

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 2129

By: Mazzei of the Senate

3 and

4 Peterson (Ron) and Brown
5 of the House

6
7 (revenue and taxation - income tax credits -
8 clarifying limitation -
9 effective date)

10
11
12 AUTHOR: Add the following Senate Coauthor: Crain

13 AMENDMENT NO. 1. Strike the stricken title, enacting clause and
14 entire bill and insert

15 "(revenue and taxation - amending various sections
16 in Title 68 - borrowed funds - definitions -
17 codification - effective date -
18 emergency)

19
20
21 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

22 SECTION 1. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 1370.10 of Title 68, unless
24 there is created a duplication in numbering, reads as follows:

1 A. Beginning January 1, 2008, sales of all eligible foods and
2 beverages as defined in the federal Food Stamp Act, 7 U.S.C.,
3 Section 2011 et seq., as the act existed on January 1, 2005, shall
4 be exempt from the tax levied pursuant to Section 1354 of Title 68
5 of the Oklahoma Statutes.

6 B. The exemption provided for in subsection A of this section
7 shall not apply to any county or municipal sales tax imposed
8 pursuant to law. However, the exemption may apply upon the approval
9 of a resolution by the board of county commissioners or the approval
10 of an ordinance by the municipality in accordance with law.

11 SECTION 2. AMENDATORY 68 O.S. 2001, Section 1370, as
12 last amended by Section 4, Chapter 136, O.S.L. 2007 (68 O.S. Supp.
13 2007, Section 1370), is amended to read as follows:

14 Section 1370 A. Any county of this state may levy a sales tax
15 of not to exceed two percent (2%) upon the gross proceeds or gross
16 receipts derived from all sales or services in the county upon which
17 a consumer's sales tax is levied by this state. Before a sales tax
18 may be levied by the county, the imposition of the tax shall first
19 be approved by a majority of the registered voters of the county
20 voting thereon at a special election called by the board of county
21 commissioners or by initiative petition signed by not less than five
22 percent (5%) of the registered voters of the county who were
23 registered at the time of the last general election. However, if a
24 majority of the registered voters of a county voting fail to approve

1 such a tax, the board of county commissioners shall not call another
2 special election for such purpose for six (6) months. Any sales tax
3 approved by the registered voters of a county shall be applicable
4 only when the point of sale is within the territorial limits of such
5 county. Any sales tax levied or any change in the rate of a sales
6 tax levied pursuant to the provisions of this section shall become
7 effective on the first day of the calendar quarter following
8 approval by the voters of the county unless another effective date,
9 which shall also be on the first day of a calendar quarter, is
10 specified in the ordinance or resolution levying the sales tax or
11 changing the rate of sales tax.

12 B. The Oklahoma Tax Commission shall give notice to all vendors
13 of a rate change at least sixty (60) days prior to the effective
14 date of the rate change. Provided, for purchases from printed
15 catalogs wherein the purchaser computed the tax based upon local tax
16 rates published in the catalog, the rate change shall not be
17 effective until the first day of a calendar quarter after a minimum
18 of one hundred twenty (120) days' notice to vendors. Failure to
19 give notice as required by this section shall delay the effective
20 date of the rate change to the first day of the next calendar
21 quarter.

22 C. Initiative petitions calling for a special election
23 concerning county sales tax proposals shall be in accordance with
24 Sections 2, 3, 3.1, 6, 18 and 24 of Title 34 of the Oklahoma

1 Statutes. Petitions shall be submitted to the office of county
2 clerk for approval as to form prior to circulation. Following
3 approval, the petitioner shall have ninety (90) days to secure the
4 required signatures. After securing the requisite number of
5 signatures, the petitioner shall submit the petition and signatures
6 to the county clerk. Following the verification of signatures, the
7 county clerk shall present the petition to the board of county
8 commissioners. The special election shall be held within sixty (60)
9 days of receiving the petition. The ballot title presented to the
10 voters at the special election shall be identical to the ballot as
11 presented in the initiative petition.

12 D. Subject to the provisions of Section ~~3~~ 1357.10 of this ~~act~~
13 title, all items that are exempt from the state sales tax shall be
14 exempt from any sales tax levied by a county. However, this
15 subsection shall not apply to any exemption from the state sales tax
16 for eligible foods and beverages as set forth in Section 1 of this
17 act unless the county, by resolution, provides for such an
18 exemption.

19 E. Any sales tax which may be levied by a county shall be
20 designated for a particular purpose. Such purposes may include, but
21 are not limited to, projects owned by the state, any agency or
22 instrumentality thereof, the county and/or any political subdivision
23 located in whole or in part within such county, regional
24 development, economic development, common education, general

1 operations, capital improvements, county roads, weather modification
2 or any other purpose deemed, by a majority vote of the county
3 commissioners or as stated by initiative petition, to be necessary
4 to promote safety, security and the general well-being of the
5 people. The county shall identify the purpose of the sales tax when
6 it is presented to the voters pursuant to the provisions of
7 subsection A of this section. Except as otherwise provided in this
8 section, the proceeds of any sales tax levied by a county shall be
9 deposited in the general revenue or sales tax revolving fund of the
10 county and shall be used only for the purpose for which such sales
11 tax was designated. If the proceeds of any sales tax levied by a
12 county pursuant to this section are pledged for the purpose of
13 retiring indebtedness incurred for the specific purpose for which
14 the sales tax is imposed, the sales tax shall not be repealed until
15 such time as the indebtedness is retired. However, in no event
16 shall the life of the tax be extended beyond the duration approved
17 by the voters of the county.

18 F. 1. Notwithstanding any other provisions of law, any county
19 that has approved a sales tax for the construction, support or
20 operation of a county hospital may continue to collect such tax if
21 such hospital is subsequently sold. Such collection shall only
22 continue if the county remains indebted for the past construction,
23 support or operation of such hospital. The collection may continue
24

1 only until the debt is repaid or for the stated term of the sales
2 tax, whichever period is shorter.

3 2. If the construction, support or operation of a hospital is
4 funded through the levy of a county sales tax pursuant to this
5 section and such hospital is subsequently sold, the county levying
6 the tax may dissolve the governing board of such hospital following
7 the sale. Upon the sale of the hospital and dissolution of any
8 governing board, the county is relieved of any future liability for
9 the operation of such hospital.

10 G. Proceeds from any sales tax levied that is designated to be
11 used solely by the sheriff for the operation of the office of
12 sheriff shall be placed in the special revenue account of the
13 sheriff.

14 H. The life of the tax could be limited or unlimited in
15 duration. The county shall identify the duration of the tax when it
16 is presented to the voters pursuant to the provisions of subsections
17 A and C of this section.

18 I. There are hereby created one or more county sales tax
19 revolving funds in each county which levies a sales tax under this
20 section if any or all of the proceeds of such tax are not to be
21 deposited in the general revenue fund of the county or comply with
22 the provisions of subsection G of this section. Each such revolving
23 fund shall be designated for a particular purpose and shall consist
24 of all monies generated by such sales tax which are designated for

1 such purpose. Monies in such funds shall only be expended for the
2 purposes specifically designated as required by this section. A
3 county sales tax revolving fund shall be a continuing fund not
4 subject to fiscal year limitations.

5 SECTION 3. AMENDATORY 68 O.S. 2001, Section 1370.1, is
6 amended to read as follows:

7 Section 1370.1 Notwithstanding the provisions of Section 1370
8 of this title, any county of this state with a population of more
9 than three hundred thousand (300,000) according to the latest
10 Federal Decennial Census may levy a sales tax of not to exceed one-
11 half of one percent (1/2 of 1%) upon the gross proceeds or gross
12 receipts derived from all sales or services in the county upon which
13 a consumer's sales tax is levied by the state, except as provided in
14 Section 1 of this act, subject to the following conditions:

15 1. The proceeds of such sales tax shall be used solely for the
16 purpose of constructing and equipping county jail facilities or
17 capital improvements for jail facilities only;

18 2. Before a sales tax may be levied by the county, the
19 imposition of the tax shall first be approved by a majority of the
20 registered voters of the county voting thereon at a special election
21 called by resolution of the board of county commissioners;

22 3. Such sales tax can only be imposed for a period not to
23 exceed three (3) years; and
24

1 4. Any special election called pursuant to this section must be
2 held no later than January 1, 1992.

3 SECTION 4. AMENDATORY 68 O.S. 2001, Section 1370.2, is
4 amended to read as follows:

5 Section 1370.2 Notwithstanding the provisions of Section 1370
6 of this title, any county of this state with a population of more
7 than three hundred thousand (300,000) according to the latest
8 Federal Decennial Census may levy a sales tax of not to exceed one
9 percent (1%) upon the gross proceeds or gross receipts derived from
10 all sales or services in the county upon which a consumer's sales
11 tax is levied by the state, except as provided in ~~subsection (F)~~
12 paragraph 8 of Section 1357 of this title and except as provided in
13 Section 1 of this act, subject to the following conditions:

14 1. The proceeds of such sales tax and the interest thereon
15 shall be used solely for the purpose of development of qualified
16 aircraft maintenance or manufacturing facilities and any necessary
17 infrastructure changes or airport improvements directly related to
18 such facilities located within the county to be owned by the county,
19 any municipality within the county or a public trust in which the
20 county or municipality is a beneficiary. However, such municipality
21 or public trust shall hold such title for the use and benefit of the
22 residents of the entire county in which the tax is levied and
23 collected. The acceptance by the municipality or public trust of
24 any title or tax proceeds shall be deemed an acceptance of this

1 requirement. The board of county commissioners of any county that
2 has approved the imposition of a sales tax pursuant to this section
3 may not commence the collection of any such sales tax until a
4 qualified aircraft maintenance or manufacturing facility has signed
5 an agreement to locate such facility within the county. As used in
6 this paragraph, "qualified aircraft maintenance or manufacturing
7 facility" means a new or expanding facility primarily engaged in
8 aircraft repair, building or rebuilding, whether or not on a factory
9 basis, whose total cost of construction exceeds the sum of One
10 Hundred Fifty Million Dollars (\$150,000,000.00) and which employs at
11 least one thousand (1,000) new full-time-equivalent employees, as
12 certified by the Employment Security Commission upon completion of
13 the facility;

14 2. Before a sales tax may be levied by the county, the
15 imposition of the tax shall first be approved by a majority of the
16 registered voters of the county voting thereon at a special election
17 called by resolution of the board of county commissioners;

18 3. The monies collected pursuant to the provisions of this
19 section shall only be expended by the board of county commissioners
20 to finance an amount not to exceed twenty-five percent (25%) of the
21 total cost of construction of the qualified aircraft maintenance or
22 manufacturing facility and any necessary infrastructure changes or
23 airport improvements directly related to such facility; and
24

1 4. Such sales tax can only be imposed for a period not to
2 exceed three (3) years.

3 SECTION 5. AMENDATORY 68 O.S. 2001, Section 1370.2A, is
4 amended to read as follows:

5 Section 1370.2A Notwithstanding the provisions of Section 1370
6 of this title, any county of this state with a population of more
7 than three hundred thousand (300,000) according to the latest
8 Federal Decennial Census may levy a sales tax of not to exceed one
9 percent (1%) upon the gross proceeds or gross receipts derived from
10 all sales or services in the county upon which a consumer's sales
11 tax is levied by the state, except as provided in Section 1 of this
12 act, subject to the following conditions:

13 1. The proceeds of such sales tax and the interest thereon
14 shall be used solely for the purpose of acquisition and development
15 of qualified manufacturing facilities, related machinery and
16 equipment and any necessary infrastructure changes or improvements
17 related to such facilities located within the county to be owned by
18 the county, any municipality within the county or a public trust in
19 which the county or municipality is a beneficiary. However, such
20 municipality or public trust shall hold such title for the use and
21 benefit of the residents of the entire county in which the tax is
22 levied and collected. The acceptance by the municipality or public
23 trust of any title or tax proceeds shall be deemed an acceptance of
24 this requirement. The board of county commissioners of any county

1 that has approved the imposition of a sales tax pursuant to this
2 section may not commence the collection of any such sales tax until
3 a qualified manufacturing facility has signed an agreement to locate
4 such facility within the county. As used in this paragraph,
5 "qualified manufacturing facility" means a new or expanding facility
6 primarily engaged in manufacturing, production and/or assembly of
7 consumer or other products, whether or not on a factory basis, whose
8 total cost of acquisition and construction exceeds the sum of
9 Fifteen Million Dollars (\$15,000,000.00) and which will employ at
10 least one thousand (1,000) new full-time-equivalent employees, as
11 certified by the Employment Security Commission within three (3)
12 years after the completion of the facility;

13 2. Before a sales tax may be levied by the county, the
14 imposition of the tax shall first be approved by a majority of the
15 registered voters of the county voting thereon at a special election
16 called by resolution of the board of county commissioners in the
17 manner provided by law for county elections;

18 3. The monies collected pursuant to the provisions of this
19 section shall only be expended by the board of county commissioners
20 to finance an amount not to exceed twenty-five percent (25%) of the
21 total cost related to the acquisition and construction of the
22 qualified manufacturing facility, related machinery and equipment
23 and any necessary infrastructure changes or improvements directly
24 related to such facility; and

1 4. Such sales tax can only be imposed for a period not to
2 exceed three (3) years.

3 SECTION 6. AMENDATORY 68 O.S. 2001, Section 1370.4, is
4 amended to read as follows:

5 Section 1370.4 Notwithstanding the provisions of Section 1370
6 of ~~Title 68 of the Oklahoma Statutes~~ this title, any county of this
7 state with a population of more than three hundred thousand
8 (300,000) according to the latest Federal Decennial Census may levy
9 a sales tax of not to exceed one percent (1%) upon the gross
10 proceeds or gross receipts derived from all sales or services in the
11 county upon which a consumer's sales tax is levied by the state,
12 except as provided in ~~subsection (F)~~ paragraph 8 of Section 1357 of
13 ~~Title 68 of the Oklahoma Statutes~~ this title and except as provided
14 in Section 1 of this act, subject to the following conditions:

15 1. The proceeds of such sales tax and the interest thereon
16 shall be used solely for the purpose of development of facilities
17 for lease or conveyance to the government of the United States and
18 any necessary infrastructure changes or improvements directly
19 related to such facilities located within the county. The board of
20 county commissioners of any county that has approved the imposition
21 of a sales tax pursuant to this section may not commence the
22 collection of any such sales tax until an agreement to locate such
23 facility within the county is reached;

24

1 2. Before a sales tax may be levied by the county, the
2 imposition of the tax shall first be approved by a majority of the
3 registered voters of the county voting thereon at a special election
4 called by resolution of the board of county commissioners;

5 3. The monies collected pursuant to the provisions of this
6 section shall only be expended by the board of county commissioners
7 to finance the construction of the facility and any necessary
8 infrastructure changes or improvements directly related to such
9 facility; and

10 4. Such sales tax can only be imposed for a period not to
11 exceed three (3) years.

12 SECTION 7. AMENDATORY 68 O.S. 2001, Section 1370.5, is
13 amended to read as follows:

14 Section 1370.5 A. Notwithstanding the provisions of Section
15 1370 of ~~Title 68 of the Oklahoma Statutes~~ this title, any county of
16 this state with a population of more than three hundred thousand
17 (300,000) according to the latest Federal Decennial Census may levy
18 a sales tax of not to exceed one percent (1%) upon the gross
19 proceeds or gross receipts derived from all sales or services in the
20 county upon which a consumer's sales tax is levied by the state,
21 except as provided in paragraph ~~6~~ 8 of Section 1357 of ~~Title 68 of~~
22 ~~the Oklahoma Statutes~~ this title and except as provided by Section 1
23 of this act, subject to the following conditions:

1 1. The proceeds of such sales tax shall be used solely for the
2 purpose of funding one or more economic development projects;

3 2. Before a sales tax may be levied by the county, the
4 imposition of the tax shall first be approved by a majority of the
5 registered voters of the county voting thereon at a special election
6 called by resolution of the board of county commissioners;

7 3. Such sales tax can only be imposed for a period of not to
8 exceed three (3) years; and

9 4. Any special election called pursuant to this section must be
10 held no later than March 1, 1994.

11 B. The board of county commissioners shall create a limited-
12 purpose fund and deposit therein any revenue generated by any sales
13 tax levied pursuant to the provisions of subsection A of this
14 section. The fund shall be placed in an insured or collateralized
15 interest-bearing account and the interest which accrues to the fund
16 shall be retained in the fund. Monies in the limited-purpose fund
17 shall be expended only as accumulated and only for the purpose
18 specifically described in paragraph 1 of subsection A of this
19 section.

20 C. As used in this section, "economic development project"
21 means any project which the board of county commissioners determines
22 will promote, enhance or improve economic conditions within the
23 county.

24

1 SECTION 8. AMENDATORY 68 O.S. 2001, Section 1370.6, is
2 amended to read as follows:

3 Section 1370.6 A. Notwithstanding the provisions of Section
4 1370 of ~~Title 68 of the Oklahoma Statutes~~ this title, any county of
5 this state with a population of more than three hundred thousand
6 (300,000) according to the latest Federal Decennial Census may levy
7 a sales tax of not to exceed one percent (1%) upon the gross
8 proceeds or gross receipts derived from all sales or services in the
9 county upon which a consumer's sales tax is levied by the state,
10 except as provided in paragraph ~~6~~ 8 of Section 1357 of ~~Title 68 of~~
11 ~~the Oklahoma Statutes~~ this title and except as provided in Section 1
12 of this act, subject to the following conditions:

13 1. The proceeds of such sales tax shall be used solely for the
14 purpose of funding one or more projects for new public improvements;

15 2. Before a sales tax may be levied by the county, the
16 imposition of the tax shall first be approved by a majority of the
17 registered voters of the county voting thereon at a special election
18 called by resolution of the board of county commissioners;

19 3. Such sales tax can only be imposed for a period of not to
20 exceed three (3) years; and

21 4. Any special election called pursuant to this section must be
22 held no later than March 1, 1994.

23 B. The board of county commissioners shall create a limited-
24 purpose fund and deposit therein any revenue generated by any sales

1 tax levied pursuant to the provisions of subsection A of this
2 section. The fund shall be placed in an insured interest-bearing
3 account and the interest which accrues to the fund shall be retained
4 in the fund. Monies in the limited-purpose fund shall be expended
5 only as accumulated and only for the purpose specifically described
6 in paragraph 1 of subsection A of this section.

7 C. As used in this section:

8 1. "Projects for new public improvements" means any new and
9 beneficial change, addition, betterment or enhancement of or upon
10 any real property belonging to a public agency, intended to enhance
11 the value, beauty or utility of said property or to adapt it to new
12 or further purposes; and

13 2. "Public agency" means the State of Oklahoma and any county,
14 city, public trust or other public entity specifically created by
15 the statutes of the State of Oklahoma or as a result of statutory
16 authorization contained therein.

17 SECTION 9. AMENDATORY 68 O.S. 2001, Section 1370.7, as
18 last amended by Section 1, Chapter 308, O.S.L. 2006 (68 O.S. Supp.
19 2007, Section 1370.7), is amended to read as follows:

20 Section 1370.7 A. Any combination of cities, towns and
21 counties, by resolution of their governing boards, may jointly
22 create a transportation authority or regional economic development
23 authority pursuant to the provisions of Section 176 of Title 60 of
24 the Oklahoma Statutes for the purpose of planning, financing and

1 constructing transportation or regional economic development
2 projects located within the boundaries of such cities, towns or
3 counties. An authority created pursuant to the provisions of this
4 subsection shall have the powers granted pursuant to the provisions
5 of Section 176 of Title 60 of the Oklahoma Statutes in addition to
6 the powers granted pursuant to the provisions of this section except
7 that no regional economic development authority created pursuant to
8 the provisions of this subsection shall have any power or authority
9 to exercise or to attempt to exercise any powers of eminent domain.
10 The combination of cities, towns and counties creating the authority
11 shall be designated the beneficiary of the authority. The
12 boundaries of the authority shall be coterminous with the boundaries
13 of the cities, towns or counties creating the authority.

14 B. Any transportation authority or regional economic
15 development authority created pursuant to the provisions of
16 subsection A of this section may levy a sales tax of not to exceed
17 two percent (2%) upon the gross proceeds or gross receipts derived
18 from all sales or services in the cities, towns and counties
19 comprising the authority upon which a consumer's sales tax is levied
20 by this state. Before a sales tax may be levied by the authority,
21 the imposition of the tax shall first be approved by a majority of
22 the registered voters within the boundaries of each of the cities,
23 towns and counties comprising the authority voting thereon at a
24 special election jointly called by the governing boards of the

1 cities, towns and counties comprising the authority. Provided, if a
2 majority of the registered voters of an authority voting fail to
3 approve such a tax, the governing boards of such cities, towns and
4 counties shall not jointly call another special election for such
5 purpose for at least six (6) months. Any sales tax approved by the
6 registered voters of an authority shall be applicable only when the
7 point of sale is within the boundaries or limits of the authority.

8 C. All items that are exempt from the state sales tax shall be
9 exempt from any sales tax levied pursuant to the provisions of this
10 section. However, this subsection shall not apply to any exemption
11 from the state sales tax for eligible foods and beverages, as set
12 forth in Section 1 of this act, unless any combination of the city,
13 town, or county, by resolution, provides for such an exemption.

14 D. Any sales tax which may be levied pursuant to the provisions
15 of this section shall be designated for the purposes of planning,
16 financing and constructing transportation or regional economic
17 development projects within the boundaries of the authority. The
18 authority shall identify the purpose of the sales tax when it is
19 presented to the voters pursuant to the provisions of this section.
20 The proceeds of any sales tax levied by an authority shall be used
21 only for the purposes for which the sales tax was designated.

22 E. The authority shall identify the specific duration of the
23 tax when it is presented to the voters pursuant to the provisions of
24 this section and shall include specific language in the ballot title

1 disclosing the duration of the tax. A levy by a transportation
2 authority or a regional economic development authority shall have a
3 maximum duration of thirty (30) years if the proceeds from the tax
4 are pledged to the repayment of indebtedness and a maximum duration
5 of twenty (20) years if the proceeds from the tax are to be used for
6 expenditures other than the repayment of indebtedness.

7 F. An authority created pursuant to the provisions of
8 subsection A of this section may utilize the provisions of the Local
9 Development Act as it relates to the financing of such
10 transportation or regional economic development projects.

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

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

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

21 H. If the proceeds of any tax levied by an authority pursuant
22 to this section are pledged for the purpose of retiring indebtedness
23 incurred for the specific purpose for which the tax is imposed, the
24 tax shall not be repealed until such time as the indebtedness is

1 | retired. In no event shall the life of the tax be extended beyond
2 | the duration approved by the voters of the authority.

3 | I. If the revenue collected from any taxes levied by the
4 | authority exceeds the amount necessary for payment of any and all
5 | expenses incurred by the authority in the planning, financing and
6 | constructing of transportation or regional economic development
7 | projects, the excess funds shall be apportioned to the general funds
8 | of the cities, towns and counties comprising the authority in
9 | proportion to the population of each city, town and county.

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

20 | SECTION 10. AMENDATORY 68 O.S. 2001, Section 1370.8, as
21 | amended by Section 2, Chapter 103, O.S.L. 2004 (68 O.S. Supp. 2007,
22 | Section 1370.8), is amended to read as follows:

23 | Section 1370.8 A. Any combination of cities, towns and
24 | counties, by resolution of their governing boards, may jointly

1 create a hospital authority pursuant to the provisions of Section
2 176 of Title 60 of the Oklahoma Statutes for the purpose of
3 planning, financing and constructing hospitals or related medical
4 facilities located within the boundaries of such cities, towns or
5 counties. An authority created pursuant to the provisions of this
6 subsection shall have the powers granted pursuant to the provisions
7 of Section 176 of Title 60 of the Oklahoma Statutes in addition to
8 the powers granted pursuant to the provisions of this section. The
9 combination of cities, towns and counties creating the authority
10 shall be designated the beneficiary of the authority. The
11 boundaries of the authority shall be coterminous with the boundaries
12 of the cities, towns or counties creating the authority.

13 B. Any hospital authority created pursuant to the provisions of
14 subsection A of this section may levy a sales tax of not to exceed
15 two percent (2%) upon the gross proceeds or gross receipts derived
16 from all sales or services in the cities, towns and counties
17 comprising the authority upon which a consumer's sales tax is levied
18 by this state. Before a sales tax may be levied by the authority,
19 the imposition of the tax shall first be approved by a majority of
20 the registered voters within the boundaries of each of the cities,
21 towns and counties comprising the authority voting thereon at a
22 special election jointly called by the governing boards of the
23 cities, towns and counties comprising the authority. Provided, if a
24 majority of the registered voters of an authority voting fail to

1 approve such a tax, the governing boards of such cities, towns and
2 counties shall not jointly call another special election for such
3 purpose for at least six (6) months. Any sales tax approved by the
4 registered voters of an authority shall be applicable only when the
5 point of sale is within the boundaries or limits of the authority.

6 C. All items that are exempt from the state sales tax shall be
7 exempt from any sales tax levied pursuant to the provisions of this
8 section. However, this subsection shall not apply to any exemption
9 from the state sales tax for eligible foods and beverages, as set
10 forth in Section 1 of this act, unless any combination of the city,
11 town, or county, by resolution, provides for such an exemption.

12 D. Any sales tax which may be levied pursuant to the provisions
13 of this section shall be designated for the purposes of planning,
14 financing and constructing hospitals or related medical facilities
15 within the boundaries of the authority. The authority shall
16 identify the purpose of the sales tax when it is presented to the
17 voters pursuant to the provisions of this section. The proceeds of
18 any sales tax levied by an authority shall be used only for the
19 purposes for which the sales tax was designated.

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

23 F. An authority created pursuant to the provisions of
24 subsection A of this section may utilize the provisions of the Local

1 Development Act as it relates to the financing of such hospitals or
2 related medical facilities.

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

5 1. At such time as the planning, financing and constructing of
6 the hospitals or related medical facilities within the boundaries of
7 the authority is completed; and

8 2. At such time as the revenue collected from any taxes levied
9 by the authority is sufficient for payment of any and all expenses
10 incurred by the authority in the planning, financing and
11 constructing of a hospital or related medical facility.

12 H. If the proceeds of any tax levied by an authority pursuant
13 to this section are pledged for the purpose of retiring indebtedness
14 incurred for the specific purpose for which the tax is imposed, the
15 tax shall not be repealed until such time as the indebtedness is
16 retired. Notwithstanding any other provisions of law, any county or
17 hospital authority that has approved a sales tax for the support and
18 operation of a county hospital may continue to collect such tax if
19 such hospital is subsequently sold. Such collection shall only
20 continue if the county or hospital authority remains indebted for
21 the support and operation of such hospital and only until the debt
22 is repaid or for the stated term of the tax, whichever period is
23 shorter. In no event shall the life of the tax be extended beyond
24 the duration approved by the voters of the authority.

1 I. If the revenue collected from any taxes levied by the
2 authority exceeds the amount necessary for payment of any and all
3 expenses incurred by the authority in the planning, financing and
4 constructing of hospitals or related medical facilities, the excess
5 funds shall be apportioned to the general funds of the cities, towns
6 and counties comprising the authority in proportion to the
7 population of each city, town and county.

8 J. If the construction, support, or operation of a hospital is
9 funded through the levy of a sales tax by a county or hospital
10 authority pursuant to this section and such hospital is subsequently
11 sold, the county or hospital authority levying the tax may dissolve
12 the governing board of such hospital at the time of the sale. When
13 the sale of the hospital and dissolution of any governing board is
14 final, the county or hospital authority is thereby relieved of any
15 liability for the operation of such hospital.

16 SECTION 11. AMENDATORY 68 O.S. 2001, Section 2701, as
17 last amended by Section 6, Chapter 136, O.S.L. 2007 (68 O.S. Supp.
18 2007, Section 2701), is amended to read as follows:

19 Section 2701. A. Any incorporated city or town in this state
20 is hereby authorized to assess, levy, and collect taxes for general
21 and special purposes of municipal government as the Legislature may
22 levy and collect for purposes of state government, subject to the
23 provisions of subsection F of this section, except ad valorem
24 property taxes. Provided:

1 1. Taxes shall be uniform upon the same class subjects, and any
2 tax, charge, or fee levied upon or measured by income or receipts
3 from the sale of products or services shall be uniform upon all
4 classes of taxpayers;

5 2. Motor vehicles may be taxed by the city or town only when
6 such vehicles are primarily used or located in such city or town for
7 a period of time longer than six (6) months of a taxable year;

8 3. The provisions of this section shall not be construed to
9 authorize imposition of any tax upon persons, firms, or corporations
10 exempted from other taxation under the provisions of Sections 348.1,
11 624 and 321 of Title 36 of the Oklahoma Statutes, by reason of
12 payment of taxes imposed under such sections;

13 4. Cooperatives and communications companies are hereby
14 authorized to pass on to their subscribers in the incorporated city
15 or town involved, the amount of any special municipal fee, charge or
16 tax hereafter assessed or levied on or collected from such
17 cooperatives or communications companies;

18 5. No earnings, payroll or income taxes may be levied on
19 nonresidents of the cities or towns levying such tax;

20 6. The governing body of any city or town shall be prohibited
21 from proposing taxing ordinances more often than three times in any
22 calendar year, or twice in any six-month period; and
23
24

1 7. Any revenues derived from a tax authorized by this
2 subsection not dedicated to a limited purpose shall be deposited in
3 the municipal general fund.

4 B. A sales tax authorized in subsection A of this section may
5 be levied for limited purposes specified in the ordinance levying
6 the tax. Such ordinance shall be submitted to the voters for
7 approval as provided in Section 2705 of this title. Any sales tax
8 levied or any change in the rate of a sales tax levied pursuant to
9 the provisions of this section shall become effective on the first
10 day of the calendar quarter following approval by the voters of the
11 city or town unless another effective date, which shall also be on
12 the first day of a calendar quarter, is specified in the ordinance
13 levying the sales tax or changing the rate of sales tax. Such
14 ordinance shall describe with specificity the projects or
15 expenditures for which the limited-purpose tax levy would be made.
16 The municipal governing body shall create a limited-purpose fund and
17 deposit therein any revenue generated by any tax levied pursuant to
18 this subsection. Money in the fund shall be accumulated from year
19 to year. The fund shall be placed in an insured interest-bearing
20 account and the interest which accrues on the fund shall be retained
21 in the fund. The fund shall be nonfiscal and shall not be
22 considered in computing any levy when the municipality makes its
23 estimate to the excise board for needed appropriations. Money in
24 the limited-purpose tax fund shall be expended only as accumulated

1 and only for the purposes specifically described in the taxing
2 ordinance as approved by the voters.

3 C. The Oklahoma Tax Commission shall give notice to all vendors
4 of a rate change at least sixty (60) days prior to the effective
5 date of the rate change. Provided, for purchases from printed
6 catalogs wherein the purchaser computed the tax based upon local tax
7 rates published in the catalog, the rate change shall not be
8 effective until the first day of a calendar quarter after a minimum
9 of one hundred twenty (120) days' notice to vendors. Failure to
10 give notice as required by this section shall delay the effective
11 date of the rate change to the first day of the next calendar
12 quarter.

13 D. The change in the boundary of a municipality shall be
14 effective, for sales and use tax purposes only, on the first day of
15 a calendar quarter after a minimum of sixty (60) days' notice to
16 vendors.

17 E. If the proceeds of any sales tax levied by a municipality
18 pursuant to subsection B of this section are being used by the
19 municipality for the purpose of retiring indebtedness incurred by
20 the municipality or by a public trust of which the municipality is a
21 beneficiary for the specific purpose for which the sales tax was
22 imposed, the sales tax shall not be repealed until such time as the
23 indebtedness is retired. However, in no event shall the life of the
24 tax be extended beyond the duration approved by the voters of the

1 municipality. The provisions of this subsection shall apply to all
2 sales tax levies imposed by a municipality and being used by the
3 municipality for the purposes set forth in this subsection prior to
4 or after July 1, 1995.

5 F. The sale of an article of clothing or footwear designed to
6 be worn on or about the human body shall be exempt from the sales
7 tax imposed by any incorporated city or town, in accordance with and
8 to the extent set forth in Section ~~3~~ 1357.10 of this ~~act~~ title.

9 G. The exemption for eligible foods and beverages, as set forth
10 in Section 1 of this act, shall not apply to any sales tax levied
11 pursuant to this section unless the municipality approves an
12 ordinance for such exemption in accordance with law.

13 SECTION 12. AMENDATORY 68 O.S. 2001, Section 2357.7, as
14 last amended by Section 2, Chapter 281, O.S.L. 2006 (68 O.S. Supp.
15 2007, Section 2357.7), is amended to read as follows:

16 Section 2357.7 A. For taxable years beginning after December
17 31, 1986, and before January 1, 2009, there shall be allowed a
18 credit against the tax imposed by Section 2355 of this title or
19 Section 624 of Title 36 of the Oklahoma Statutes for investments in
20 qualified venture capital companies whose purpose is to establish or
21 expand the development of business and industry within Oklahoma.
22 Provided, tax credits against liabilities imposed pursuant to
23 Section 624 of Title 36 of the Oklahoma Statutes shall be limited to
24

1 the amount that would otherwise be collected and allocated to the
2 General Revenue Fund of the State Treasury.

3 B. For purposes of this section:

4 1. "Qualified venture capital company" means a C corporation,
5 as defined by the Internal Revenue Code of 1986, as amended,
6 incorporated pursuant to the laws of Oklahoma or a registered
7 business partnership with a certificate of partnership filed as
8 required by law if such corporation or partnership is organized to
9 provide the direct investment of debt and equity funds to companies
10 within this state, with its principal place of business located
11 within this state and which meets the following criteria:

12 a. capitalization of not less than Five Million Dollars
13 (\$5,000,000.00),

14 b. having a purpose and objective of investing at least
15 seventy-five percent (75%) of its capitalization in
16 Oklahoma business ventures. The temporary investment
17 of funds by a qualified venture capital company in
18 obligations of the United States, state and municipal
19 bonds, bank certificates of deposit, or money market
20 securities pending investment in Oklahoma business
21 ventures is hereby authorized, and

22 c. investment of not more than ten percent (10%) of its
23 funds in any one company;

24

1 2. "Oklahoma business venture" means a business, incorporated
2 or unincorporated, which:

3 a. has or will have, within one hundred eighty (180) days
4 after an investment is made by a qualified venture
5 capital company, at least fifty percent (50%) of its
6 employees or assets located in Oklahoma,

7 b. needs financial assistance in order to commence or
8 expand such business which provides or intends to
9 provide goods or services,

10 c. is not engaged in oil and gas exploration, real estate
11 development, real estate sales, retail sales of food
12 or clothing, farming, ranching, banking, or lending or
13 investing funds in other businesses. Provided,
14 however, businesses which provide or intend to provide
15 goods or services, including, but not limited to,
16 goods or services involving new technology, equipment,
17 or techniques to such businesses listed in this
18 subparagraph, and investments in the development of
19 tourism facilities in the form of amusement parks,
20 entertainment parks, theme parks, golf courses, or
21 museums shall not be subject to said prohibition, and
22 d. expends within eighteen (18) months after the date of
23 the investment at least fifty percent (50%) of the
24 proceeds of the investment for the acquisition of

1 tangible or intangible assets which are used in the
2 active conduct of the trade or business of the
3 Oklahoma business venture or to provide working
4 capital for the active conduct of such trade or
5 business. For purposes of this subparagraph, "working
6 capital" shall not include consulting, brokerage or
7 transaction fees. Provided, that the Oklahoma Tax
8 Commission, upon request and demonstration of need by
9 a qualified venture capital company or an Oklahoma
10 business venture, may extend the eighteen-month period
11 otherwise required by this subparagraph for a period
12 not to exceed six (6) months. Provided, the
13 expenditure of the invested funds by the Oklahoma
14 business venture shall otherwise comply with the
15 requirements applicable to the usage of tax credits
16 for investment in the Oklahoma business venture. As
17 used in this subparagraph, "tangible assets" shall
18 include the acquisition of real property and the
19 construction of improvements upon real property if
20 such acquisition and construction otherwise complies
21 with the requirements applicable to the usage of tax
22 credits for investment in the Oklahoma business
23 venture and "intangible assets" shall be limited to
24

1 computer software, licenses, patents, copyrights, and
2 similar items;

3 3. "Direct investment" means the purchase of securities of a
4 private company, or securities of a public company if the securities
5 constitute a new issue of a public company and such public company
6 had previous year sales of less than Ten Million Dollars
7 (\$10,000,000.00); and

8 4. "Debt and equity funds" means investments in debt
9 securities; including unsecured, undersecured, subordinated or
10 convertible loans or debt securities; and/or equity securities,
11 including common and preferred stock, royalty rights, limited
12 partnership interest, and any other securities or rights that
13 evidence ownership in businesses; provided such investment of debt
14 and equity funds shall not have a repayment schedule that is faster
15 than a level principal amortization over five (5) years.

16 C. The credit provided for in subsection A of this section
17 shall be twenty percent (20%) of the cash amount invested in
18 qualified venture capital companies which is subsequently invested
19 in an Oklahoma business venture by the qualified venture capital
20 company and may only be claimed for a taxable year during which the
21 qualified venture capital company makes an investment in an Oklahoma
22 business venture. The credit shall be allowed for the amount of the
23 investment in an Oklahoma business venture if the funds are used in
24 pursuit of a legitimate business purpose of the Oklahoma business

1 venture consistent with its organizational instrument, bylaws or
2 other agreement responsible for the governance of the business
3 venture. The qualified venture capital company shall issue such
4 reports as the Oklahoma Tax Commission may require attributing the
5 source of funds of each investment it makes in an Oklahoma business
6 venture. The Oklahoma Capital Investment Board shall have the
7 authority to certify an entity as a qualified venture capital
8 company and to certify an investment to be a qualifying Oklahoma
9 business venture for purposes of complying with subsection B of this
10 section. Such certification shall be binding on the Oklahoma Tax
11 Commission. Such certification shall not be mandatory but may be
12 requested by any entity that desires to be certified. A reasonable
13 certification fee may be charged by the Oklahoma Capital Investment
14 Board for this service. If the tax credit allowed pursuant to
15 subsection A of this section exceeds the amount of taxes due or if
16 there are no state taxes due of the taxpayer, the amount of the
17 claim not used as an offset against the taxes of a taxable year may
18 be carried forward as a credit against subsequent tax liability for
19 a period not to exceed three (3) years. No investor in a venture
20 capital company organized after July 1, 1992, may claim tax credits
21 under the provisions of this section.

22 D. No taxpayer may claim the credit provided for in subsection
23 A of this section for investments in qualified venture capital
24 companies made prior to January 1, 1987.

1 E. No investor whose capital is guaranteed by the Oklahoma
2 Capital Investment Board may claim or transfer the credit provided
3 for in subsection A of this section for investments in such
4 guaranteed portfolio.

5 F. The credit provided for in subsection A of this section, to
6 the extent not previously utilized, shall be freely transferable to
7 and by subsequent transferees for a period of three (3) years from
8 the date of investment in the Oklahoma business venture.

9 G. If a pass-through entity is entitled to a credit under this
10 section, the pass-through entity shall allocate such credit to one
11 or more of the shareholders, partners or members of the pass-through
12 entity; provided, the total of all credits allocated shall not
13 exceed the amount of the credit to which the pass-through entity is
14 entitled. The credit may also be claimed for funds borrowed by the
15 pass-through entity to make a qualified investment if a shareholder,
16 partner or member to whom the credit is allocated has a an unlimited
17 and continuing legal obligation to repay the borrowed funds but the
18 allocation may not exceed such shareholder's, partner's or member's
19 pro-rata equity share of the pass-through entity even if the
20 taxpayer's legal obligation to repay the borrowed funds is in excess
21 of such pro-rata share of such borrowed funds. For purposes of this
22 act, "pass-through entity" means a corporation that for the
23 applicable tax years is treated as an S corporation under the
24 Internal Revenue Code, general partnership, limited partnership,

1 limited liability partnership, trust or limited liability company
2 that for the applicable tax year is not taxed as a corporation for
3 federal income tax purposes.

4 SECTION 13. AMENDATORY Section 5, Chapter 281, O.S.L.
5 2006 (68 O.S. Supp. 2007, Section 2357.8A), is amended to read as
6 follows:

7 Section 2357.8A A. The provisions of this section shall only
8 be applicable to investments in qualified venture capital companies
9 made on or after ~~the effective date of this act~~ June 7, 2006,
10 pursuant to Section 2357.7 of ~~Title 68 of the Oklahoma Statutes~~ this
11 title. As used in this section, "recapture event" means that with
12 respect to an investment in an Oklahoma business venture by a
13 qualified venture capital company:

14 1. The Oklahoma business venture fails to expend at least fifty
15 percent (50%) of the proceeds of qualified investments for
16 acquisition of tangible or intangible assets to be used in the
17 active conduct of the trade or business of the Oklahoma business
18 venture or for working capital for the active conduct of such trade
19 or business within eighteen (18) months after the investment is made
20 or within an extension of such period as provided in Section 2357.7
21 of ~~Title 68 of the Oklahoma Statutes~~ this title. For purposes of
22 this paragraph, "working capital" shall not include consulting,
23 brokerage or transaction fees;

24

1 2. The investment in the Oklahoma business venture is
2 transferred, withdrawn or otherwise returned within five (5) years;
3 provided, a "recapture event" shall not include the transfer,
4 withdrawal or return of an investment as a result of a "market-based
5 liquidity event". As used in ~~this act~~ Section 2351 et seq. of this
6 title, a "market-based liquidity event" means that an Oklahoma
7 business venture:

- 8 a. sells all or substantially all of its assets to, or is
9 acquired by share acquisition, share exchange, merger,
10 consolidation or other similar transaction by another
11 person or entity other than a person or entity
12 controlled by a person that made an investment in the
13 qualified venture capital company that provided funds
14 for use by the Oklahoma business venture,
- 15 b. conducts an initial public offering of a class of its
16 equity securities pursuant to the requirements of the
17 United States Securities ~~and Exchange Commission Act~~ Act
18 of 1933 or other applicable federal law governing the
19 sale of securities in interstate commerce, ~~or~~
- 20 c. makes an amortization payment under the terms of a
21 debt instrument, or
- 22 d. repays indebtedness from net income as determined in
23 accordance with generally accepted accounting

1 principles or proceeds of the sale of assets in the
2 ordinary course of business; or

3 3. The Oklahoma Tax Commission finds that the investment does
4 not meet the requirements of Section 2357.7 of ~~Title 68 of the~~
5 ~~Oklahoma Statutes~~ this title.

6 B. If a recapture event occurs with respect to an investment
7 for which a credit authorized by Section 2357.7 of ~~Title 68 of the~~
8 ~~Oklahoma Statutes~~ this title was claimed, the tax imposed pursuant
9 to the applicable provisions of Title 36 ~~or Title 68~~ of the Oklahoma
10 Statutes or this title shall be increased to the extent of the
11 recaptured credit amount.

12 C. For purposes of this section, the recapture amount shall be
13 equal to the sum of:

14 1. The aggregate decrease in the credits previously allowed to
15 the taxpayer pursuant to Section 2357.7 of ~~Title 68 of the Oklahoma~~
16 ~~Statutes~~ this title for all prior taxable periods which would have
17 resulted if no credit had been authorized with respect to the
18 qualified investment; plus

19 2. Interest at the rate prescribed by Section 217 of ~~Title 68~~
20 ~~of the Oklahoma Statutes~~ this title on the amount determined
21 pursuant to paragraph 1 of this subsection for each prior taxable
22 period for the period beginning on the due date for filing the
23 applicable report or return for the prior taxable period.

1 D. The tax for the taxable period shall be increased pursuant
2 to this section only with respect to credits which were used to
3 reduce tax liability. In the case of credits not used to reduce tax
4 liability, the carryforwards allowed shall be adjusted accordingly.

5 E. For any transaction that is audited by the Tax Commission
6 after such credits have been allowed, but which is subsequently
7 determined to constitute a recapture event, the Tax Commission shall
8 be required to disallow any and all credits claimed in violation of
9 the requirements of this section or any other provision of Section
10 2357.7 or 2357.8 of ~~Title 68 of the Oklahoma Statutes~~ this title for
11 a period of ten (10) years after the date as of which any applicable
12 tax report or return utilizing such credits is filed.

13 F. The provisions of subsection E of this section shall
14 supersede any other provision of the Uniform Tax Procedure Code or
15 any other state tax law that would prohibit the disallowance of such
16 credits based upon an otherwise applicable statute of limitations.

17 SECTION 14. AMENDATORY 68 O.S. 2001, Section 2357.61, as
18 last amended by Section 7, Chapter 281, O.S.L. 2006 (68 O.S. Supp.
19 2007, Section 2357.61), is amended to read as follows:

20 Section 2357.61 As used in ~~this act~~ the Small Business Capital
21 Formation Incentive Act:

22 1. "Acquisition" means the use of capital by an Oklahoma small
23 business venture within six (6) months after obtaining the capital
24 to purchase fifty-one percent (51%) or more of the voting interest

1 entitled to elect the governing board, or its equivalent, of any
2 other legal entity, regardless of the legal form of the entity. As
3 used in ~~this act~~ the Small Business Capital Formation Incentive Act,
4 "acquisition" does not mean the right to participate in the proceeds
5 from sale of goods or services, whether denominated a royalty,
6 royalty interest or otherwise, and does not mean the right to
7 intellectual property, whether the rights arise from copyright,
8 trademark or patent law;

9 2. "Capitalization" means the amount of:

- 10 a. any funds that have actually been contributed to the
11 qualified small business capital company,
- 12 b. any contractual commitment to provide funds to the
13 qualified small business capital company to the extent
14 that such commitment is payable on demand without
15 condition and has substantial economic penalties for
16 breach of the commitment to provide such funds, and
- 17 c. any allocation of tax credit authority awarded to the
18 qualified small business capital company by the
19 Community Development Financial Institutions Fund
20 pursuant to Section 45D of the Internal Revenue Code
21 of 1986, as amended, to the extent such allocation has
22 not been previously designated by the qualified small
23 business capital company as contemplated by Section

24

1 45D(b) (1) (C) of the Internal Revenue Code of 1986, as
2 amended;

3 3. "Equity and near-equity security" means common stock,
4 preferred stock, warrants or other rights to subscribe to stock or
5 its equivalent, or an interest in a limited liability company,
6 partnership, or subordinated debt that is convertible into, or
7 entitles the holder to receive upon its exercise, common stock,
8 preferred stock, a royalty or net profits interest, or an interest
9 in a limited liability company or partnership;

10 4. "Financial lending institution" means a bank, credit union,
11 savings and loan, commercial finance company or other entity
12 principally engaged in the extension of credit;

13 5. "Oklahoma small business venture" means a business,
14 incorporated or unincorporated, which:

- 15 a. has or will have, within one hundred eighty (180) days
16 after a qualified investment is made by a qualified
17 small business capital company, at least fifty percent
18 (50%) of its employees or assets located in Oklahoma,
19 b. needs financial assistance in order to commence or
20 expand such business which provides or intends to
21 provide goods or services,
22 c. is engaged in a lawful business activity under any
23 Industry Number appearing under any Major Group Number
24 of Divisions A, C, D, E, F or I of the Standard

1 Industrial Classification Manual, 1987 revision with
2 the following exceptions:

3 (1) Major Group 1 of Division A, and

4 (2) Major Group 2 of Division A,

5 d. qualifies as a small business as defined by the
6 federal Small Business Administration, and

7 e. expends within eighteen (18) months after the date of
8 the qualified investment at least fifty percent (50%)
9 of the proceeds of the qualified investment for the
10 acquisition of tangible or intangible assets which are
11 used in the active conduct of the trade or business or
12 to provide working capital for the active conduct of
13 the trade or business for which the determination of
14 the small business qualification pursuant to
15 subparagraph d of this paragraph was made. For
16 purposes of this subparagraph, "working capital" shall
17 not include consulting, brokerage or transaction fees.

18 Provided, that the Oklahoma Tax Commission, upon
19 request and demonstration of need by a qualified small
20 business capital company or an Oklahoma small business
21 venture, or an investor or an authorized agent of any
22 such entities, may extend the 18-month period
23 otherwise required by this subparagraph for a period
24 not to exceed six (6) months. Provided, the

1 expenditure of the invested funds by the Oklahoma
2 small business venture shall otherwise comply with the
3 requirements applicable to the usage of tax credits
4 for qualified investment in the Oklahoma small
5 business venture. As used in this subparagraph,
6 "tangible assets" shall include the acquisition of
7 real property and the construction of improvements
8 upon real property if such acquisition and
9 construction otherwise comply with the requirements
10 applicable to the usage of tax credits for qualified
11 investment in the Oklahoma small business venture, and
12 "intangible assets" shall be limited to computer
13 software, licenses, patents, copyrights and similar
14 items;

15 6. "Qualified investment" means an investment of funds in the
16 form of "equity" and "near-equity" as defined in paragraph 3 of this
17 section or "subordinated debt" as defined in paragraph 8 of this
18 section; provided, an investment which is contingent upon the
19 occurrence of an event or which is subject to being refunded or
20 returned in the absence of such event shall only be deemed to have
21 been made upon the occurrence of the event;

22 7. "Qualified small business capital company" means a C
23 corporation or a subchapter S corporation, as defined by the
24 Internal Revenue Code of 1986, as amended, incorporated pursuant to

1 the laws of Oklahoma, limited liability company or a registered
2 business partnership with a certificate of partnership filed as
3 required by law, which meets the following criteria:

- 4 a. the corporation, limited liability company or
5 partnership is organized to provide the direct
6 investment of equity and near-equity funds to
7 companies within this state,
- 8 b. the principal place of business of the corporation,
9 limited liability company or partnership is located
10 within this state,
- 11 c. the capitalization of the corporation, limited
12 liability company or partnership is not less than One
13 Million Dollars (\$1,000,000.00), and
- 14 d. the corporation, limited liability company or
15 partnership has investment of not more than twenty
16 percent (20%) of its capitalization in any one company
17 at any time during the calendar year of the
18 corporation, limited liability company or partnership;
19 and

20 8. "Subordinated debt" means indebtedness with a maturity date
21 of not less than five (5) years that is subordinated to all other
22 indebtedness of the issuer that has been issued or is to be issued
23 to a financial lending institution. The indebtedness shall not have
24

1 a repayment schedule that is faster than a level principal
2 amortization over five (5) years.

3 SECTION 15. AMENDATORY 68 O.S. 2001, Section 2357.62, as
4 last amended by Section 8, Chapter 281, O.S.L. 2006 (68 O.S. Supp.
5 2007, Section 2357.62), is amended to read as follows:

6 Section 2357.62 A. For taxable years beginning after December
7 31, 1997, and before January 1, 2012, there shall be allowed a
8 credit against the tax imposed by Section 2355 or, effective January
9 1, 2001, Section 2370 of this title or, effective July 1, 2001,
10 against the tax imposed by Section 624 or 628 of Title 36 of the
11 Oklahoma Statutes, for qualified investment in qualified small
12 business capital companies.

13 B. The credit provided for in subsection A of this section
14 shall be twenty percent (20%) of the qualified investment in
15 qualified small business capital companies which is subsequently
16 invested in an Oklahoma small business venture by the qualified
17 venture capital company and may only be claimed for a taxable year
18 during which the qualified small business capital company makes the
19 qualified investment in an Oklahoma small business venture. The
20 credit shall be allowed for the amount of the qualified investment
21 in an Oklahoma small business venture if the funds are used in
22 pursuit of a legitimate business purpose of the Oklahoma small
23 business venture consistent with its organizational instrument,
24 bylaws or other agreement responsible for the governance of the

1 small business venture. The qualified small business capital
2 company shall issue such reports as the Oklahoma Tax Commission may
3 require attributing the source of funds of each investment it makes
4 in an Oklahoma business venture. If the tax credit exceeds the
5 amount of taxes due or if there are no state taxes due of the
6 taxpayer, the amount of the claim not used as an offset against the
7 taxes of a taxable year may be carried forward for a period not to
8 exceed three (3) taxable years.

9 C. No taxpayer may claim the credit provided for in this
10 section for qualified investments in qualified small business
11 capital companies made prior to January 1, 1998.

12 D. No taxpayer may claim the credit provided for in this
13 section if the capital provided by a qualified small business
14 capital company is used by an Oklahoma small business venture for
15 the acquisition of any other legal entity.

16 E. No financial lending institution shall be eligible to claim
17 the credit provided for in this section except with respect to
18 qualified investments in a qualified small business capital company.

19 F. No taxpayer may claim the credit authorized by this section
20 for the same qualified investment for which any credit is claimed
21 pursuant to either Section 2357.73 or 2357.74 of this title.

22 G. If a pass-through entity is entitled to a credit under this
23 section, the pass-through entity shall allocate such credit to one
24 or more of the shareholders, partners or members of the pass-through

1 entity; provided, the total of all credits allocated shall not
2 exceed the amount of the credit to which the pass-through entity is
3 entitled. The credit may also be claimed for funds borrowed by the
4 pass-through entity to make a qualified investment if a shareholder,
5 partner or member to whom the credit is allocated has a an unlimited
6 and continuing legal obligation to repay the borrowed funds but the
7 allocation may not exceed such shareholder's, partner's or member's
8 pro-rata equity share of the pass-through entity even if the
9 taxpayer's legal obligation to repay the borrowed funds is in excess
10 of such pro-rata share of such borrowed funds. For purposes of ~~this~~
11 ~~act~~ the Small Business Capital Formation Incentive Act, "pass-
12 through entity" means a corporation that for the applicable tax
13 years is treated as an S corporation under the Internal Revenue
14 Code, general partnership, limited partnership, limited liability
15 partnership, trust, or limited liability company that for the
16 applicable tax year is not taxed as a corporation for federal income
17 tax purposes.

18 SECTION 16. AMENDATORY 68 O.S. 2001, Section 2357.72, as
19 last amended by Section 18, Chapter 281, O.S.L. 2006 (68 O.S. Supp.
20 2007, Section 2357.72), is amended to read as follows:

21 Section 2357.72 As used in ~~this act~~ the Rural Venture Capital
22 Formation Incentive Act:

23 1. "Acquisition" means the use of capital by an Oklahoma rural
24 small business venture within six (6) months after obtaining the

1 capital to purchase fifty-one percent (51%) or more of the voting
2 interest entitled to elect the governing board, or its equivalent,
3 of any other legal entity, regardless of the legal form of the
4 entity. As used in ~~this act~~ the Rural Venture Capital Formation
5 Incentive Act, "acquisition" does not mean the right to participate
6 in the proceeds from sale of goods or services, whether denominated
7 a royalty, royalty interest or otherwise, and does not mean the
8 right to intellectual property, whether the rights arise from
9 copyright, trademark or patent law;

10 2. "Capitalization" means the amount of:

11 a. any funds that have actually been contributed to the
12 qualified rural small business capital company,

13 b. any contractual commitment to provide funds to the
14 qualified rural small business capital company to the
15 extent that such commitment is payable on demand
16 without condition and has substantial economic
17 penalties for breach of the commitment to provide such
18 funds,

19 c. any allocation of tax credit authority awarded to the
20 qualified rural small business capital company by the
21 Community Development Financial Institutions Fund
22 pursuant to Section 45D of the Internal Revenue Code
23 of 1986, as amended, to the extent such allocation has
24 not been previously designated by the qualified rural

1 small business capital company as contemplated by
2 Section 45D(b) (1) (C) of the Internal Revenue Code of
3 1986, as amended, and

4 d. any funds loaned to the qualified rural small business
5 capital company, which is licensed as a rural business
6 investment company under 7 U.S.C., Section 2009cc et
7 seq., or any successor statute, by the U.S. Small
8 Business Administration or U.S. Department of
9 Agriculture;

10 3. "Equity and near-equity security" means common stock,
11 preferred stock, warrants or other rights to subscribe to stock or
12 its equivalent, or an interest in a limited liability company,
13 partnership, or subordinated debt that is convertible into, or
14 entitles the holder to receive upon its exercise, common stock,
15 preferred stock, a royalty or net profits interest, or an interest
16 in a limited liability company or partnership;

17 4. "Financial lending institution" means a bank, credit union,
18 savings and loan, commercial finance company or other entity
19 principally engaged in the extension of credit;

20 5. "Nonmetropolitan area" means all areas of the state except a
21 county having a population in excess of one hundred thousand
22 (100,000) persons according to the most recent Federal Decennial
23 Census;

1 6. "Oklahoma rural small business venture" means a business,
2 incorporated or unincorporated, which:

3 a. has or will have, within one hundred eighty (180) days
4 after a qualified investment is made by a qualified
5 rural small business capital company, at least fifty
6 percent (50%) of its employees or assets located in
7 Oklahoma,

8 b. needs financial assistance in order to commence or
9 expand such business which provides or intends to
10 provide goods or services,

11 c. has its principal place of business within a
12 nonmetropolitan area of the state and conducts the
13 activity resulting in at least seventy-five percent
14 (75%) of its gross annual revenue from a
15 nonmetropolitan area of the state,

16 d. except as otherwise provided by this subparagraph, is
17 engaged in a lawful business activity under any
18 Industry Number appearing under any Major Group Number
19 of Divisions A, C, D, E, F or I of the Standard
20 Industrial Classification Manual, 1987 revision with
21 the following exceptions:

22 (1) Major Group 1 of Division A, and

23 (2) Major Group 2 of Division A,

24

1 e. qualifies as a small business as defined by the
2 federal Small Business Administration, and
3 f. expends within eighteen (18) months after the date of
4 the qualified investment at least fifty percent (50%)
5 of the proceeds of the qualified investment for the
6 acquisition of tangible or intangible assets which are
7 used in the active conduct of the trade or business or
8 for working capital for the active conduct of such
9 trade or business for which the determination of the
10 small business qualification pursuant to subparagraph
11 e of this paragraph was made. For purposes of this
12 subparagraph, "working capital" shall not include
13 consulting, brokerage or transaction fees. Provided,
14 that the Oklahoma Tax Commission, upon request and
15 demonstration by a qualified rural small business
16 capital company or an Oklahoma rural small business
17 venture, or an investor or an authorized agent of any
18 such entities, may extend the 18-month period
19 otherwise required by this subparagraph for a period
20 not to exceed six (6) months. Provided, the
21 expenditure of the invested funds by the Oklahoma
22 rural small business shall otherwise comply with the
23 requirements applicable to the usage of tax credits
24 for qualified investment in the Oklahoma rural small

1 business venture. As used in this subparagraph,
2 "tangible assets" shall include the acquisition of
3 real property and the construction of improvements
4 upon real property if such acquisition and
5 construction otherwise comply with the requirements
6 applicable to the usage of tax credits for qualified
7 investment in the Oklahoma rural small business
8 venture, and "intangible assets" shall be limited to
9 computer software, licenses, patents, copyrights and
10 similar items;

11 7. "Qualified investment" means an investment of funds in the
12 form of "equity" and "near-equity" as defined in paragraph 3 of this
13 section or "subordinated debt" as defined in paragraph 9 of this
14 section; provided, an investment which is contingent upon the
15 occurrence of an event or which is subject to being refunded or
16 returned in the absence of such event shall only be deemed to have
17 been made upon the occurrence of the event;

18 8. "Qualified rural small business capital company" means a C
19 corporation or a subchapter S corporation, as defined by the
20 Internal Revenue Code of 1986, as amended, incorporated pursuant to
21 the laws of Oklahoma, limited liability company or a registered
22 business partnership with a certificate of partnership filed as
23 required by law, which meets the following criteria:
24

- 1 a. the corporation, limited liability company or
2 partnership is organized to provide the direct
3 investment of equity and near-equity funds to
4 companies within this state,
- 5 b. the principal place of business of the corporation,
6 limited liability company or partnership is located
7 within this state,
- 8 c. the capitalization of the corporation, limited
9 liability company or partnership is not less than Five
10 Hundred Thousand Dollars (\$500,000.00), and
- 11 d. the corporation, limited liability company or
12 partnership has investment of not more than twenty-
13 five percent (25%) of its capitalization in any one
14 company at any time during the calendar year of the
15 corporation, limited liability company or partnership;
16 and

17 9. "Subordinated debt" means indebtedness with a maturity date
18 of not less than five (5) years that is subordinated to all other
19 indebtedness of the issuer that has been issued or is to be issued
20 to a financial lending institution. The indebtedness shall not have
21 a repayment schedule that is faster than a level principal
22 amortization over five (5) years.

1 SECTION 17. AMENDATORY 68 O.S. 2001, Section 2357.73, as
2 last amended by Section 19, Chapter 281, O.S.L. 2006 (68 O.S. Supp.
3 2007, Section 2357.73), is amended to read as follows:

4 Section 2357.73 A. For taxable years beginning after December
5 31, 2000, and before January 1, 2012, there shall be allowed a
6 credit against the tax imposed by Section 2355 or, effective January
7 1, 2001, Section 2370 of this title or, effective July 1, 2001,
8 against the tax imposed by Section 624 or 628 of Title 36 of the
9 Oklahoma Statutes, for qualified investment in qualified rural small
10 business capital companies.

11 B. The credit provided for in subsection A of this section
12 shall be thirty percent (30%) of the amount of a qualified
13 investment in qualified rural small business capital companies which
14 is subsequently invested in an Oklahoma rural small business venture
15 by the qualified rural small business capital company and may only
16 be claimed for a taxable year during which the qualified rural small
17 business capital company makes the qualified investment in an
18 Oklahoma rural small business venture if the funds are used in
19 pursuit of a legitimate business purpose of the Oklahoma rural small
20 business venture consistent with its organizational instrument,
21 bylaws or other agreement responsible for the governance of the
22 rural small business venture. The qualified rural small business
23 capital company shall issue such reports as the Oklahoma Tax
24 Commission may require attributing the source of funds of each

1 qualified investment it makes in an Oklahoma rural small business
2 venture. If the tax credit exceeds the amount of taxes due or if
3 there are no state taxes due of the taxpayer, the amount of the
4 claim not used as an offset against the taxes of a taxable year may
5 be carried forward for a period not to exceed three (3) taxable
6 years.

7 C. No taxpayer may claim the credit provided for in this
8 section for qualified investments in qualified rural small business
9 capital companies made prior to January 1, 2001.

10 D. No taxpayer may claim the credit provided for in this
11 section if the capital provided by a qualified rural small business
12 capital company is used by an Oklahoma rural small business venture
13 for the acquisition of any other legal entity.

14 E. No financial lending institution shall be eligible to claim
15 the credit provided for in this section except with respect to
16 qualified investments in a qualified rural small business capital
17 company.

18 F. No taxpayer may claim the credit authorized by this section
19 for the same qualified investment amount for which any credit is
20 claimed pursuant to either Section 2357.62 or 2357.63 of this title.

21 G. If a pass-through entity is entitled to a credit under this
22 section, the pass-through entity shall allocate such credit to one
23 or more of the shareholders, partners or members of the pass-through
24 entity; provided, the total of all credits allocated shall not

1 exceed the amount of the credit to which the pass-through entity is
2 entitled. The credit may only be claimed for funds borrowed by the
3 pass-through entity to make a qualified investment if a shareholder,
4 partner or member to whom the credit is allocated has a an unlimited
5 and continuing legal obligation to repay the borrowed funds but the
6 allocation may not exceed such shareholder's, partner's or member's
7 pro-rata equity share of the pass-through entity even if the
8 taxpayer's legal obligation to repay the borrowed funds is in excess
9 of such amount. For purposes of ~~this act~~ the Rural Venture Capital
10 Formation Incentive Act, "pass-through entity" means a corporation
11 that for the applicable tax years is treated as an S corporation
12 under the Internal Revenue Code, general partnership, limited
13 partnership, limited liability partnership, trust, or limited
14 liability company that for the applicable tax year is not taxed as a
15 corporation for federal income tax purposes.

16 SECTION 18. AMENDATORY 68 O.S. 2001, Section 2357.74, as
17 last amended by Section 20, Chapter 281, O.S.L. 2006 (68 O.S. Supp.
18 2007, Section 2357.74), is amended to read as follows:

19 Section 2357.74 A. For taxable years beginning after December
20 31, 2000, and before January 1, 2012, there shall be allowed a
21 credit against the tax imposed by Section 2355 or, effective January
22 1, 2001, Section 2370 of this title or, effective July 1, 2001,
23 against the tax imposed by Section 624 or 628 of Title 36 of the
24 Oklahoma Statutes, for qualified investment made in Oklahoma rural

1 small business ventures in conjunction with investment in such
2 ventures made by a qualified rural small business capital company.

3 B. The credit provided for in this section shall be thirty
4 percent (30%) of the qualified investment made in Oklahoma rural
5 small business ventures in conjunction with qualified investment in
6 such ventures made by a qualified rural small business capital
7 company and shall be allowed for the taxable year during which the
8 qualified investment is made in an Oklahoma rural small business
9 venture. If the tax credit allowed pursuant to subsection A of this
10 section exceeds the amount of taxes due or if there are no state
11 taxes due of the taxpayer, the amount of the claim not used as an
12 offset against the taxes of a taxable year may be carried forward
13 for a period not to exceed three (3) taxable years. To qualify for
14 the credit authorized by this section, a qualified investment shall
15 be:

16 1. Made by a shareholder or partner of a qualified rural small
17 business capital company that has made a qualified investment in an
18 Oklahoma rural small business venture;

19 2. Invested in the purchase of equity or near-equity in an
20 Oklahoma rural small business venture;

21 3. Made under the same terms and conditions as the qualified
22 investment made by the qualified rural small business capital
23 company; and

24 4. Limited to the lesser of:

1 a. two hundred percent (200%) of any qualified investment
2 by the taxpayer in the qualified rural small business
3 capital company, or

4 b. two hundred percent (200%) of the qualified investment
5 made by the qualified rural small business capital
6 company in the Oklahoma rural small business venture.

7 C. No taxpayer may claim the credit provided for in this
8 section for qualified investment made prior to January 1, 2001.

9 D. No taxpayer may claim the credit authorized by this section
10 for the same qualified investment amount for which any credit is
11 claimed pursuant to either Section 2357.62 or 2357.63 of this title.

12 E. If a pass-through entity is entitled to a credit under this
13 section, the pass-through entity shall allocate such credit to one
14 or more of the shareholders, partners or members of the pass-through
15 entity; provided, the total of all credits allocated shall not
16 exceed the amount of the credit to which the pass-through entity is
17 entitled. The credit may also be claimed for funds borrowed by the
18 pass-through entity to make a qualified investment if a shareholder,
19 partner or member to whom the credit is allocated has a an unlimited
20 and continuing legal obligation to repay the borrowed funds but the
21 allocation may not exceed such shareholder's, partner's or member's
22 pro-rata equity share of the pass-through entity even if the
23 taxpayer's legal obligation to repay the borrowed funds is in excess
24 of such amount. For purposes of ~~this act~~ the Rural Venture Capital

1 Formation Incentive Act, "pass-through entity" means a corporation
2 that for the applicable tax years is treated as an S corporation
3 under the Internal Revenue Code, general partnership, limited
4 partnership, limited liability partnership, trust, or limited
5 liability company that for the applicable tax year is not taxed as a
6 corporation for federal income tax purposes.

7 SECTION 19. AMENDATORY Section 22, Chapter 281, O.S.L.
8 2006 (68 O.S. Supp. 2007, Section 2357.74B), is amended to read as
9 follows:

10 Section 2357.74B A. As used in this section, "recapture event"
11 means that with respect to a qualified investment in an Oklahoma
12 rural small business venture:

13 1. The Oklahoma rural small business venture fails to expend at
14 least fifty percent (50%) of the proceeds of qualified investments
15 for acquisition of tangible or intangible assets to be used in the
16 active conduct of the trade or business or for working capital for
17 the active conduct of the trade or business of the rural small
18 business venture within eighteen (18) months after the qualified
19 investment is made or within an extension of such period as provided
20 in Section 2357.72 of ~~Title 68 of the Oklahoma Statutes~~ this title.
21 For purposes of this paragraph, "working capital" shall not include
22 consulting, brokerage or transaction fees;

23 2. The investment in the rural small business venture is
24 transferred, withdrawn or otherwise returned within five (5) years;

1 provided, a "recapture event" shall not include the transfer,
2 withdrawal or return of an investment as a result of a "market-based
3 liquidity event". As used in ~~this act~~ the Rural Venture Capital
4 Formation Incentive Act, a "market-based liquidity event" means that
5 an Oklahoma rural small business venture:

6 a. sells all or substantially all of its assets to, or is
7 acquired by share acquisition, share exchange, merger,
8 consolidation or other similar transaction by another
9 person or entity other than:

10 (1) a person or entity controlled by a person that
11 made a qualified investment in the qualified
12 rural small business capital company that
13 provided funds for use by the Oklahoma rural
14 small business venture, or

15 (2) a person or entity controlled by a person that
16 made an investment in conjunction with a
17 qualified investment made by the qualified rural
18 small business capital company that provided
19 funds for use by the Oklahoma rural small
20 business venture,

21 b. conducts an initial public offering of a class of its
22 equity securities pursuant to the requirements of the
23 United States Securities and Exchange Commission or
24

1 other applicable federal law governing the sale of
2 securities in interstate commerce, or

3 c. makes an amortization payment under the terms of a
4 subordinated debt instrument; or

5 3. The Oklahoma Tax Commission finds that the qualified
6 investment does not meet the requirements of the Rural Venture
7 Capital Formation Incentive Act.

8 B. If a recapture event occurs with respect to a qualified
9 investment for which a credit authorized by either Section 2357.73
10 or Section 2357.74 of ~~Title 68 of the Oklahoma Statutes~~ this title
11 has been claimed, the tax imposed pursuant to the applicable
12 provisions of Title 36 or ~~Title 68 of the Oklahoma Statutes~~ this
13 title against which the credit has been claimed shall be increased
14 to the extent of the recaptured credit amount.

15 C. For purposes of this section, the recapture amount shall be
16 equal to the sum of:

17 1. The aggregate decrease in the credits previously allowed to
18 the taxpayer pursuant to Section 2357.73 or Section 2357.74 of ~~Title~~
19 ~~68 of the Oklahoma Statutes~~ this title for all prior taxable periods
20 which would have resulted if no credit had been authorized with
21 respect to the qualified investment; plus

22 2. Interest at the rate prescribed by Section 217 of ~~Title 68~~
23 ~~of the Oklahoma Statutes~~ this title on the amount determined
24 pursuant to paragraph 1 of this subsection for each prior taxable

1 period for the period beginning on the due date for filing the
2 applicable report or return for the prior taxable period.

3 D. The tax for the taxable period shall be increased pursuant
4 to this section only with respect to credits which were used to
5 reduce tax liability. In the case of credits not used to reduce tax
6 liability, the carryforwards allowed shall be adjusted accordingly.

7 E. For any transaction that is audited by the Tax Commission
8 after such credits have been allowed, but which is subsequently
9 determined to constitute a recapture event, the Tax Commission shall
10 be required to disallow any and all credits claimed in violation of
11 the requirements of this section or any other provision of the Rural
12 Venture Capital Formation Incentive Act for a period of ten (10)
13 years after the date as of which any applicable tax report or return
14 utilizing such credits is filed.

15 F. The provisions of subsection E of this section shall
16 supersede any other provision of the Uniform Tax Procedure Code or
17 any other state tax law that would prohibit the disallowance of such
18 credits based upon an otherwise applicable statute of limitations.

19 G. Notwithstanding any other provision of this section, a
20 recapture event shall not occur with respect to qualified
21 investments made by a qualified rural small business capital company
22 that is also licensed as a rural business investment company under 7
23 U.S.C., Section 2009cc et seq., or any successor statute, at the
24 time of the qualified investment. The qualified rural small

1 business capital company shall include in its annual report proof of
2 a valid license under the federal statute.

3 SECTION 20. AMENDATORY Section 1, Chapter 510, O.S.L.
4 2004, as amended by Section 1, Chapter 442, O.S.L. 2005 (68 O.S.
5 Supp. 2007, Section 2357.100), is amended to read as follows:

6 A. For taxable years beginning after December 31, 2004, and
7 ending on or before December 31, 2008, there shall be allowed a
8 credit against the tax imposed by Section 2355 of this title for the
9 purchase and transportation of poultry litter. Subject to the
10 limitations provided in subsection ~~B~~ C of this section, the credit
11 shall be available to the purchaser of the poultry litter and shall
12 equal Five Dollars (\$5.00) per ton purchased and transported.

13 B. For taxable years beginning after December 31, 2008, and
14 ending on and before December 31, 2013, there shall be allowed a
15 credit against the tax imposed by Section 2355 of this title for the
16 purchase and transportation of poultry litter. Subject to the
17 limitations provided in subsection C of this section, the credit
18 shall be available to the purchaser of the poultry litter and shall
19 equal Ten Dollars (\$10.00) per ton purchased and transported.

20 C. 1. The total of the credits authorized by this section
21 shall not exceed Three Hundred Seventy-five Thousand Dollars
22 (\$375,000.00) annually. The amount of the credit for each purchaser
23 shall be adjusted annually so that the total estimate of the credits
24 authorized by this section does not exceed Three Hundred Seventy-

1 five Thousand Dollars (\$375,000.00). The formula to be used for the
2 percentage adjustment shall be Three Hundred Seventy-five Thousand
3 Dollars (\$375,000.00) divided by the credits claimed in the
4 preceding year. In no event shall the credit be claimed more than
5 once by a taxpayer each taxable year.

6 2. In the event the total tax credits authorized by this
7 section exceed Three Hundred Seventy-five Thousand Dollars
8 (\$375,000.00) in any calendar year, the Oklahoma Tax Commission
9 shall permit any excess over Three Hundred Seventy-five Thousand
10 Dollars (\$375,000.00) but shall factor such excess into the
11 percentage adjustment formula for subsequent years.

12 ~~C.~~ D. In order to qualify for the credit provided for in
13 ~~subsection~~ subsections A and B of this section:

14 1. The poultry litter shall only be purchased from an Oklahoma-
15 based poultry operation registered with the State Board of
16 Agriculture and located within an environmentally sensitive and
17 nutrient-limited watershed area as defined in the most recent
18 Oklahoma Water Quality Standards;

19 2. The poultry litter shall be used or spread in a watershed
20 that is not environmentally sensitive and nutrient-limited as
21 defined in the most recent Oklahoma Water Quality Standards; and

22 3. The poultry litter shall be applied by a certified poultry
23 waste applicator as defined by Section 10-9.1 of Title 2 of the
24 Oklahoma Statutes and in accordance with the provisions of Sections

1 10-9.16 through 10-9.21 of Title 2 of the Oklahoma Statutes and any
2 rules promulgated by the Oklahoma Department of Agriculture, Food,
3 and Forestry.

4 ~~D.~~ E. The credit allowed by this section shall be available to
5 the taxpayer in the year in which the poultry litter was purchased
6 and transported, provided the taxpayer is found by the Oklahoma
7 Department of Agriculture, Food, and Forestry to have applied the
8 poultry litter in a manner consistent with an Animal Waste
9 Management Plan, as defined in Section 10-9.1 of Title 2 of the
10 Oklahoma Statutes, specifically designed to restore and protect
11 beneficial uses from impairment from nutrients. If the credit
12 exceeds the amount of income taxes due or if there are no state
13 income taxes due on the income of the taxpayer, the amount of the
14 credit not used as an offset against the income taxes for a year may
15 be carried forward as a credit against subsequent income tax
16 liability for a period not to exceed five (5) years.

17 SECTION 21. AMENDATORY Section 1, Chapter 458, O.S.L.
18 2005 (68 O.S. Supp. 2007, Section 2357.201), is amended to read as
19 follows:

20 Section 2357.201 A. As used in this act:

21 1. "Qualified business enterprise" means an entity or
22 affiliated group of entities electing to file a consolidated
23 Oklahoma income tax return:

24

- 1 a. organized as a corporation, partnership, limited
2 liability company or other entity having limited
3 liability pursuant to the laws of the State of Oklahoma
4 or the laws of another state, if such entity is
5 registered to do business within the state, a general
6 partnership, limited liability partnership, limited
7 liability limited partnership or other legal entity
8 having the right to conduct lawful business within the
9 state,
- 10 b. whose principal business activities are described by
11 the North American Industry Classification System by
12 Industry No. 514210, or Industry No. 541512 or Industry
13 No. 541519 as reflected in the 1997 edition of such
14 publication,
- 15 c. that makes at least seventy-five percent (75%) of its
16 sales to out-of-state customers or buyers which shall
17 be determined in the same manner as provided for
18 purposes of the Oklahoma Quality Jobs Program Act,
- 19 d. that is a high-speed processing facility in Oklahoma
20 utilizing systems such as TPF, zTPF or other advanced
21 technical systems,
- 22 e. that, as of ~~the effective date of this act~~ July 1,
23 2005, maintains an Oklahoma annual payroll of at least
24 Eighty-five Million Dollars (\$85,000,000.00), and

1 f. that, as of ~~the effective date of this act~~ July 1,
2 2005, maintains an Oklahoma labor force of one thousand
3 (1,000) or more persons;

4 2. "Qualified capital expenditures" means those costs incurred
5 by the qualified business enterprise for acquisition of personal
6 property to be used in business operations within the state that
7 qualifies for depreciation and/or amortization pursuant to the
8 Internal Revenue Code of 1986, as amended, during the taxable year
9 for which the credit authorized by this section is claimed, or costs
10 incurred to refurbish, repair or maintain any existing personal
11 property located within the state;

12 3. "Qualified wages" means compensation, including any
13 employer-paid health care benefits, to full-time or part-time
14 employees of the qualified business enterprise if such employees are
15 full-time residents of the state; and

16 4. "Qualified training expenses" means those costs, whether or
17 not deductible as a business expense pursuant to the Internal
18 Revenue Code of 1986, as amended, incurred to locate, interview,
19 hire and educate an employee of the enterprise who has not
20 previously been employed by the enterprise and who is a resident of
21 the state.

22 B. For taxable years beginning after December 31, 2005, and
23 ending not later than December 31, ~~2008~~ 2013, there shall be allowed
24 as a credit against the tax imposed by Section 2355 of ~~Title 68 of~~

1 ~~the Oklahoma Statutes~~ this title, subject to the limitations imposed
2 by subsection C of this section, an amount equal to fifteen percent
3 (15%) of:

- 4 1. Qualified capital expenditures; or
- 5 2. Qualified wages; or
- 6 3. Qualified training expenses; or
- 7 4. The sum of any of the expenses identified in paragraphs 1
8 through 3 of this subsection, in any combination.

9 C. For purposes of computing the credit amount prescribed by
10 subsection B of this section, the expenses described by paragraphs
11 1, 2 and 3 of subsection B of this section may be added together or
12 considered independently, but the total credit amount shall not
13 exceed Three Hundred Fifty Thousand Dollars (\$350,000.00) each year
14 for the fiscal year ending June 30, 2007, the fiscal year ending
15 June 30, 2008, ~~and~~ the fiscal year ending June 30, 2009, and for all
16 subsequent fiscal years.

17 D. For purposes of the expenditures described by subsection B
18 of this section a qualified business enterprise may incur
19 expenditures beginning January 1, 2005, through December 31, ~~2008~~
20 2013, for purposes of computing the credit amount. The claim for
21 such credits earned for the fiscal year ending June 30, 2007, shall
22 not be filed earlier than July 1, 2006, and the claims for each
23 subsequent taxable year may be filed no earlier than July 1 of each
24 of the ~~two (2)~~ applicable succeeding years.

1 E. For purposes of the limitation on the credit amount that may
2 be claimed by a qualified business enterprise, an extension of time
3 for filing of an income tax return shall not extend the time period
4 for purposes of claiming the credit authorized by this section.

5 F. If the amount of the credit allowable is in excess of the
6 tax liability, the amount of the credit not used shall be refunded
7 to the taxpayer subject to the total limit of Three Hundred Fifty
8 Thousand Dollars (\$350,000.00) each year for the fiscal year ending
9 June 30, 2007, the fiscal year ending June 30, 2008, ~~and~~ the fiscal
10 year ending June 30, 2009, and each of the applicable subsequent
11 fiscal years.

12 G. No credit for any fiscal year as otherwise authorized by
13 this section shall be based upon any qualified expenditure used to
14 compute a credit amount for any preceding taxable year.

15 H. The credit authorized by the provisions of this section
16 shall not be transferable.

17 I. The Tax Commission may prescribe forms for purposes of
18 claiming the credit authorized by this section and for verifying
19 eligibility for the credit.

20 SECTION 22. AMENDATORY 68 O.S. 2001, Section 2902, as
21 last amended by Section 1, Chapter 352, O.S.L. 2007 (68 O.S. Supp.
22 2007, Section 2902), is amended to read as follows:

23 Section 2902. A. Except as otherwise provided by subsection H
24 of Section 3658 of this title pursuant to which the exemption

1 authorized by this section may not be claimed, a qualifying
2 manufacturing concern, as defined by Section 6B of Article X of the
3 Oklahoma Constitution, and as further defined herein, shall be
4 exempt from the levy of any ad valorem taxes upon new, expanded or
5 acquired manufacturing facilities, including facilities engaged in
6 research and development, for a period of five (5) years. The
7 provisions of Section 6B of Article X of the Oklahoma Constitution
8 requiring an existing facility to have been unoccupied for a period
9 of twelve (12) months prior to acquisition shall be construed as a
10 qualification for a facility to initially receive an exemption, and
11 shall not be deemed to be a qualification for that facility to
12 continue to receive an exemption in each of the four (4) years
13 following the initial year for which the exemption was granted.
14 Such facilities are hereby classified for the purposes of taxation
15 as provided in Section 22 of Article X of the Oklahoma Constitution.

16 B. For purposes of this section, the following definitions
17 shall apply:

18 1. "Manufacturing facilities" means facilities engaged in the
19 mechanical or chemical transformation of materials or substances
20 into new products and shall include:

21 a. establishments which have received a manufacturer
22 exemption permit pursuant to the provisions of Section
23 1359.2 of this title,

24

- 1 b. facilities, including repair and replacement parts,
2 primarily engaged in aircraft repair, building and
3 rebuilding whether or not on a factory basis,
- 4 c. establishments primarily engaged in computer services
5 and data processing as defined under Industrial Group
6 Numbers 5112 and 5415, and U.S. Industry Number 334611
7 and 518112 of the NAICS Manual, latest revision, and
8 which derive at least fifty percent (50%) of their
9 annual gross revenues from the sale of a product or
10 service to an out-of-state buyer or consumer, and as
11 defined under Industrial Group Number 5142 of the
12 NAICS Manual, latest revision, which derive at least
13 eighty percent (80%) of their annual gross revenues
14 from the sale of a product or service to an out-of-
15 state buyer or consumer. Eligibility as a
16 manufacturing facility pursuant to this subparagraph
17 shall be established, subject to review by the
18 Oklahoma Tax Commission, by annually filing an
19 affidavit with the Tax Commission stating that the
20 facility so qualifies and such other information as
21 required by the Tax Commission. For purposes of
22 determining whether annual gross revenues are derived
23 from sales to out-of-state buyers, all sales to the
24

1 federal government shall be considered to be an out-
2 of-state buyer,

- 3 d. for which the investment cost of the construction,
4 acquisition or expansion of the manufacturing facility
5 is Two Hundred Fifty Thousand Dollars (\$250,000.00) or
6 more. Provided, "investment cost" shall not include
7 the cost of direct replacement, refurbish, repair or
8 maintenance of existing machinery or equipment, and
9 e. establishments primarily engaged in distribution as
10 defined under Industry Numbers 49311, 49312, 49313 and
11 49319 and Industry Sector Number 42 of the NAICS
12 Manual, latest revision, and which meet the following
13 qualifications;

- 14 (1) construction with an initial capital investment
15 of at least Five Million Dollars (\$5,000,000.00),
16 (2) employment of at least one hundred (100) full-
17 time-equivalent employees, as certified by the
18 Oklahoma Employment Security Commission,
19 (3) payment of wages or salaries to its employees at
20 a wage which equals or exceeds one hundred
21 seventy-five percent (175%) of the federally
22 mandated minimum wage, as certified by the
23 Oklahoma Employment Security Commission, and
24

1 (4) commencement of construction on or after ~~the~~
2 ~~effective date of this act~~ November 1, 2007, with
3 construction to be completed within three (3)
4 years from the date of the commencement of
5 construction.

6 Eligibility as a manufacturing facility pursuant to this
7 subparagraph shall be established, subject to review by the Tax
8 Commission, by annually filing an affidavit with the Tax Commission
9 stating that the facility so qualifies and containing such other
10 information as required by the Tax Commission.

11 Provided, eating and drinking places, as well as other retail
12 establishments, shall not qualify as manufacturing facilities for
13 purposes of this section, nor shall centrally assessed properties.

14 Eligibility as a manufacturing facility pursuant to this
15 subparagraph shall be established, subject to review by the Tax
16 Commission, by annually filing an application with the Tax
17 Commission stating that the facility so qualifies and containing
18 such other information as required by the Tax Commission;

19 2. "Facility" and "facilities" means and includes the land,
20 buildings, structures, improvements, machinery, fixtures, equipment
21 and other personal property used directly and exclusively in the
22 manufacturing process; and

23 3. "Research and development" means activities directly related
24 to and conducted for the purpose of discovering, enhancing,

1 increasing or improving future or existing products or processes or
2 productivity.

3 C. The following provisions shall apply:

4 1. A manufacturing concern shall be entitled to the exemption
5 herein provided for each new manufacturing facility constructed,
6 each existing manufacturing facility acquired and the expansion of
7 existing manufacturing facilities on the same site, as such terms
8 are defined by Section 6B of Article X of the Oklahoma Constitution
9 and by this section;

10 2. Except as otherwise provided in paragraph 5 of this
11 subsection, no manufacturing concern shall receive more than one
12 five-year exemption for any one manufacturing facility unless the
13 expansion which qualifies the manufacturing facility for an
14 additional five-year exemption meets the requirements of paragraph 4
15 of this subsection and the employment level established for any
16 previous exemption is maintained;

17 3. Any exemption as to the expansion of an existing
18 manufacturing facility shall be limited to the increase in ad
19 valorem taxes directly attributable to the expansion;

20 4. Except as provided in paragraphs 5 and 6 of this subsection,
21 all initial applications for any exemption for a new, acquired or
22 expanded manufacturing facility shall be granted only if:

23 a. there is a net increase in annualized payroll of at
24 least Two Hundred Fifty Thousand Dollars (\$250,000.00)

1 if the facility is located in a county with a
2 population of fewer than seventy-five thousand
3 (75,000), according to the most recent federal
4 decennial census, while maintaining or increasing
5 payroll in subsequent years, or at least One Million
6 Dollars (\$1,000,000.00) if the facility is located in
7 a county with a population of seventy-five thousand
8 (75,000) or more, according to the most recent federal
9 decennial census, while maintaining or increasing
10 payroll in subsequent years.

11 The Tax Commission shall verify payroll information
12 through the Oklahoma Employment Security Commission by
13 using reports from the Oklahoma Employment Security
14 Commission for the calendar year immediately preceding
15 the year for which initial application is made for
16 base-line payroll, which must be maintained or
17 increased for each subsequent year; provided, a
18 manufacturing facility shall have the option of
19 excluding from its payroll, for purposes of this
20 section, payments to sole proprietors, members of a
21 partnership, members of a limited liability company
22 who own at least ten percent (10%) of the capital of
23 the limited liability company or stockholder-employees
24 of a corporation who own at least ten percent (10%) of

1 the stock in the corporation. A manufacturing
2 facility electing this option shall indicate such
3 election upon its application for an exemption under
4 this section. Any manufacturing facility electing
5 this option shall submit such information as the Tax
6 Commission may require in order to verify payroll
7 information. Payroll information submitted pursuant
8 to the provisions of this paragraph shall be submitted
9 to the Tax Commission and shall be subject to the
10 provisions of Section 205 of this title, and

11 b. the facility offers, or will offer within one hundred
12 eighty (180) days of the date of employment, a basic
13 health benefits plan to the full-time-equivalent
14 employees of the facility, which is determined by the
15 Department of Commerce to consist of the elements
16 specified in subparagraph b of paragraph 1 of
17 subsection A of Section 3603 of this title or elements
18 substantially equivalent thereto.

19 For purposes of this section, calculation of the amount of
20 increased payroll shall be measured from the start of initial
21 construction or expansion to the completion of such construction or
22 expansion or for three (3) years from the start of initial
23 construction or expansion, whichever occurs first. The amount of
24 increased payroll shall include payroll for full-time-equivalent

1 employees in this state who are employed by an entity other than the
2 facility which has previously or is currently qualified to receive
3 an exemption pursuant to the provisions of this section and who are
4 leased or otherwise provided to the facility, if such employment did
5 not exist in this state prior to the start of initial construction
6 or expansion of the facility. The manufacturing concern shall
7 submit an affidavit to the Tax Commission, signed by an officer,
8 stating that the construction, acquisition or expansion of the
9 facility will result in a net increase in the annualized payroll as
10 required by this paragraph and that full-time-equivalent employees
11 of the facility are or will be offered a basic health benefits plan
12 as required by this paragraph. If, after the completion of such
13 construction or expansion or after three (3) years from the start of
14 initial construction or expansion, whichever occurs first, the
15 construction, acquisition or expansion has not resulted in a net
16 increase in the amount of annualized payroll, if required, or any
17 other qualification specified in this paragraph has not been met,
18 the manufacturing concern shall pay an amount equal to the amount of
19 any exemption granted, including penalties and interest thereon, to
20 the Tax Commission for deposit to the Ad Valorem Reimbursement Fund;

21 5. Any new, acquired or expanded automotive final assembly
22 manufacturing facility which does not meet the requirements of
23 paragraph 4 of this subsection shall be granted an exemption only if
24 all other requirements of this section are met and only if the

1 investment cost of the construction, acquisition or expansion of the
2 manufacturing facility is Three Hundred Million Dollars
3 (\$300,000,000.00) or more and the manufacturing facility retains an
4 average employment of one thousand seven hundred fifty (1,750) or
5 more full-time-equivalent employees in the year in which the
6 exemption is initially granted and in each of the four (4)
7 subsequent years only if an average employment of one thousand seven
8 hundred fifty (1,750) or more full-time-equivalent employees is
9 maintained in the subsequent year. Any property installed to
10 replace property damaged by the tornado or natural disaster that
11 occurred May 8, 2003, may continue to receive the exemption provided
12 in this paragraph for the full five-year period based on the value
13 of the previously qualifying assets as of January 1, 2003. The
14 exemption shall continue in effect as long as all other
15 qualifications in this paragraph are met. If the average employment
16 of one thousand seven hundred fifty (1,750) or more full-time-
17 equivalent employees is reduced as a result of temporary layoffs
18 because of a tornado or natural disaster on May 8, 2003, then the
19 average employment requirement shall be waived for year 2003 of the
20 exemption period. Calculation of the number of employees shall be
21 made in the same manner as required under Section 2357.4 of this
22 title for an investment tax credit. As used in this paragraph,
23 "expand" and "expansion" shall mean and include any increase to the
24 size or scope of a facility as well as any renovation, restoration,

1 replacement or remodeling of a facility which permits the
2 manufacturing of a new or redesigned product;

3 6. Any new, acquired, or expanded computer data processing,
4 data preparation, or information processing services provider
5 classified in Industrial Group Number 7374 of the SIC Manual, latest
6 revision, and U.S. Industry Number 514210 of the North American
7 Industrial Classification System (NAICS) Manual, latest revision,
8 may apply for exemptions under this section for each year in which
9 new, acquired, or expanded capital improvements to the facility are
10 made if:

11 a. there is a net increase in annualized payroll of the
12 applicant at any facility or facilities of the
13 applicant in this state of at least Two Hundred Fifty
14 Thousand Dollars (\$250,000.00), which is attributable
15 to the capital improvements, or a net increase of
16 Seven Million Dollars (\$7,000,000.00) or more in
17 capital improvements, while maintaining or increasing
18 payroll at the facility or facilities in this state
19 which are included in the application, and

20 b. the facility offers, or will offer within one hundred
21 eighty (180) days of the date of employment of new
22 employees attributable to the capital improvements, a
23 basic health benefits plan to the full-time-equivalent
24 employees of the facility, which is determined by the

1 Department of Commerce to consist of the elements
2 specified in subparagraph b of paragraph 1 of
3 subsection A of Section 3603 of this title or elements
4 substantially equivalent thereto; and

5 7. An entity engaged in electric power generation by means of
6 wind, as described by the North American Industry Classification
7 System, No. 221119, which does not meet the requirements of
8 paragraph 4 of this subsection shall be granted an exemption only if
9 all other requirements of this section are met and only if there is
10 a net increase in annualized payroll at the facility of at least Two
11 Hundred Fifty Thousand Dollars (\$250,000.00) or a net increase of
12 Two Million Dollars (\$2,000,000.00) or more in capital improvements
13 while maintaining or increasing payroll.

14 D. ~~The~~ 1. Except as provided in paragraph 2 of this
15 subsection, the five-year period of exemption from ad valorem taxes
16 for any qualifying manufacturing facility property shall begin on
17 January 1 following the initial qualifying use of the property in
18 the manufacturing process.

19 2. The five-year period of exemption from ad valorem taxes for
20 any qualifying manufacturing facility, as defined in subparagraph c
21 of paragraph 1 of subsection B of this section which is located
22 within a tax incentive district created pursuant to the Local
23 Development Act by a county having a population of at least five
24 hundred thousand (500,000), according to the most recent federal

1 decennial census, shall begin on January 1 following the expiration
2 or termination of the ad valorem exemption, abatement, or other
3 incentive provided through the tax incentive district.

4 E. Any person, firm or corporation claiming the exemption
5 herein provided for shall file each year for which exemption is
6 claimed, an application therefor with the county assessor of the
7 county in which the new, expanded or acquired facility is located.
8 The application shall be on a form or forms prescribed by the Tax
9 Commission, and shall be filed on or before March 15, except as
10 provided in Section 2902.1 of this title, of each year in which the
11 facility desires to take the exemption or within thirty (30) days
12 from and after receipt by such person, firm or corporation of notice
13 of valuation increase, whichever is later. In a case where
14 completion of the facility or facilities will occur after January 1
15 of a given year, a facility may apply to claim the ad valorem tax
16 exemption for that year. If such facility is found to be qualified
17 for exemption, the ad valorem tax exemption provided for herein
18 shall be granted for that entire year and shall apply to the ad
19 valorem valuation as of January 1 of that given year. For
20 applicants which qualify under the provisions of subparagraph b of
21 paragraph 1 of subsection B of this section, the application shall
22 include a copy of the affidavit and any other information required
23 to be filed with the Tax Commission.

24

1 F. The application shall be examined by the county assessor and
2 approved or rejected in the same manner as provided by law for
3 approval or rejection of claims for homestead exemptions. The
4 taxpayer shall have the same right of review by and appeal from the
5 county board of equalization, in the same manner and subject to the
6 same requirements as provided by law for review and appeals
7 concerning homestead exemption claims. Approved applications shall
8 be filed by the county assessor with the Tax Commission no later
9 than June 15, except as provided in Section 2902.1 of this title, of
10 the year in which the facility desires to take the exemption.
11 Incomplete applications and applications filed after June 15 will be
12 declared null and void by the Tax Commission. In the event that a
13 taxpayer qualified to receive an exemption pursuant to the
14 provisions of this section shall make payment of ad valorem taxes in
15 excess of the amount due, the county treasurer shall have the
16 authority to credit the taxpayer's real or personal property tax
17 overpayment against current taxes due. The county treasurer may
18 establish a schedule of up to five (5) years of credit to resolve
19 the overpayment.

20 G. Nothing herein shall in any manner affect, alter or impair
21 any law relating to the assessment of property, and all property,
22 real or personal, which may be entitled to exemption hereunder shall
23 be valued and assessed as is other like property and as provided by
24 law. The valuation and assessment of property for which an

1 exemption is granted hereunder shall be performed by the Tax
2 Commission.

3 H. The Tax Commission shall have the authority and duty to
4 prescribe forms and to promulgate rules as may be necessary to carry
5 out and administer the terms and provisions of this section.

6 SECTION 23. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 867.1 of Title 62, unless there
8 is created a duplication in numbering, reads as follows:

9 A. Within thirty (30) days after the creation of either an
10 incentive district or an increment district, the sponsoring
11 governmental entity shall notify the Oklahoma Department of
12 Commerce, upon such form as the Department shall prescribe, of the
13 geographic area where the district is located, a description of any
14 locally authorized tax incentives, such as property tax exemptions,
15 sales tax exemptions or for purposes of an increment district,
16 whether there is or will be indebtedness incurred the repayment of
17 which will partially or entirely be paid from incremental tax
18 revenues apportioned for such purpose.

19 B. If an incentive district or increment district is dissolved
20 or for any reason ceases to be operative, the sponsoring entity
21 shall notify the Oklahoma Department of Commerce within thirty (30)
22 days of such dissolution or termination upon a form to be prescribed
23 by the Department for such purpose.

24

1 C. The Oklahoma Department of Commerce shall make an estimate
2 of the annual revenue loss resulting from all matching payments to
3 be made pursuant to Section 844 of Title 62 of the Oklahoma
4 Statutes.

5 SECTION 24. Section 11 of this act shall become effective
6 November 1, 2008.

7 SECTION 25. It being immediately necessary for the preservation
8 of the public peace, health and safety, an emergency is hereby
9 declared to exist, by reason whereof this act shall take effect and
10 be in full force from and after its passage and approval."

11 Passed the House of Representatives the 24th day of April, 2008.

12

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14

Presiding Officer of the House of
Representatives

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16

Passed the Senate the ____ day of _____, 2008.

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Presiding Officer of the Senate

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