created a duplication in numbering, reads as follows:

It is the intent of the Legislature that tax benefits and other financial incentives granted by this state and its political subdivisions be available to business entities on a fair and equal basis, and not act to provide a competitive advantage to a particular business at the expense of its in-state competitors. No business entity commencing operations in this state after the effective date of this act shall be granted tax benefits or other financial incentives under the provisions of Section 854 of Title 62 of the Oklahoma Statutes if another business entity classified under the same Standard Industrial Classification code or North American Industrial Classification System code is, at the time of commencement of operations in this state, located in the same county or metropolitan statistical area.

SECTION 2. AMENDATORY 62 O.S. 2001, Section 854, is amended to read as follows:

Section 854. ~~In~~ Except as otherwise provided in Section 1 of this act, in addition to any other powers conferred by law, a city, town or county may exercise any powers necessary to carry out the purpose of ~~this act~~ the Local Development Act, including power to:

1. Establish districts and create plans pursuant to the provisions of ~~this act~~ the Local Development Act;

2. Cause project plans to be prepared, to approve the plans, and to implement the provisions and effectuate the purposes of the plans;

3. Cause bonds to be issued by public entities as provided for in Section 863 of this title; provided, such bonds shall not be for the benefit of a business entity, other than a business entity classified in Sector 31, 32 or 33 of the North American Industrial Classification System or Division D of the Standard Industrial Classification system, commencing operations on or after the effective date of this act in a county or a metropolitan statistical area in which there is located another business entity classified under the same Standard Industrial Classification code or North American Industrial Classification System code;

4. Apportion local taxes or local fees and direct the use of local taxes and local fees for the purpose provided for in ~~this act~~ the Local Development Act; provided, such local taxes or local fees shall not be apportioned or directed for purposes to benefit a business entity, other than a business entity classified in Sector 31, 32 or 33 of the North American Industrial Classification System or Division D of the Standard Industrial Classification system, commencing operations on or after the effective date of this act in a county or a metropolitan statistical area in which there is located another business entity classified under the same Standard Industrial Classification code or North American Industrial Classification System code;

5. Enter into any contracts or agreements determined by the governing body to be necessary or convenient to implement the provisions and effectuate the purposes of project plans;

6. Receive, from the federal government or the state, loans and grants for, or in aid of a project and to receive contributions from any other source to defray project costs;

7. Grant tax incentives or exemptions in the manner provided for in ~~this act~~ the Local Development Act; provided, such incentives or exemptions shall not be allowed with respect to a business entity, other than a business entity classified in Sector 31, 32 or 33 of the North American Industrial Classification System or Division D of the Standard Industrial Classification system, commencing operations on or after the effective date of this act in a county or a metropolitan statistical area in which there is located another business entity classified under the same Standard Industrial Classification code or North American Industrial Classification System code;

8. Acquire by purchase, donation or lease, and own, convey, lease, mortgage, or dispose of land and other property, real or personal, or rights or interests therein;

9. Clear and improve property acquired by it pursuant to the project plan and construct public facilities on it or contract for the construction, development, redevelopment, rehabilitation, remodeling, alteration, or repair of the property; provided, such public facilities shall not be used by or inure to the benefit of a business entity, other than a business entity classified in Sector 31, 32 or 33 of the North American Industrial Classification System or Division D of the Standard Industrial Classification system, commencing operations on or after the effective date of this act in a county or a metropolitan statistical area in which there is located another business entity classified under the same Standard

Industrial Classification code or North American Industrial Classification System code;

10. Cause parks, playgrounds, or schools, including capital improvements to public schools, or water, sewer, or drainage facilities or any other public improvements which it is otherwise authorized to undertake, to be laid out, constructed, or furnished in connection with the project;

11. Lay out and construct, alter, relocate, change the grade of, make specific repairs upon, or discontinue public ways and construct sidewalks in, or adjacent to, the district;

12. Cause sidewalks, ways for vehicular travel, playgrounds, or water, sewer, or drainage facilities and similar improvements to be constructed within the district for the particular use of the district or those dwelling or working in it;

13. Adopt ordinances or resolutions or repeal or modify such ordinances or resolutions or establish exceptions to existing ordinances and resolutions regulating the design, construction, and use of buildings;

14. Sell, mortgage, lease, transfer, or dispose of any property, or interest therein, acquired by it pursuant to the project plan for development, redevelopment, or rehabilitation in accordance with the plan, provided, in the event of disposition by lease or sublease to a lessee not entitled to a tax exemption, the improvements placed thereon shall not be entitled to a tax exemption;

15. Incur project costs;

16. Designate a public entity to exercise the powers enumerated in this section, except paragraphs 1, 4 and 7 of this section;

17. Invest project revenues as provided in ~~this act~~ the Local Development Act; and

18. Do all things necessary or convenient to carry out the powers granted in ~~this act~~ the Local Development Act and otherwise authorized by the laws of this state.

SECTION 3. This act shall become effective July 1, 2002.

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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