ENGROSSED SENATE AMENDMENT
TO
ENGROSSED HOUSE
BILL NO. 1779

By: Rousselot, Hilliard, Pruett and Sherrer of the House

and

Easley of the Senate

An Act relating to economic development; enacting the Oklahoma Business Development Park Loan Act; defining terms; authorizing business development park loans to certain eligible public trusts; imposing conditions with respect to loans; providing for reduction of principal amounts; requiring annual performance evaluation and report; providing for codification; providing an effective date; and declaring an emergency.

AMENDMENT NO. 1. Page 1, strike the title, enacting clause and entire bill and insert

"[economic development - Oklahoma Business Development Park Loan Act – codification - effective date – emergency]

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2121 of Title 62, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Business Development Park Loan Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2122 of Title 62, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Business development park" means real property consisting of at least a one-acre site owned by an eligible public trust;

2. “Eligible public trust” means an entity created pursuant to the provisions of Section 176 of Title 60 of the Oklahoma Statutes having at least one city, town or county as its beneficiary and which owns at least five (5) acres of real property the principal purpose of which is the usage of such property by a manufacturing enterprise defined by Sector Nos. 31 through 33 of the North American Industry Classification System (NAICS); and

3. “Loan program” means the process described by Section 3 of this act for an eligible public trust to obtain financing for business development park projects involving a reduction of principal outstanding based upon job creation or other economic indicators as provided by law.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2123 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. An eligible public trust may make application to the Oklahoma Department of Commerce for a business development park loan for public infrastructure projects to include the purchase or development of land, roads, water, sewer, storm sewer, telephone or fiber optic lines. The Oklahoma Department of Commerce shall evaluate such applications based on criteria to include, but not be limited to:

1. The existence of a viable business and marketing plan;

2. The amount, if any, of local matching funds; and

3. Whether or not such project meets the Department of Commerce’s Certified Industrial Site criteria.

B. Loans to an eligible public trust pursuant to this section shall not exceed Two Hundred Fifty Thousand Dollars ($250,000.00).

C. Loans authorized by this section shall:

1. Have a maturity not to exceed twenty (20) years;

2. Be secured by a mortgage against the property; and

3. Be at an interest rate equal to the prime rate, as listed in the first edition of the Wall Street Journal published for each calendar year, plus three percent (3%).

D. Loans authorized by this section shall not be granted to any eligible public trust if there is another active loan under this act to a public trust for a beneficiary in the same county at the same time.

E. 1. Repayment of the loan shall be subject to a reduction in the principal balance owed by the eligible public trust at the end of a fiscal year in the amount of Two Thousand Five Hundred Dollars ($2,500.00) for each new direct job which is:

a. attributable to the business activity of a for-profit business enterprise whose principal business activity is located within the business development park, and

b. compensated at an average wage which equaled or exceeded one hundred fifty percent (150%) of the average wage in the county in which the business development park is located.

2. If the number of new direct jobs created in any year results in a reduction in the principal balance owed by an eligible public trust of an amount greater than the loan payments for such year, an eligible public trust may carry any reduction not applied forward for the number of years remaining in the term of the loan.

3. By agreement with the Department of Commerce, the initial payment for repayment of the loan by an eligible public trust may be delayed by the public trust for not to exceed twelve (12) months from the date of such agreement.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2124 of Title 62, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Department of Commerce shall audit the performance of loans made pursuant to the Oklahoma Business Development Park

Loan Act. The summary of its findings shall be prepared in the form of an annual report which shall be provided to the Governor, the Speaker of the Oklahoma House of Representatives and the President Pro Tempore of the Senate not later than January 31 each year covering the preceding calendar year.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2125 of Title 62, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Commerce to be designated the "Oklahoma Business Development Park Loan Act Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of any funds appropriated and any funds repaid by an eligible public trust pursuant to the Oklahoma Business Development Park Loan Act. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Department of Commerce for implementation of the Oklahoma Business Development Park Loan Act. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 6. This act shall become effective July 1, 2005.

SECTION 7. 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."

Passed the Senate the 20th day of April, 2005.

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Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____, 2005.

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Presiding Officer of the House
of Representatives