

CS for EHB 1779

1 THE STATE SENATE
2 Wednesday, April 13, 2005

3 Committee Substitute for
4 ENGROSSED
5 House Bill No. 1779

6 COMMITTEE SUBSTITUTE FOR ENGROSSED HOUSE BILL NO. 1779 - By:
7 ROUSSELOT, HILLIARD, PRUETT and SHERRER of the House and EASLEY of
8 the Senate.

9 [economic development - Oklahoma Business Development Park
10 Loan Act - codification - effective date -
11 emergency]

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

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

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

20 As used in this act:

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

23 2. "Eligible public trust" means an entity created pursuant to
24 the provisions of Section 176 of Title 60 of the Oklahoma Statutes
25 having at least one city, town or county as its beneficiary and

1 which owns at least five (5) acres of real property the principal
2 purpose of which is the usage of such property by a manufacturing
3 enterprise defined by Sector Nos. 31 through 33 of the North
4 American Industry Classification System (NAICS); and

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

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

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

- 20 1. The existence of a viable business and marketing plan;
21 2. The amount, if any, of local matching funds; and
22 3. Whether or not such project meets the Department of
23 Commerce's Certified Industrial Site criteria.

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

3 C. Loans authorized by this section shall:

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

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

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

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

13 E. 1. Repayment of the loan shall be subject to a reduction in
14 the principal balance owed by the eligible public trust at the end
15 of a fiscal year in the amount of Two Thousand Five Hundred Dollars
16 (\$2,500.00) for each new direct job which is:

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

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

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

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

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

13 The Oklahoma Department of Commerce shall audit the performance
14 of loans made pursuant to the Oklahoma Business Development Park
15 Loan Act. The summary of its findings shall be prepared in the form
16 of an annual report which shall be provided to the Governor, the
17 Speaker of the Oklahoma House of Representatives and the President
18 Pro Tempore of the Senate not later than January 31 each year
19 covering the preceding calendar year.

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

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

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

15 SECTION 7. It being immediately necessary for the preservation
16 of the public peace, health and safety, an emergency is hereby
17 declared to exist, by reason whereof this act shall take effect and
18 be in full force from and after its passage and approval.

19 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 4-5-05 - DO PASS,
20 As Amended.