CS for EHB 2376

THE STATE SENATE
Monday, April 10, 2006

Committee Substitute for
ENGROSSED
House Bill No. 2376

COMMITTEE SUBSTITUTE FOR ENGROSSED HOUSE BILL NO. 2376 - By: SHOEMAKE, BROWN, COVEY, GLENN, HYMAN, McCARTER and WALKER of the House and GARRISON of the Senate.

[economic development – Oklahoma Livestock Industry Development Act of 2006 – codification – effective date – 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. When the livestock competition or performance is only a portion of a larger event, only that portion of the event which includes livestock shall be deemed a special livestock event for the purposes of this act.

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:

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 Oklahoma 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 the day following the last day of the event, and

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

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:

A. Not later than the thirtieth day after receiving the economic impact study from a host community, the Oklahoma 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 imposed 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 that the proposed impact is not accurate 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 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. 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 Oklahoma Livestock Industry Board.

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 4 of this act;

2. The history of the event;

3. A description of the event and its expected participants and spectators, including an estimate of out-of-state participants and spectators;

4. A list of personnel involved with the host event and their experience producing similar events;

5. A description of the benefits to the host community and the state;

6. Any other information that would justify approval of the amount of money requested for the event under this act;

7. A detailed explanation justifying each expense the 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;

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

9. 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 8 of this subsection or one-half (1/2) of the amount of the anticipated increase in tax receipts to this state described by Section 4 of this act according to the certified economic impact study, be paid from the Oklahoma Livestock Industry Development

Payment Fund established in Section 6 of this act 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. In the event the Oklahoma Livestock Industry Board approves the special livestock event plan, the Oklahoma Livestock Industry Board will submit the host community's special livestock event plan to the State Board of Agriculture for approval. The special livestock event plan is considered approved when the State Board of Agriculture grants written approval of the special livestock event plan.

E. This act hereby creates the Oklahoma Livestock Industry Board whose purpose is to assist in the administration of this act. The Oklahoma Livestock Industry Board shall consist of seven (7) members appointed as follows:

1. Two members shall be appointed by the Speaker of the House of Representatives, one of whom shall be actively engaged in the horse industry and one of whom shall be actively engaged in the cattle industry;

2. Two members shall be appointed by the President Pro Tempore of the Senate, one of whom shall be actively engaged in the horse industry and one of whom shall be actively engaged in the cattle industry; and

3. Three members shall be appointed by the Governor, one of whom shall be actively engaged in the horse industry, one of whom shall be actively engaged in a livestock industry other than the horse industry and other than the cattle industry, and one of whom shall be employed by an Oklahoma-based financial lending institution.

F. Members of the Oklahoma Livestock Industry Board shall serve terms of four (4) years. Members shall be eligible for reappointment at the end of their terms. Members shall continue to serve until their successors are appointed. Any vacancy shall be filled in the same manner as the original appointments.

G. The Oklahoma Livestock Industry Board shall select a chair and a vice-chair from among its members. The Board shall meet as necessary to fulfill the Oklahoma Livestock Industry Development Act and for other such purposes specified by law. Special meetings may be called by the chair or by a concurrence of any four members.

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. There is hereby created within the State Treasury a special fund for the Oklahoma Tax Commission to be designated the "Oklahoma Livestock Industry Development Payment Fund". The Tax Commission is hereby authorized and directed to withhold a portion of the taxes levied and collected pursuant to Section 1354 of Title 68 of the Oklahoma Statutes for deposit into the fund. The amount deposited shall equal the sum of all amounts requested in a special livestock event plan which has been approved pursuant to Section 5 of this act. All of the amounts deposited in such fund shall be used and expended by the Tax Commission solely for the purposes and in the amounts authorized by the Oklahoma Livestock Industry Development Act of 2006. The liability of the State of Oklahoma to make the payments under this act shall be limited to the balance contained in the fund created by this section.

B. A host community may only use the money authorized by this act in accordance with the special livestock event plan 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. Developing or providing a special promotion, incentive, or award for or associated with the event; and

6. Any other activity or item authorized in the special livestock event plan approved under Section 5 of this act.

C. A host community may not use the money authorized by this act to construct a facility nor may it use the money for anything other than a special livestock event in accordance with a special livestock event plan.

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 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. Each political subdivision within a host community shall provide the information required by the Oklahoma 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 Oklahoma 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 plan were authorized by law.

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:

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 9. This act shall become effective July 1, 2006.

SECTION 10. 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.

COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 4-4-06 - DO PASS, As Amended.