

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

SENATE BILL 338

By: Kerr

AS INTRODUCED

An Act relating to research and development; creating Research Capital of the Plains Endowment Fund; stating purpose of fund; establishing Board of Investors of Research Capital of the Plains Endowment Fund and stating duty; providing for appointment, terms and qualifications; establishing Board of Directors of Research Capital of the Plains Endowment Fund; providing for appointment, terms and meetings; providing for reimbursement of certain expenses; providing for expenditure of certain funds for specified purpose; providing income tax credit for donation to Research Capital of the Plains Endowment Fund; providing limit on credit amount; making credit conditional upon certain conditions; providing for adjustment of credit amount by Oklahoma Tax Commission under certain conditions; specifying method of adjustment; authorizing total credits over specified amount and requiring certain action; providing for carryover of credit; providing for codification; and providing an effective date.

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 301.14 of Title 60, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created a trust fund to be known as the "Research Capital of the Plains Endowment Fund". The trust fund principal shall consist of the portion of monies which are received by the State of Oklahoma by donation for, and any other monies that may be appropriated or otherwise directed to, the trust fund by the Legislature for the purpose of funding activities necessary to support research and the transfer of innovation and technology to the private sector.

B. There is hereby created the Board of Investors of the Research Capital of the Plains Endowment Fund. The Board of

Investors shall have the duty of investing monies in the trust fund, subject to restrictions and limitations provided by law for and in accordance with laws applicable to the investment of monies in state retirement funds.

C. The Board of Investors shall consist of five (5) members as follows:

1. The State Treasurer, who shall be the chair;
2. The Governor, or an appointee of the Governor;
3. The Speaker of the House of Representatives, or an appointee of the Speaker;
4. The President Pro Tempore of the Senate, or an appointee of the President Pro Tempore; and
5. The State Auditor and Inspector, or an appointee of the State Auditor and Inspector.

Members shall serve a term coterminous with their office. For any members initially appointed to the Board of Investors by an appointing authority, those appointed pursuant to paragraphs 2 and 4 of this subsection shall be appointed for initial four-year terms and those appointed pursuant to paragraphs 3 and 5 of this subsection shall be appointed for initial two-year terms. Thereafter, all terms for appointed members shall be for four (4) year terms. All appointed members shall have demonstrated expertise in public or private investment funds management.

D. There is hereby created the Board of Directors of the Research Capital of the Plains Endowment Fund. The Board of Directors shall consist of seven (7) members, one appointed by each of the following appointing authorities:

1. The Governor;
2. The President Pro Tempore of the Senate;
3. The Speaker of the House of Representatives;
4. The Attorney General;
5. The State Treasurer;

6. The State Auditor and Inspector; and

7. The State Superintendent of Public Instruction.

Members shall be appointed for terms of seven (7) years; provided, of those members initially appointed to the Board of Directors, those appointed pursuant to paragraphs 1, 3, 5 and 7 of this subsection shall be appointed for five-year terms and those appointed by paragraphs 2, 4 and 6 of this subsection shall be appointed for seven-year terms. The Board of Directors shall meet at least one time each calendar quarter.

E. Members of the Board of Investors and the Board of Directors of the Research Capital of the Plains Endowment Fund shall serve without compensation but shall be reimbursed out of the monies accruing to the Research Capital of the Plains Endowment Fund for expenses incurred in the performance of their duties in accordance with the State Travel Reimbursement Act.

F. Earnings from the trust fund, including but not limited to interest, dividends, and realized capital gains from investments of the trust fund, shall be expended for activities necessary to support research and the transfer of innovation and technology to the private sector including, but not limited to, providing matching funds and investment capital, purchasing equipment, constructing facilities and developing information service networks.

G. Each fiscal year, the Board of Directors may expend the amount of earnings which actually accrued to the trust fund during the preceding fiscal year. Any amount not so expended shall remain in the trust fund. The Board shall direct specific expenditures to be made for the purposes specified in subsection F of this section.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.67 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax years beginning after December 31, 2005, subject to the limitations of subsection B of this section, there shall be

allowed against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes, a credit for any taxpayer who makes a donation to the Research Capital of the Plains Endowment Fund, created pursuant to Section 1 of this act. The amount of the credit shall be twenty percent (20%) of the amount donated during the taxable year, subject to the limitations set forth in subsection C of this section.

B. The credit provided for in subsection A of this section shall only be allowed in those calendar years when the amount finally certified as available for appropriation by the State Board of Equalization pursuant to Section 23 of Article X of the Oklahoma Constitution for the fiscal year which ends in such calendar year, is greater than the amount finally certified as available for appropriation during the preceding fiscal year.

C. During any calendar year when the total credits allowed under this section exceed Two Million Dollars (\$2,000,000.00), the Oklahoma Tax Commission shall adjust the percentage credit for the subsequent year from twenty percent (20%) to a smaller percentage so that the total estimate of credits for the subsequent year does not exceed Two Million Dollars (\$2,000,000.00). The formula to be used for the percentage adjusted shall be twenty percent (20%) times Two Million Dollars (\$2,000,000.00) divided by the credits claimed in the preceding year. In the event the total credits authorized by this section exceed Two Million Dollars (\$2,000,000.00) in any calendar year, the Tax Commission shall permit any excess but shall factor such excess into the percentage adjustment formula for subsequent years.

D. Any credits allowed but not used in any tax year may be carried over, in order, to each of the four (4) years following the year of qualification.

SECTION 3. This act shall become effective November 1, 2005.