

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2376

By: Shoemake

COMMITTEE SUBSTITUTE

An Act relating to economic development; enacting the Oklahoma Livestock Industry Development Act of 2006; defining terms; stating purpose of act; making legislative findings; requiring economic impact study; specifying required content of economic impact study; imposing duties upon Oklahoma Tax Commission with respect to economic impact study; prescribing procedures with respect to analysis of study; requiring submission of certain plan by community; specifying required content of plan; authorizing submission of certain agreements; requiring submission of plan to Governor, Speaker of the House of Representatives and President Pro Tempore of the State Senate; providing for method of plan approval; providing for method of plan disapproval; providing for deposit of certain funds in account; providing for payment of certain authorized expenses; prohibiting use of funds to construct facility; providing for return of unexpended funds; requiring certain communities to provide information to Oklahoma Tax Commission; requiring certain audited financial statements; providing for construction of act; 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 6301 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 "Oklahoma Livestock Industry Development Act of 2006".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6302 of Title 74, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Department" means the Oklahoma Department of Agriculture, Food, and Forestry and its employees, officers, and divisions;

2. "Host community" means a municipality or county authorized by its governing body to host or assist in the presentation of a special livestock event. The term includes a group of counties and municipalities that, with the authorization of each governing body, agree to jointly host or assist in the presentation of a special livestock event; and

3. "Special livestock event" means an event held in a public place within the boundaries of a host community that includes a livestock competition or performance that will produce significant out-of-state participation either through its competitors or its spectators.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6303 of Title 74, unless there is created a duplication in numbering, reads as follows:

The purpose of this act is to authorize a host community to use a portion of the sales tax revenue generated by a special livestock event to assist in paying expenses incurred in connection with the event, including expenses for the purposes provided by Section 8 of this act.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6304 of Title 74, unless there is created a duplication in numbering, reads as follows:

The Legislature finds that conducting a special livestock event in this state will:

1. Provide substantial economic benefits to the community where the special livestock event is held and to the entire state; and

2. Provide opportunities for the creation of jobs by local and state businesses.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6305 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. To be eligible to use a portion of the tax revenue generated by a special livestock event to assist in paying expenses incurred in connection with the event under this act, a host community must conduct an economic impact study of the geographic area expected to experience economic benefits from the special livestock event and submit the study to the Tax Commission for certification.

B. The economic impact study must identify the geographic area expected to experience economic benefits from the special livestock event and provide an estimate of:

1. The general economic impact likely to occur in the area as a result of the event; and

2. The anticipated amount of increase in the tax receipts to this state from the taxes imposed under Section 1354 of Title 68 of the Oklahoma Statutes that:

a. will occur in the special livestock event area during the period that begins on the day before the first day of the event and ends at the earlier of:

(1) the end of the day following the last day of the event, or

(2) the end of the thirtieth day after the day before the first day of the event, and

b. is directly attributable to the preparation for and presentation of the event.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6306 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. Not later than the thirtieth day after receiving the economic impact study from a host community, the Tax Commission shall:

1. Determine whether the study accurately estimates the amount of increase in the tax receipts to this state imposed by Section 1354 of Title 68 of the Oklahoma Statutes; and

2. If the Tax Commission determines that the study accurately reflects the increase in those tax receipts, certify the study.

B. If the Tax Commission determines that the economic impact study submitted by the host community does not accurately estimate the amount of increase in the tax receipts to this state imputed by Section 1354 of Title 68 of the Oklahoma Statutes, the Tax Commission not later than the thirtieth day after receiving the study shall:

1. Submit a preliminary determination to the host community; and

2. Provide the host community with an opportunity to respond or submit a new or amended economic impact study to the Tax Commission.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6307 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. Not less than six (6) months before the first day of a special livestock event, a host community requesting money under this act shall submit a special livestock event plan to the Department of Agriculture, Food, and Forestry.

B. A special livestock event plan must include:

1. A copy of an economic impact study for the special livestock event that has been certified under Section 6 of this act;

2. The history of the event in the special livestock event area, a description of previous attempts by the host community to secure the event, information regarding attempts by other communities to recruit the event, and any other information that would justify approval of the amount of money requested for the event under this act;

3. A detailed explanation justifying each expense as it relates to the purposes provided by Section 8 of this act that each political subdivision within a host community anticipates will be incurred in connection with hosting the event and for which each political subdivision intends to use revenue made available by this act;

4. An estimate of the total amount of expenses each political subdivision within a host community anticipates will be incurred in hosting the event; and

5. A request that an amount of money, not to exceed the lesser of one-half (1/2) of the amount of the total expenses estimated under paragraph 4 of this subsection or one-half (1/2) of the amount of the anticipated increase in tax receipts to this state described by Section 6 of this act according to the certified economic impact study, be deposited by the State Treasurer into an account created by the host community.

C. A host community may submit with a special livestock event plan a copy of an agreement between each political subdivision within the host community and the organizers of the special livestock event, which may include provisions governing the expenses the host community or a political subdivision has agreed to pay. The agreement may not be for a term greater than five (5) years.

D. The Department of Agriculture, Food, and Forestry shall submit the host community's special livestock event plan to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives for approval. The plan is considered approved if the written approval of the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives is received by the Department not later than the ninetieth day after the date the Department received the plan from the host community.

E. If the written approval of the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives is not received as provided by subsection D of this section, the special livestock event plan is considered disapproved.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6308 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. If a special livestock event plan is approved under Section 7 of this act and the host community is selected as the site of the special livestock event, the State Treasurer shall deposit into an account established by the host community the amount requested in the special livestock event plan approved as provided by Section 7 of this act. The State Treasurer shall make the deposits from the state tax receipts as soon as practicable after those taxes are collected.

B. A host community may only use the money authorized by this act to pay the expenses of:

1. Providing security specifically for the event;
2. Providing public transportation and traffic management services for the event;
3. Providing or renting public facilities and the utilities associated with the use of the facilities during the event;
4. Preparing or maintaining a contract associated with conducting the event;
5. Providing maintenance and janitorial services in preparation for, during, or on completion of the event;
6. Developing or providing a special promotion, incentive, or award for or associated with the event; and
7. Any other activity or item authorized in the special livestock event plan approved under Section 7 of this act.

C. A host community may not use the money authorized by this act to construct a facility.

D. If a host community's expenses, as authorized by subsection B of this section, do not meet or exceed the amount requested in the special livestock event plan, not later than the one-hundred-eightieth day following the last day of the special livestock event, the host community shall return the remaining money to the State Treasurer to be deposited in the General Revenue Fund.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6309 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. Each political subdivision within a host community shall provide the information required by the Tax Commission to enable the Tax Commission to carry out the Tax Commission's duties under this act.

B. A political subdivision shall provide to the Department of Agriculture, Food, and Forestry an audited financial statement in the form and at the time required by the Department with sufficient information to enable the Department to verify that all expenditures from a host community's special livestock event trust fund were authorized by law.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6310 of Title 74, unless there is created a duplication in numbering, reads as follows:

This act may not be construed as creating or requiring a state guarantee of obligations incurred by a host community under a contract or other agreement relating to hosting or conducting a special livestock event in this state.

SECTION 11. This act shall become effective July 1, 2006.

SECTION 12. 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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