

(2ND EXTRAORDINARY SESSION)
ENGROSSED HOUSE
BILL NO. 1169

By: Benge, Newport, Morrisette
and Balkman of the House

and

Crutchfield and Rabon of
the Senate

An Act relating to public finance; creating the Oklahoma Opportunity Fund; providing for continuing nature of fund; providing for sources of revenue; providing for budgeting and expenditure of monies; stating authorized purposes of expenditures; prescribing procedures for expenditure of monies; providing for proposed expenditures by the Director of the Oklahoma Department of Commerce; providing criteria for expenditures; providing for adoption of rules; requiring approval of expenditure by Contingency Review Board; providing for certain written agreement and prescribing required content; imposing conditions upon recipient entities with respect to monies awarded pursuant to agreement; making certain findings related to public purpose of expenditures; 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 48 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Commerce to be designated the "Oklahoma Opportunity Fund". The fund shall be a continuing fund, not subject to fiscal year limitations and shall consist of:

1. All monies apportioned or allocated to the fund pursuant to law;
2. Any amounts appropriated by the Legislature to the fund;
3. Interest earned on the investment of money in the fund; and
4. Gifts, grants, and other donations received for the fund.

B. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Governor for the purposes of economic development and related infrastructure development, subject to the unanimous approval of the Contingency Review Board pursuant to subsection E of this section. 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.

C. Expenditures from the Oklahoma Opportunity Fund shall be proposed by the Director of the Oklahoma Department of Commerce. The Director of the Oklahoma Department of Commerce shall only propose expenditures that the Director determines are expected to result in a substantial economic benefit to the state through any of the following:

1. The creation of new jobs which offer a basic health benefit plan, as defined in the Oklahoma Quality Jobs Program Act;

2. The maintenance of existing jobs which are at risk for termination;

3. Investment in new real property, plant or equipment or in the improvement or retooling of existing plant or equipment; or

4. Additional revenues in either ad valorem, income or sales and use taxes.

D. The Oklahoma Department of Commerce shall develop rules for the process of reviewing proposed expenditures from the Oklahoma Opportunity Fund and for determination of whether or not proposed expenditures meet the criteria identified in subsection C of this section. Criteria shall include requirements for economic impact, local participation in the project and average wage thresholds.

E. No expenditure shall be made from the Oklahoma Opportunity Fund unless such expenditure has been unanimously approved by the Contingency Review Board.

F. The Oklahoma Department of Commerce shall administer the Oklahoma Opportunity Fund. The Governor may, on behalf of this state and with the express approval of the Contingency Review Board, award monies by entering into a written agreement.

G. Before awarding any monies pursuant to subsection F of this section, the Governor shall enter into a written agreement with the entity to be awarded the money specifying that:

1. If any or all of the amount to be awarded is used to build a capital improvement:

a. the state retains a lien or other interest in the capital improvement in proportion to the amount awarded by the written agreement for the capital improvement, and

b. if the capital improvement is sold, the recipient of the award shall:

(1) repay to the state the money awarded to pay for the capital improvement, with interest at the rate and according to the other terms provided by the agreement, and

(2) share with the state a proportionate amount of any profit realized from the sale; and

2. If, as of the date certain provided in the agreement, the award recipient has not used monies awarded under this section for the intended purposes, the recipient shall repay that amount and any related interest to the state at the agreed rate and on the agreed terms.

H. The Legislature finds that for profit entities, nonprofit entities and state and local governmental entities that qualify for funding pursuant to the provisions of this section are a source of economic benefits for the state, its political subdivisions and its residents that can only be achieved through the use of specialized economic incentives. All expenditures from the Oklahoma Opportunity

Fund shall be deemed to be in furtherance of essential governmental functions for public purposes as a method of promoting and sustaining economic growth and activity within the State of Oklahoma.

SECTION 2. This act shall become effective July 1, 2006.

SECTION 3. 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 House of Representatives the 21st day of June, 2006.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2006.

Presiding Officer of the Senate