

THE STATE SENATE
Tuesday, February 28, 2006

Committee Substitute for
Senate Bill No. 1921

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 1921 - By: CRAIN of the Senate and SULLIVAN of the House.

[revenue and taxation - Oklahoma Quality Jobs Incentive Leverage Act - effective date]

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

SECTION 1. AMENDATORY Section 3, Chapter 299, O.S.L. 2002 (68 O.S. Supp. 2005, Section 3653), is amended to read as follows:

Section 3653. As used in this act:

1. "Establishment" means a business that:

a. has at least One Hundred Fifteen Million Dollars (\$115,000,000.00) in annual gross compensation paid with respect to jobs located in Oklahoma according to Oklahoma Employment Security records and company reports for the three (3) years prior to the irrevocable election filing date provided by Section 8 of this act 3658 of this title,

b. has an average salary of at least Forty Thousand Dollars (\$40,000.00) paid to employees as of the

- 1 irrevocable election filing date provided by Section ~~8~~
2 ~~of this act~~ 3658 of this title,
- 3 c. intends to add substantial gross compensation, as
4 defined below, with respect to full-time-equivalent
5 employment located in Oklahoma within three (3) years
6 of filing an irrevocable election with the Oklahoma
7 Department of Commerce pursuant to the provisions of
8 subsection A of Section ~~8 of this act~~ 3658 of this
9 title,
- 10 d. has at least Two Hundred Million Dollars
11 (\$200,000,000.00) total investment in Oklahoma,
- 12 e. intends to add investment for modernization and
13 retooling of a facility located in the state of at
14 least Fifty Million Dollars (\$50,000,000.00) but for
15 purposes of this act not in excess of Two Hundred
16 Fifty Million Dollars (\$250,000,000.00) within five
17 (5) years of filing an irrevocable election with the
18 Oklahoma Department of Commerce pursuant to the
19 provisions of subsection A of Section ~~8 of this act~~
20 3658 of this title,
- 21 f. has and maintains at least one thousand five hundred
22 fifty (1,550) full-time employees in the state,

1 g. is described by Industry Number 3011, Industry Group
2 Number 301, Major Group 30 of the Standard Industrial
3 Classification Manual (SIC), latest revision, and
4 h. for an establishment qualifying for proceeds pursuant
5 to paragraph 1 of subsection B of Section ~~4 of this~~
6 ~~act~~ 3654 of this title and, as of the date the
7 irrevocable election authorized by Section ~~8 of this~~
8 ~~act~~ 3658 of this title is filed, has received or will
9 receive funds as a result of a voter-approved economic
10 development incentive derived from a tax levy:

- 11 (1) by a county or municipality, the population of
12 such county or the population of the county in
13 which such municipality is located shall not
14 exceed five hundred thousand (500,000) persons,
15 according to the most recent federal Decennial
16 Census, and
17 (2) with projected revenues for the county or
18 municipality during the period of the tax levy
19 equal to or greater than Five Million Dollars
20 (\$5,000,000.00) as certified by the establishment
21 to the Oklahoma Department of Commerce and an
22 amount committed for the direct benefit of the
23 establishment equal to or greater than thirteen

1 and five-tenths percent (13.5%) of the proceeds
2 from the obligations issued pursuant to Section 4
3 ~~of this act~~ 3654 of this title to which the
4 establishment is entitled,

5 i. is an aerospace product and parts manufacturing
6 or maintenance repair overhaul business that:

7 (1) has at least Three Hundred Forty-two Million
8 Dollars (\$342,000,000.00) in annual gross
9 compensation paid with respect to jobs located in
10 Oklahoma according to Oklahoma Employment
11 Security records and company reports for the
12 three (3) years prior to the irrevocable election
13 filing date provided by Section 3658 of this
14 title,

15 (2) has an average salary of at least Forty Thousand
16 Dollars (\$40,000.00) paid to employees as of the
17 irrevocable election filing date provided by
18 Section 3658 of this title,

19 (3) intends to add substantial gross compensation, as
20 defined in paragraph 3 of this section, capital
21 investment or new technology to the state, with
22 respect to full-time-equivalent employment located
23 in Oklahoma within three (3) years of filing an

1 irrevocable election with the Oklahoma Department
2 of Commerce pursuant to the provisions of
3 subsection A of Section 3658 of this title,

4 (4) has at least Fifty Million Dollars

5 (\$50,000,000.00) total investment in Oklahoma,

6 (5) intends to add capital investment in a facility

7 located in the state of at least Sixty Million

8 Dollars (\$60,000,000.00) within five (5) years of

9 filing an irrevocable election with the Oklahoma

10 Department of Commerce pursuant to the provisions

11 of subsection A of Section 3658 of this title,

12 (6) has and maintains at least six thousand nine

13 hundred sixty (6,960) full-time equivalent

14 employees in the state, and

15 (7) is described by North American Industry

16 Classification Number 3364.

17 2. "Gross compensation" means wages, as defined in Section
18 2385.1 of Title 68 of the Oklahoma Statutes, and benefits paid on
19 behalf of employees receiving wages; and

20 3. "Substantial gross compensation" means annualized
21 compensation of Four Million Dollars (\$4,000,000.00) or more within
22 three (3) years of filing the irrevocable election with the Oklahoma

1 Department of Commerce pursuant to Section ~~8 of this act~~ 3658 of
2 this title.

3 SECTION 2. AMENDATORY Section 4, Chapter 299, O.S.L.
4 2002 (68 O.S. Supp. 2005, Section 3654), is amended to read as
5 follows:

6 Section 3654. A. The Oklahoma Development Finance Authority
7 shall, according to the requirements of the Oklahoma Development
8 Finance Authority Act, issue obligations in a principal amount
9 determined as required by this section upon certification by the
10 Oklahoma Department of Commerce that an establishment has filed the
11 irrevocable election described in subsection A of Section ~~8 of this~~
12 ~~act~~ 3658 of this title. No obligation issued by the Oklahoma
13 Development Finance Authority pursuant to this act shall be
14 considered a general obligation of the State of Oklahoma for any
15 purpose and the indebtedness incurred shall be a debt of the
16 Oklahoma Development Finance Authority and not a debt of the State
17 of Oklahoma.

18 B. Notwithstanding any other provision of this section to the
19 contrary, the total principal amount of indebtedness incurred by the
20 Authority shall not be greater than an amount required for proceeds
21 equal to:

22 1. Fourteen and four-tenths percent (14.4%) of the maximum
23 amount of projected investment, as disclosed pursuant to Section 5

1 ~~of this act~~ 3655 of this title, for the applicable facility of an
2 establishment that has received or will receive funds as a result of
3 a voter-approved economic development incentive as described by
4 subparagraph h of paragraph 1 of Section ~~3 of this act~~ 3653 of this
5 title. The maximum amount of projected investment for purposes of
6 this paragraph shall not exceed Two Hundred Fifty Million Dollars
7 (\$250,000,000.00); or

8 2. Seven and two-tenths percent (7.2%) of the maximum amount of
9 projected investment, as disclosed pursuant to Section ~~5 of this act~~
10 3655 of this title, for the applicable facility of an establishment
11 that will not receive funds as a result of a voter-approved economic
12 development incentive as described by subparagraph h of paragraph 1
13 of Section ~~3 of this act~~ 3653 of this title; or

14 3. Sixty Million Dollars (\$60,000,000.00) for the applicable
15 facility of an establishment described by subparagraph i of
16 paragraph 1 of Section 3653 of this title.

17 C. The proceeds of such issuance shall be used by the Authority
18 for the benefit of an establishment making an irrevocable election
19 pursuant to the requirements of this act and such proceeds shall be
20 made available to an establishment for purposes of making the
21 investments described by ~~Section 3 and Section 5~~ Sections 3653 and
22 3655 of this act according to the requirements of this act and any

1 agreement executed by the establishment and the Oklahoma Development
2 Finance Authority.

3 D. Upon receipt and analysis of the disclosures regarding
4 proposed investment for modernization and retooling of or capital
5 investment in a facility located within the state and owned by an
6 establishment that qualifies for access to the proceeds from the
7 sale of the obligations, the Oklahoma Development Finance Authority
8 shall, if requested by the establishment, structure the issuance of
9 the obligations in a manner that provides for the receipt of
10 proceeds equal to the sum of the computations described by
11 paragraphs 1 and 2 of this subsection for an establishment that has
12 received or will receive funds as a result of a voter-approved
13 economic development incentive as described by subparagraph h of
14 paragraph 1 of Section ~~3 of this act~~ 3653 of this title or the
15 amount prescribed by paragraph ~~3~~ 2 of this subsection for an
16 establishment that will not receive funds as a result of a voter-
17 approved economic development incentive as described by subparagraph
18 h of paragraph 1 of Section ~~3 of this act~~ 3653 of this title as
19 follows:

20 1. The projected value of tax incentives which the
21 establishment has agreed to forego and for which the establishment
22 will become ineligible pursuant to subsections H and I of Section ~~8~~
23 ~~of this act~~ 3658 of this title, which amount shall be calculated by

1 the Incentive Approval Committee created by subsection B of Section
2 3603 of Title 68 of the Oklahoma Statutes according to the following
3 method:

4 a. the projected amount of incentive payments to be
5 received by the establishment pursuant to the Oklahoma
6 Quality Jobs Program Act shall be determined,

7 b. the projected amount of ad valorem tax liabilities
8 which the establishment will incur as a result of the
9 foregone exemption for a qualifying manufacturing
10 concern that would otherwise be available pursuant to
11 Section 2902 of ~~Title 68 of the Oklahoma Statutes~~ this
12 title shall be determined which shall be calculated
13 using an assumption that the liabilities will be
14 equivalent to one percent (1%) of the amount of the
15 total project cost disclosed to the Oklahoma
16 Development Finance Authority pursuant to Section ~~5 of~~
17 ~~this act~~ 3655 of this title,

18 c. the projected amount of sales tax liabilities which
19 the establishment will incur as a result of the
20 foregone exemption for the construction of a
21 manufacturing facility that would otherwise be
22 available pursuant to Section 1359 of ~~Title 68 of the~~
23 ~~Oklahoma Statutes~~ this title shall be determined which

1 shall be calculated using an assumption that the
2 liabilities will be equivalent to four and one-half
3 percent (4 1/2%) of the amount of the portion of
4 project cost disclosed to the Oklahoma Development
5 Finance Authority pursuant to Section ~~5 of this act~~
6 3655 of this title that would qualify for the
7 exemption pursuant to Section 1359 of ~~Title 68 of the~~
8 ~~Oklahoma Statutes~~ this title, and

9 d. the sum of the results separately computed pursuant to
10 subparagraphs a, b and c of this paragraph shall be
11 determined for use in the computation of the principal
12 amount of the issuance as further provided by this
13 subsection; and

14 2. The projected value of the local economic development
15 incentive as described by subparagraph h of paragraph 1 of Section ~~3~~
16 ~~of this act~~ 3653 of this title which directly benefits the
17 establishment during the period of the local incentive multiplied by
18 a number that, after accounting for the total computed to paragraph
19 1 of this subsection, when multiplied by the incentive amount
20 directly benefiting the establishment and added to the result of the
21 computation in paragraph 1 of this subsection is not greater than
22 Thirty-six Million Dollars (\$36,000,000.00), which sum shall be
23 certified to the Oklahoma Development Finance Authority by the

1 Incentive Approval Committee created by subsection B of Section 3603
2 of ~~Title 68 of the Oklahoma Statutes~~ this title in such form as the
3 Authority may require; or

4 3. An amount not to exceed seven and two-tenths percent (7.2%)
5 of the project cost as disclosed pursuant to Section ~~5 of this act~~
6 3655 of this title which computation shall only be applicable for an
7 establishment that will not receive funds as a result of a voter-
8 approved economic development incentive as described by subparagraph
9 h of paragraph 1 of Section ~~3 of this act~~ 3653 of this title which
10 amount shall be certified to the Oklahoma Development Finance
11 Authority by the Incentive Approval Committee created by subsection
12 B of Section 3603 of ~~Title 68 of the Oklahoma Statutes~~ this title in
13 such form as the Authority may require.

14 E. Upon availability of such proceeds, the Authority shall make
15 payment to the qualified establishment of the full allocation of
16 proceeds based upon the computation required by the applicable
17 paragraphs of subsection D of this section.

18 F. The obligations authorized by subsection A of this section
19 shall be fully repaid in a period not to exceed twenty (20) years
20 from their issuance.

21 G. The Oklahoma Development Finance Authority shall require
22 that each and every establishment filing the irrevocable election
23 pursuant to Section ~~8 of this act~~ 3658 of this title will use

1 proceeds derived from the sale of obligations issued pursuant to
2 subsection A of this section according to the requirements of this
3 act.

4 H. 1. An establishment that otherwise qualifies to use
5 proceeds from the sale of obligations pursuant to this section shall
6 be required to provide documentation to the Oklahoma Development
7 Finance Authority that a minimum of Fifty Million Dollars
8 (\$50,000,000.00) has been expended or legally committed for
9 expenditure for a modernization and retooling of an existing
10 facility located within the state before the Authority is authorized
11 to transfer any such proceeds to the establishment. Such
12 expenditure or commitment for expenditures for the modernization and
13 retooling of an existing facility occurring at any time on or after
14 January 1, 2001, but not later than January 1, 2003, shall qualify
15 in satisfaction of this requirement.

16 2. An establishment that otherwise qualifies to use proceeds
17 from the sale of obligations pursuant to subparagraph i of paragraph
18 1 of Section 3653 of this title shall be required to provide
19 documentation to the Oklahoma Development Finance Authority that a
20 minimum of Sixty Million Dollars (\$60,000,000.00) has been expended
21 or legally committed for expenditure for a capital investment in an
22 existing facility located within the state before the Authority is
23 authorized to transfer any such proceeds to the establishment. Such

1 expenditure or commitment for expenditures for a capital investment
2 in an existing facility occurring at any time on or after January 1,
3 2006, but not later than January 1, 2008, shall qualify in
4 satisfaction of this requirement.

5 I. Subject to the requirements of this section, the Oklahoma
6 Development Finance Authority is authorized to issue its obligations
7 in the principal amount required in order to make the proceeds from
8 the sale of its obligations available to each establishment that
9 qualifies for the use of such proceeds as required by this section,
10 and in such additional principal amount as may be required for the
11 payment of interest or the payment of principal and interest for the
12 fiscal year ending ~~June 30, 2003~~ June 30, 2008, together with such
13 additional principal amount that may be required or that may be
14 associated with the costs of the issuance of the obligations. Under
15 no circumstances shall the amount of proceeds derived from the sale
16 of obligations authorized by subsection A of this section and which
17 are made available to a qualified establishment exceed the amount
18 prescribed by this section.

19 J. The Oklahoma Development Finance Authority shall provide
20 that the first payment of interest or the first payment of principal
21 and interest in repayment of the obligations authorized by
22 subsection A of this section shall not become due until ~~July 1, 2003~~
23 July 1, 2008, or thereafter, if feasible, or the Authority shall

1 provide for the first payment of interest or the first payment of
2 principal and interest using some portion of the proceeds derived
3 from the sale of obligations authorized by subsection A of this
4 section. If any payment of principal or interest is due at any time
5 after ~~July 1, 2003~~ July 1, 2008, the Authority may use such proceeds
6 with respect to such required payment. In no case shall the
7 Authority issue the obligations in any manner that requires the use
8 of revenues apportioned to the Quality Jobs Program Incentive
9 Leverage Fund pursuant to Section ~~9 of this act~~ 3659 of this title
10 until ~~July 1, 2003~~ July 1, 2008, or thereafter.

11 K. The Oklahoma Development Finance authority may enter into
12 such agreements with a qualified establishment as are necessary to
13 implement the provisions of this act. The Authority shall require
14 that an establishment using proceeds from obligations issued
15 pursuant to this section enter into a contract with the Authority
16 reflecting the benefits derived by the State of Oklahoma in a manner
17 consistent with the findings of Section ~~2 of this act~~ 3652 of this
18 title. The Authority may provide for the issuance of obligations in
19 a manner that results in availability of proceeds suitable to the
20 proposed investment activity of an establishment and which takes
21 into account the obligation of the Authority to repay principal and
22 interest with the objective of obtaining the most favorable

1 financing terms to the Authority for the repayment of the
2 obligations.

3 L. If an establishment to which proceeds from the sale of
4 obligations issued pursuant to subsection A of this section are
5 transferred does not make use of the proceeds in the amount required
6 by any agreement with the Authority or in contravention of any of
7 the terms or requirements imposed by the Authority or by the
8 requirements of this act, the establishment shall become liable to
9 the Oklahoma Development Finance Authority for the payment of
10 principal, interest or other costs associated with the repayment of
11 any amount of debt represented by obligations issued pursuant to
12 subsection A of this section to the extent such proceeds were paid
13 to the establishment and such proceeds were not used in the amount
14 disclosed to the Oklahoma Development Finance Authority pursuant to
15 ~~Section 5 of this act~~ 3655 of this title. If an establishment does
16 not make the full amount of investment as disclosed pursuant to
17 ~~Section 5 of this act~~ 3655 of this title, the establishment shall be
18 liable for principal, interest or other costs associated with
19 repayment of debt equal to the difference between the amount of
20 investment disclosed pursuant to ~~Section 5 of this act~~ 3655 of this
21 title and the actual investment made by the establishment multiplied
22 by fourteen and four-tenths percent (14.4%) for an establishment
23 that has or will receive funds as a result of a voter-approved

1 economic development incentive as described by subparagraph h of
2 paragraph 1 of Section ~~3 of this act~~ 3653 of this title or
3 multiplied by seven and two-tenths percent (7.2%) for an
4 establishment that will not receive funds as a result of a voter-
5 approved economic development incentive as described by subparagraph
6 h of paragraph 1 of Section ~~3 of this act~~ 3653 of this title or
7 Sixty Million Dollars (\$60,000,000.00) for an establishment as
8 described by subparagraph i of paragraph 1 of Section 3563 of this
9 title.

10 M. An establishment that otherwise qualifies for the use of
11 proceeds derived from the sale of obligations pursuant to subsection
12 A of this section shall execute and deliver to the Oklahoma
13 Development Finance Authority a guaranty, or shall cause a guaranty
14 to be executed and delivered by a third party, in such form as the
15 Authority may determine, for the benefit of the Oklahoma Development
16 Finance Authority in the event of a deficit between the sum of the
17 incentive payment and the withholding taxes transferred to the
18 Quality Jobs Program Incentive Leverage Fund pursuant to Section ~~9~~
19 ~~of this act~~ 3659 of this title and the total amount required for the
20 payment of principal, interest or other costs associated with the
21 obligations, proceeds from the sale of which are paid to the
22 establishment or are available for use by the establishment. The
23 Authority shall only accept a third-party guaranty from an entity

1 that has a net worth in excess of the net worth of the establishment
2 on behalf of which the guaranty is provided. Payments received by
3 the Oklahoma Development Finance Authority pursuant to the
4 provisions of this subsection and pursuant to the terms of the
5 guaranty shall be deposited into the Quality Jobs Program Incentive
6 Leverage Fund. The Oklahoma Development Finance Authority shall
7 require that the guaranty provide for such terms of payment as may
8 be required to make payments of principal, interest or other costs
9 in a timely manner to the entity or entities to which the Authority
10 is obligated to make payment. No revenues authorized to be
11 apportioned pursuant to Section 2352 of ~~Title 68 of the Oklahoma~~
12 ~~Statutes~~ this title shall be transferred to the Quality Jobs Program
13 Incentive Leverage Fund until the terms of the guaranty have been
14 invoked and payment received or until the Oklahoma Development
15 Finance Authority determines an event of default under the terms of
16 the guaranty.

17 N. The Oklahoma Development Finance Authority, in addition to
18 any other powers granted to it pursuant to the Oklahoma Development
19 Finance Authority Act, may pursue such remedies for the collection
20 of any debt owed to the Authority as authorized by this section as
21 are available to any creditor under the laws of the State of
22 Oklahoma.

1 O. The provisions of the Oklahoma Development Finance Authority
2 Act shall be fully applicable to the obligations issued pursuant to
3 subsection A of this section and except insofar as the provisions of
4 this act are inconsistent with the provisions of the Oklahoma
5 Development Finance Authority Act, the Oklahoma Quality Jobs
6 Incentive Leverage Act shall ~~supereede~~ supersede and govern all
7 entities, transactions, obligations, rights and remedies associated
8 with such obligations.

9 SECTION 3. AMENDATORY Section 5, Chapter 299, O.S.L.
10 2002 (68 O.S. Supp. 2005, Section 3655), is amended to read as
11 follows:

12 Section 3655. A. Within sixty (60) days after filing the
13 irrevocable election pursuant to Section ~~8 of this act~~ 3658 of this
14 title, each establishment that has filed such election shall provide
15 to the Oklahoma Development Finance Authority, on such form as may
16 be prescribed by the Authority for this purpose, the total amount of
17 investment and expenditure proposed by the establishment for the
18 modernization or retooling of or capital investment in a facility
19 located within the state owned by the establishment. The full
20 amount of expenditures qualifying for the use of proceeds pursuant
21 to Section ~~4 of this act~~ 3654 of this title shall be made not later
22 than five (5) years from the date as of which the disclosure
23 document required by this subsection is filed.

1 B. The Oklahoma Development Finance Authority shall evaluate
2 the information provided pursuant to subsection A of this section in
3 order to determine the total principal amount of the issuance or
4 issuances authorized by subsection A of Section ~~4 of this act~~ 3654
5 of this title. The total principal amount of any indebtedness
6 issued by the Authority shall not exceed an amount required in order
7 to allow all establishments that have made the disclosure required
8 by subsection A of this section to fully expend proceeds made
9 available to the establishment by the Authority, plus amounts
10 required for repayment of the obligations, if applicable, and the
11 costs of the issuance.

12 SECTION 4. AMENDATORY Section 8, Chapter 299, O.S.L.
13 2002 (68 O.S. Supp. 2005, Section 3658), is amended to read as
14 follows:

15 Section 3658. A. An establishment, as defined in Section ~~3 of~~
16 ~~this act~~ 3653 of this title, which is otherwise authorized to
17 receive incentive payments pursuant to the Oklahoma Quality Jobs
18 Program Act and that is in receipt of incentive payments or has
19 qualified for receipt of incentive payments as of the date of the
20 irrevocable election and that intends to use proceeds derived from
21 the sale of obligations issued pursuant to Section ~~4 of this act~~
22 3654 of this title shall, as a condition of being eligible to make
23 use of such proceeds, file an irrevocable election with the Oklahoma

1 Department of Commerce to have such incentive payments which would
2 otherwise be paid to the establishment transferred to the Quality
3 Jobs Program Incentive Leverage Fund. An establishment shall file
4 its election with the Oklahoma Department of Commerce not later than
5 ~~August 1, 2003~~ August 1, 2007, in order to be eligible for use of
6 any proceeds from the sale of obligations authorized by Section ~~4 of~~
7 ~~this act~~ 3654 of this title. No establishment that is not in
8 receipt of or that has not qualified for receipt of incentive
9 payments pursuant to the Quality Jobs Program Act may file an
10 election pursuant to this section.

11 B. Upon filing such election, any incentive payments which
12 would have been paid to the establishment pursuant to the Oklahoma
13 Quality Jobs Program Act after such filing shall be deposited to the
14 Quality Jobs Program Incentive Leverage Fund. Such incentive
15 payments shall be treated as an asset of the establishment which has
16 been paid to the State of Oklahoma for purposes of this act.

17 C. Beginning July 1, 2003, and for each fiscal year thereafter
18 as otherwise required by this act, monies transferred to the Quality
19 Jobs Program Incentive Leverage Fund shall be used for the payment
20 of principal and interest or other costs associated with the
21 issuance of obligations by the Oklahoma Development Finance
22 Authority pursuant to the provisions of Section ~~4 of this act~~ 3654
23 of this title. Not later than January 1 and July 1 of each year,

1 the Oklahoma Development Finance Authority shall certify to the
2 Oklahoma Department of Commerce and the Oklahoma Tax Commission the
3 amount which will be required for payment of principal, interest and
4 other costs associated with the issuance of such obligations for the
5 succeeding six-month period.

6 D. Notwithstanding any provision of law to the contrary, once
7 an irrevocable election has been made by the establishment pursuant
8 to the provisions of this section:

9 1. The incentive payment made pursuant to the Oklahoma Quality
10 Jobs Program Act for the establishment shall never be less than One
11 Dollar (\$1.00) either during the period of the contract for the
12 incentive payment or during the period of time obligations issued
13 under Section ~~4 of this act~~ 3654 of this title remain unpaid; and

14 2. Incentive payments shall continue to be paid for the
15 establishment either as provided in the contract for incentive
16 payments in the amount required by the Quality Jobs Program Act or
17 in the amount of One Dollar (\$1.00) after the expiration of the
18 contract period until the Oklahoma Development Finance Authority
19 certifies to the Oklahoma Department of Commerce and the Tax
20 Commission that the indebtedness of the Authority issued pursuant to
21 the provisions of Section ~~4 of this act~~ 3654 of this title has been
22 repaid.

1 E. Beginning July 1, 2003, and for each fiscal year thereafter
2 as otherwise required by this act, as often as may be necessary for
3 the Oklahoma Development Finance Authority to make payments with
4 respect to indebtedness issued pursuant to the provisions of this
5 act, the Tax Commission shall transfer from the revenues specified
6 in Section ~~4 of this act~~ 3659 of this title an amount required to
7 equal the difference between the incentive payment deposit and the
8 amount certified pursuant to the provisions of subsection C of this
9 section. The Tax Commission shall then transfer the total amount
10 required pursuant to the certification to the Oklahoma Development
11 Finance Authority.

12 F. An establishment to which proceeds from the sale of any
13 obligations issued by the Oklahoma Development Finance Authority are
14 made available as provided by this act shall not claim any tax
15 credits that would otherwise be authorized pursuant to Section
16 2357.4 of ~~Title 68 of the Oklahoma Statutes~~ this title as a result
17 of jobs created or capital investment made as a direct result of the
18 use of such bond proceeds. For purposes of this subsection and for
19 purposes of computing any tax credit pursuant to Section 2357.4 of
20 ~~Title 68 of the Oklahoma Statutes~~ this title, "bond proceeds" shall
21 mean the amount transferred, paid or made available to the
22 establishment together with the total amount of principal and
23 interest paid by the Oklahoma Development Finance Authority with

1 respect to any amount of proceeds transferred, paid or made
2 available to the establishment.

3 G. An establishment that files an irrevocable election
4 authorized by this section and to which proceeds from the sale of
5 obligations authorized by Section ~~4 of this act~~ 3654 of this title
6 are paid or made available may utilize income tax credits earned
7 prior to the effective date of this act pursuant to Section 2357.4
8 of ~~Title 68 of the Oklahoma Statutes~~ this title for a period of
9 fifteen (15) taxable years subsequent to the year in which the
10 election is filed.

11 H. An establishment that files an irrevocable election
12 authorized by this section and to which any proceeds from the sale
13 of obligations authorized by Section ~~4 of this act~~ 3654 of this
14 title are paid or made available shall not be eligible to claim any
15 exemption pursuant to Section 6B of Article X of the Oklahoma
16 Constitution or Section 2902 of ~~Title 68 of the Oklahoma Statutes~~
17 this title with respect to real or personal property constituting
18 the facility described by the establishment pursuant to the
19 disclosure document as provided by Section ~~5 of this act~~ 3655 of
20 this title. The maximum amount of investment in any facility for
21 purposes of the foregone exemption required by this subsection shall
22 be Two Hundred Fifty Million Dollars (\$250,000,000.00).

1 I. An establishment that files an irrevocable election
2 authorized by this section and to which any proceeds from the sale
3 of obligations authorized by Section ~~4 of this act~~ 3654 of this
4 title are paid or made available shall not be eligible to claim any
5 exemption otherwise available pursuant to Section 1359 of ~~Title 68~~
6 ~~of the Oklahoma Statutes~~ this title with respect to the facility
7 constructed, acquired, improved or equipped with such proceeds. The
8 provisions of this subsection shall not require any waiver of sales
9 tax exemption with respect to personal property acquired for the
10 manufacturing process after completion of construction of the
11 applicable facility.

12 SECTION 5. This act shall become effective November 1, 2006.

13 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-21-06 - DO PASS,
14 As Amended and Coauthored.