

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 CONFERENCE COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL 751

By: Bass, Barrington,
Lerblance, Anderson,
Garrison and Schulz of the
Senate

6 and

7 Armes, Braddock, Coody,
8 Dorman and Winchester of
9 the House

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11 CONFERENCE COMMITTEE SUBSTITUTE

12 An Act relating to revenue and taxation and public
13 finance; amending Section 5, Chapter 299, O.S.L. 2002
14 (68 O.S. Supp. 2006, Section 3655), which relates to
15 the Quality Jobs Incentive Leverage Program; updating
16 reference; authorizing extension of certain time
17 limit by Oklahoma Department of Commerce under
18 certain circumstances; creating the Military Base
19 Protection and Expansion Incentive Act; providing
20 short title; stating legislative findings; defining
21 terms; creating loan program to provide funding to
22 political subdivisions for certain capital projects;
23 authorizing the Oklahoma Development Finance
24 Authority to issue certain forms of indebtedness to
provide funding to political subdivisions for certain
purposes; requiring certain certification; providing
for transfer of title in certain circumstances;
permitting deferment of certain principal payments;
stating legislative intent to appropriate certain
funds; requiring payment of principal and interest by
political subdivisions; setting certain time
limitations; creating Military Base Protection and
Expansion Bond Fund; stating purpose; providing for
codification; and declaring an emergency.

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

3 SECTION 1. AMENDATORY Section 5, Chapter 299, O.S.L.
4 2002 (68 O.S. Supp. 2006, Section 3655), is amended to read as
5 follows:

6 Section 3655. A. Within sixty (60) days after filing the
7 irrevocable election pursuant to Section ~~8~~ 3658 of this ~~act~~ title,
8 each establishment that has filed such election shall provide to the
9 Oklahoma Development Finance Authority, on such form as may be
10 prescribed by the Authority for this purpose, the total amount of
11 investment and expenditure proposed by the establishment for the
12 modernization or retooling of a facility located within the state
13 owned by the establishment. The full amount of expenditures
14 qualifying for the use of proceeds pursuant to Section ~~4~~ 3654 of
15 this ~~act~~ title shall be made not later than five (5) years from the
16 date as of which the disclosure document required by this subsection
17 is filed; provided, such five-year-time period may be extended one
18 time, for a period not to exceed twelve (12) months, by the Oklahoma
19 Department of Commerce if the establishment makes a request for an
20 extension and provides the Department with a schedule of intended
21 investment and expenditure.

22 B. The Oklahoma Development Finance Authority shall evaluate
23 the information provided pursuant to subsection A of this section in
24 order to determine the total principal amount of the issuance or

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

8 SECTION 2. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 5062.30 of Title 74, unless
10 there is created a duplication in numbering, reads as follows:

11 Sections 2 through 8 of this act shall be known and may be cited
12 as the "Military Base Protection and Expansion Incentive Act".

13 SECTION 3. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 5062.31 of Title 74, unless
15 there is created a duplication in numbering, reads as follows:

16 The Legislature finds:

17 1. It is in the best interest of the State of Oklahoma to
18 ensure the continued location and expansion of established military
19 bases and facilities in this state;

20 2. Growth to political subdivisions as a result of the presence
21 and expansion of military bases and facilities requires improved and
22 expanded municipal and school infrastructure and facilities; and

23 3. Political subdivisions that serve military bases are in
24 critical need of capital improvement projects.

1 SECTION 4. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 5062.32 of Title 74, unless
3 there is created a duplication in numbering, reads as follows:

4 As used in the Military Base Protection and Expansion Incentive
5 Act:

6 1. "Authority" means the Oklahoma Development Finance
7 Authority;

8 2. "Capital project" means the acquisition, construction,
9 expansion, replacement, or renovation of a municipal or school
10 district facility, including real property, buildings, and other
11 fixed assets. Capital project shall not include furnishings or
12 equipment that is not a fixed asset; and

13 3. "Qualified political subdivision" means a municipality,
14 school district, or public trust of which a municipality or school
15 district is the beneficiary that:

16 a. is located in or adjacent to a county that is home to
17 a military installation receiving military or mission
18 expansion from the 2005 Base Realignment and Closure
19 Commission (BRAC) recommendations, and

20 b. encompasses all or part of a school district that is
21 entitled to receive federal impact aid dollars or
22 federal payment in lieu of tax dollars for the most
23 recently completed school year.

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1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 5062.33 of Title 74, unless
3 there is created a duplication in numbering, reads as follows:

4 There is hereby created a loan program, the purpose of which is
5 to protect and retain established military bases and facilities and
6 to support additional and expanded employment at such bases and
7 facilities. The program shall provide funding to qualified
8 political subdivisions to finance capital projects needed as a
9 result of growth due to or in connection with an established
10 military base.

11 SECTION 6. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 5062.34 of Title 74, unless
13 there is created a duplication in numbering, reads as follows:

14 A. When a qualified political subdivision that is or will be
15 impacted by growth at a military installation, proposes to acquire
16 or construct a capital project, the Oklahoma Development Finance
17 Authority may serve as conduit issuer for the capital project in the
18 form of loans, lease-purchase agreements, or other forms of
19 indebtedness.

20 B. For the capital projects described in subsection A of this
21 section, the Authority may issue bonds to provide funding:

22 1. To acquire real property, together with improvements
23 thereon;

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1 2. To construct buildings and other improvements to real
2 property; and

3 3. To provide repairs, renovations, and improvements to real
4 property and other fixed assets.

5 C. The Authority shall not issue bonds for loans, lease-
6 purchase agreements, or other forms of indebtedness for a qualified
7 political subdivision pursuant to the Military Base Protection and
8 Expansion Incentive Act except upon the certification by the
9 qualified political subdivision that it has received or will receive
10 an amount sufficient to repay the indebtedness as a result of a
11 voter-approved incentive derived from a tax levy.

12 D. The Authority may hold title to the new real property and
13 improvements and place liens on improved existing real property
14 until such time as any obligations issued for the purpose of the
15 capital project are retired or defeased and may lease the real
16 property and improvements to the qualified political subdivision.
17 Upon final redemption or defeasance of the obligations created
18 pursuant to this section, title to the real property and
19 improvements thereon shall be transferred from the Authority to the
20 qualified political subdivision.

21 E. The Authority may defer principal payments on loans made
22 pursuant to the Military Base Protection and Expansion Incentive Act
23 for a period not to exceed five (5) years.

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1 SECTION 7. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 5062.35 of Title 74, unless
3 there is created a duplication in numbering, reads as follows:

4 A. It is the intent of the Legislature to appropriate monies to
5 the Oklahoma Department of Commerce in a total amount not to exceed
6 Five Million Dollars (\$5,000,000.00) per year for the purpose of
7 funding interest payments of obligations issued by the Authority
8 pursuant to this act during the initial five (5) years of the
9 obligations. The appropriated funds shall be deposited in the
10 Military Base Protection and Expansion Bond Fund.

11 B. Upon the completion of the periods, if any, during which
12 principal payments are deferred and during which interest payments
13 are made from the Military Base Protection and Expansion Bond Fund
14 for a qualified political subdivision, the qualified political
15 subdivision shall pay all principal, interest, and other appropriate
16 costs associated with the issuance of the obligations. Payments may
17 be in the form of lease payments to the Authority as described in
18 subsection D of Section 6 of this act.

19 C. Bonds issued by the Authority under this act must be
20 delivered no later than June 30, 2010. No monies will be provided
21 pursuant to this section after June 30, 2015, for interest payments
22 on bonds issued under this act.

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1 SECTION 8. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 5062.36 of Title 74, unless
3 there is created a duplication in numbering, reads as follows:

4 A. There is hereby created within the State Treasury a special
5 fund for the Department of Commerce to be designated as the
6 "Military Base Protection and Expansion Bond Fund". All monies
7 deposited into the fund shall be used and expended by the Department
8 solely to pay interest on bonds issued pursuant to the terms of this
9 act. The Department shall enter into agreements as necessary to
10 carry out the purposes of this act.

11 B. The Department may establish separate accounts within the
12 Military Base Protection and Expansion Bond Fund as may be required
13 to separately record transactions involving each qualified political
14 subdivision that applies to participate in the loan program created
15 by this act and to provide for the distribution of monies deposited
16 in the fund.

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

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