

EHB 1300

THE STATE SENATE  
Thursday, April 3, 2003

ENGROSSED  
House Bill No. 1300  
As Amended

ENGROSSED HOUSE BILL NO. 1300 - By: TURNER of the House and GUMM of the Senate.

[ rural economic development - creating Rural Area Development Task Force - effective date - emergency ]

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

SECTION 1. AMENDATORY 62 O.S. 2001, Section 695.24, is amended to read as follows:

Section 695.24 A. 1. The first Thirty Million Dollars (\$30,000,000.00) of any portion of the state ceiling which is in excess of One Hundred Seventy Million Dollars (\$170,000,000.00) shall be reserved and placed in the Student Loan Pool.

2. a. The second Thirty Million Dollars (\$30,000,000.00) which is in excess of One Hundred Seventy Million Dollars (\$170,000,000.00) shall be reserved and placed in a pool designated as the Economic Development Pool. For the period January 1 through September 1 of each calendar year, allocations from this pool may be made only upon the recommendation of the Director of the Oklahoma Department of Commerce and following review

1 and approval by the Executive and Legislative Bond  
2 Oversight Commissions. In order to approve the  
3 recommendation, the Bond Oversight Commissions must  
4 find that the project seeking an allocation from this  
5 pool will result in the creation of manufacturing jobs  
6 in this state or will in some other way contribute to  
7 an economic development objective of this state.

8 b. For purposes of this subsection, "manufacturing jobs"  
9 means jobs created by manufacturing facilities as that  
10 term is defined in subparagraphs a, b, and c of  
11 paragraph 1 of subsection B of Section 2902 of Title  
12 68 of the Oklahoma Statutes.

13 c. The amount reserved and placed in the Economic  
14 Development Pool shall be excluded from the  
15 calculation of the state ceiling for the purposes of  
16 determining the amounts to be reserved and placed in  
17 the other Pools set forth in this section.

18 3. Any remainder of the state ceiling which is in excess of the  
19 amounts reserved pursuant to paragraphs 1 and 2 of this subsection  
20 shall be reserved and placed in the Local Issuer Single Family Pool.

21 B. 1. Eighteen and seventy-five one hundredths percent  
22 (18.75%) of the state ceiling shall be reserved and placed in a pool  
23 to be designated the Qualified Small Issue Pool.

1           2. For the period January 1 through September 1 of each  
2 calendar year, the Qualified Small Issue Pool shall be allocated to  
3 qualified small issue bond projects undertaken by either state or  
4 local issuers. Allocations will be available to issuers on a first-  
5 come, first-serve basis.

6           C. 1. Eight percent (8%) of the state ceiling shall be  
7 reserved and placed in a pool to be designated the Beginning  
8 Agricultural Producer and Exempt Facility Pools.

9           2. For the period January 1 through September 1 of each  
10 calendar year, the Beginning Agricultural Producer Pool shall be  
11 allocated pursuant to the criteria established in Section 5063.23 of  
12 Title 74 of the Oklahoma Statutes according to a ratio of fifty  
13 percent (50%) of the total amount allocated for the combined  
14 purposes, not to exceed Two Million Seven Hundred Fifty Thousand  
15 Dollars (\$2,750,000.00), the remainder to be allocated for a period  
16 January 1 through September 1 of each calendar year to exempt  
17 facility bonds issued by either state or local issuers. Allocations  
18 will be available to issuers on a first-come, first-serve basis.

19           D. 1. In addition to the amount set forth in Section 695.24 of  
20 this title, six and twenty-five one-hundredths percent (6.25%) of  
21 the state ceiling is hereby set aside for student loan bonds and,  
22 annually, shall be reserved and placed in a pool to be designated  
23 the Student Loan Pool.

1           2. For the period January 1 through September 1 of each  
2 calendar year, the Student Loan Pool shall be allocated to qualified  
3 student loan bonds issued by eligible state issuers. Allocations  
4 will be available to issuers on a first-come, first-serve basis.

5           E. 1. Fourteen and seventy-five one-hundredths percent  
6 (14.75%) of the state ceiling shall be reserved and placed in a pool  
7 to be designated the Oklahoma Housing Finance Agency Pool.

8           2. a. For the period January 1 through September 1 of each  
9 year, the Oklahoma Housing Finance Agency Pool shall  
10 be allocated to qualified single family bonds,  
11 multifamily bonds, or mortgage credit certificates  
12 issued by the Oklahoma Housing Finance Agency.

13           b. Provided, ~~twenty-five percent (25%)~~ thirty-five  
14 percent (35%) of the allocation from the Oklahoma  
15 Housing Finance Agency Pool shall be set aside for at  
16 least three (3) months for the origination of single  
17 family loans in counties with populations of three  
18 hundred thousand (300,000) or less.

19           F. 1. Six percent (6%) of the state ceiling shall be reserved  
20 and placed in a pool to be designated the State Issuer Pool. For  
21 the period commencing January 1 of each calendar year through  
22 September 1 of the same year, the State Issuer Pool shall be  
23 allocated to those qualified small issuer projects undertaken by

1 state issuers which have issued in excess of Seventy-five Million  
2 Dollars (\$75,000,000.00) in qualified small issue bonds.

3 2. Notwithstanding the provisions of this section, a state  
4 issuer specifically limited in jurisdiction to one county shall be  
5 treated as a local issuer for the purposes of allocation.

6 G. 1. The balance of the state ceiling shall be reserved and  
7 placed in a pool to be designated the Local Issuer Single Family  
8 Pool. For the period commencing January 1 of each calendar year  
9 through September 1 of the same year, the Local Issuer Single Family  
10 Pool shall be allocated first, Fifteen Million Dollars  
11 (\$15,000,000.00) to any public trust created to provide single  
12 family housing having a county with a population in excess of three  
13 hundred thousand (300,000) as its sole beneficiary and which has  
14 issued tax exempt single family housing revenue bonds in the amount  
15 of at least Four Hundred Million Dollars (\$400,000,000.00). The  
16 balance of this pool shall be allocated to single family projects  
17 undertaken by other local issuers in counties with populations of  
18 three hundred thousand (300,000) or less on a first-come, first-  
19 serve basis with no single local issuer or project to receive an  
20 allocation in excess of Seven Million Five Hundred Thousand Dollars  
21 (\$7,500,000.00) from the Local Issuer Single Family Pool.

22 2. An issuer which has not received any allocation from the  
23 State Issuer Pool and having a single family project limited in

1 jurisdiction to twenty counties or less, each of which has a  
2 population of three hundred thousand (300,000) or less, shall be  
3 considered a local issuer for the purposes of this subsection.

4 H. The state ceiling for each calendar year shall be allocated  
5 within the categories set forth in subsections A, B, C, D, E, F and  
6 G of this section to all private activity bonds, as follows:

7 1. Except as provided in Section 695.21 et seq. of this title,  
8 the state ceiling shall be allocated in the order in which  
9 confirmations are issued;

10 2. The State Bond Advisor shall issue confirmations in the  
11 order in which fully and properly completed applications for state  
12 ceiling allocation are received. The State Bond Advisor shall have  
13 the limited authority to defer or deny confirmation on applications  
14 for state ceiling allocation which appear to be incomplete or  
15 premature based upon information submitted or which fail to show  
16 demand for funds pursuant to subsections F and G of Section 695.25  
17 of this title; and

18 3. The State Bond Advisor shall have no discretionary control  
19 regarding the issuance of confirmations, except as specifically  
20 provided in the Oklahoma Private Activity Bond Allocation Act.

21 In the event a confirmation or application is denied, the State  
22 Bond Advisor, within five (5) business days following such denial,

1 shall send written notice of such denial to the applicant together  
2 with a brief recital of the reason therefor.

3 I. 1. On September 2 of each calendar year, nonallocated sums  
4 remaining in the Economic Development Pool, Qualified Small Issue  
5 Pool, the Beginning Agricultural Producer Pool, the Exempt Facility  
6 Pool, the Student Loan Pool, the Oklahoma Housing Finance Agency  
7 Pool, the State Issuer Pool and the Local Issuer Single Family Pool  
8 shall be consolidated into the Consolidated Pool.

9 2. All local issuers and state issuers shall be entitled to  
10 obtain allocations from the Consolidated Pool for any private  
11 activity bond or mortgage credit certificate program based on the  
12 chronological order of completed applications received after January  
13 1 of each calendar year which applications have not received an  
14 allocation.

15 SECTION 2. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 8302 of Title 74, unless there  
17 is created a duplication in numbering, reads as follows:

18 A. There is hereby created the Rural Area Development Task  
19 Force. The Task Force shall consist of eleven (11) members to be  
20 selected as follows:

21 1. One member to be appointed by the Speaker of the House of  
22 Representatives;

1           2. One member to be appointed by the President Pro Tempore of  
2 the Senate;

3           3. Five members to be appointed by the Governor, each of whom  
4 shall have demonstrated experience or interest in one or more issues  
5 affecting rural development, including, but not limited to, private  
6 sector financial expertise, economic development at the state or  
7 local level, agricultural economics, health care services,  
8 communications technology, business site location decisions, rural  
9 housing or such other areas of expertise as the Governor deems to be  
10 in the best interests of service as a member of the Task Force;

11          4. One member who shall be the Executive Director of the  
12 Oklahoma Department of Commerce or a designee;

13          5. One member who shall be the Director of the Oklahoma  
14 Department of Agriculture, Food and Forestry or a designee;

15          6. One member to be selected by the board of directors of Rural  
16 Enterprises, Inc.; and

17          7. One member to be selected by Oklahoma Association of  
18 Regional Councils, with the advice and consent of each of the  
19 substate planning districts.

20          B. The Task Force shall select from among its membership a  
21 chair and vice-chair. The Task Force shall be authorized to meet at  
22 such times as may be required in order to perform the duties imposed  
23 upon it by law.

1 C. The Task Force shall be subject to the Oklahoma Open Meeting  
2 Act and the Oklahoma Open Records Act.

3 D. The Task Force shall study and examine ways in which the  
4 State of Oklahoma:

5 1. Can effectively develop its rural economy;

6 2. Promote rural areas of the State of Oklahoma for purposes of  
7 business site location efforts;

8 3. Support existing efforts to assist rural areas of the state  
9 with economic development efforts;

10 4. Can modify existing incentives or create additional  
11 incentives that are likely to result in the formation of business  
12 capital and job creation which directly benefits the communities  
13 located in primarily rural areas of the state;

14 5. Can modify existing incentives or create additional  
15 incentives that promote and support individuals engaged in  
16 agriculture, aquaculture, farming, ranching, agricultural product  
17 processing and all forms of business activity that add significant  
18 value to inputs developed with labor and capital originating from  
19 the state; and

20 6. Take such other actions as may be conducive to the  
21 improvement of the rural Oklahoma economy and creation of quality  
22 employment in rural areas and to enhance the quality of life for  
23 rural residents.

1 E. The Task Force may request such assistance as it may require  
2 from the Oklahoma Department of Commerce, the Oklahoma Department of  
3 Agriculture, Food and Forestry, the Oklahoma Employment Security  
4 Commission, the Oklahoma Tax Commission, the Oklahoma Tourism and  
5 Recreation Department, the Oklahoma Department of Career and  
6 Technology Education, and such other entities of state government as  
7 the Task Force may deem relevant to its mission and duties.

8 F. Staff assistance for the Task Force shall be provided by the  
9 Oklahoma House of Representatives and the State Senate.

10 G. The Task Force shall examine the final recommendations of  
11 any previous Task Force, Commission, working group, association or  
12 other entity that has previously undertaken a study of rural  
13 economic development efforts within the ten (10) years preceding the  
14 effective date of this act. The Task Force shall determine the  
15 extent to which any of such recommendations have been implemented,  
16 either pursuant to changes in state law or policy, and to the extent  
17 possible, the Task Force shall determine whether the implementation  
18 of the recommendation from such prior studies was effective.

19 H. The Task Force shall develop recommendations specifically  
20 designed to improve the economic development of rural areas of the  
21 State of Oklahoma, whether through formation of business capital,  
22 job creation, job training, agricultural development, small business  
23 formation and entrepreneurship programs, or other method identified

1 by the Task Force as having potential for improvement of economic  
2 and related conditions in rural areas of the state. The  
3 recommendations shall be contained in a final report to be submitted  
4 to the Governor, the Speaker of the House of Representatives and the  
5 President Pro Tempore of the Senate not later than December 31,  
6 2003.

7 I. Travel reimbursement for the members of the Task Force shall  
8 be provided by the appointing authorities. Legislators who are  
9 members of the Task Force shall be reimbursed pursuant to Section  
10 456 of Title 74 of the Oklahoma Statutes.

11 SECTION 3. Section 1 of this act shall become effective January  
12 1, 2004.

13 SECTION 4. It being immediately necessary for the preservation  
14 of the public peace, health and safety, an emergency is hereby  
15 declared to exist, by reason whereof this act shall take effect and  
16 be in full force from and after its passage and approval.

17 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 4-1-03 - DO PASS,  
18 As Amended.