ENGROSSED HOUSE
BILL NO. 2690

By: Walker, Hiett, Blackwell, Denney, Glenn, Ellis, Roggow, Billy, DeWitt, Pruett, Hickman, Dorman, Rousselot, Armes and Braddock of the House

and

Capps of the Senate

(economic development - amending 68 O.S., Section 1370.7 - joint regional economic development authorities - tax levy - effective date)

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

SECTION 1. AMENDATORY 68 O.S. 2001, Section 1370.7, as amended by Section 2, Chapter 336, O.S.L. 2003 (68 O.S. Supp. 2005, Section 1370.7), is amended to read as follows:

Section 1370.7 A. Any combination of cities, towns and counties, by resolution of their governing boards, may jointly create a transportation authority <u>or regional economic development authority</u> pursuant to the provisions of Section 176 of Title 60 of the Oklahoma Statutes for the purpose of planning, financing and constructing ~~transportation-related~~ <u>transportation or regional economic development</u> projects located within the boundaries of such cities, towns or counties. An authority created pursuant to the provisions of this subsection shall have the powers granted pursuant to the provisions of Section 176 of Title 60 of the Oklahoma Statutes in addition to the powers granted pursuant to the provisions of this section. The combination of cities, towns and counties creating the authority shall be designated the beneficiary

of the authority. The boundaries of the authority shall be coterminous with the boundaries of the cities, towns or counties creating the authority.

B. Any transportation authority or regional economic development authority created pursuant to the provisions of subsection A of this section may levy a sales tax of not to exceed two percent (2%) upon the gross proceeds or gross receipts derived from all sales or services in the cities, towns and counties comprising the authority upon which a consumer's sales tax is levied by this state. Before a sales tax may be levied by the authority, the imposition of the tax shall first be approved by a majority of the registered voters within the boundaries of each of the cities, towns and counties comprising the authority voting thereon at a special election jointly called by the governing boards of the cities, towns and counties comprising the authority. Provided, if a majority of the registered voters of an authority voting fail to approve such a tax, the governing boards of such cities, towns and counties shall not jointly call another special election for such purpose for at least six (6) months. Any sales tax approved by the registered voters of an authority shall be applicable only when the point of sale is within the boundaries or limits of the authority.

C. All items that are exempt from the state sales tax shall be exempt from any sales tax levied pursuant to the provisions of this section.

D. Any sales tax which may be levied pursuant to the provisions of this section shall be designated for the purposes of planning, financing and constructing ~~transportation-related~~ transportation or regional economic development projects within the boundaries of the authority. The authority shall identify the purpose of the sales tax when it is presented to the voters pursuant to the provisions of this section. The proceeds of any sales tax levied by an authority

shall be used only for the purposes for which the sales tax was designated.

E. The authority shall identify the duration of the tax when it is presented to the voters pursuant to the provisions of this section.

F. An authority created pursuant to the provisions of subsection A of this section may utilize the provisions of the Local Development Act~~, Section 850 et seq. of Title 62 of the Oklahoma Statutes,~~ as it relates to the financing of such ~~transportation-related~~ transportation or regional economic development projects.

G. An authority created pursuant to the provisions of subsection A of this section shall be dissolved:

1. At such time as the planning, financing and constructing of the ~~transportation-related~~ transportation or regional economic development project within the boundaries of the authority is completed; and

2. At such time as the revenue collected from any taxes levied by the authority is sufficient for payment of any and all expenses incurred by the authority in the planning, financing and constructing of a ~~transportation-related~~ transportation or regional economic development project.

H. If the proceeds of any tax levied by an authority pursuant to this section are pledged for the purpose of retiring indebtedness incurred for the specific purpose for which the tax is imposed, the tax shall not be repealed until such time as the indebtedness is retired. In no event shall the life of the tax be extended beyond the duration approved by the voters of the authority.

I. If the revenue collected from any taxes levied by the authority exceeds the amount necessary for payment of any and all expenses incurred by the authority in the planning, financing and constructing of ~~transportation-related~~ transportation or regional economic development projects, the excess funds shall be apportioned

to the general funds of the cities, towns and counties comprising the authority in proportion to the population of each city, town and county.

J. A transportation authority created pursuant to the provisions of subsection A of this section may provide for the financing of a toll bridge utilizing any revenue measures available pursuant to subsections A through I of this section in combination with revenue derived from toll charges. Such combination financing shall be fully described in the resolution of the transportation authority which authorizes the construction of such toll bridge. The resolution shall set out minimum and maximum percentages of the total debt which shall be retired utilizing revenue received from toll charges.

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

Passed the House of Representatives the 15th day of March, 2006.

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Presiding Officer of the House of Representatives

Passed the Senate the ____ day of _____, 2006.

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Presiding Officer of the Senate