

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 CONFERENCE COMMITTEE
4 SUBSTITUTE
5 FOR ENGROSSED
6 HOUSE BILL NO. 1786

By: Shannon, Sherrer, Ownbey,
Walker and Armes of the
House

7 and

8 Barrington of the Senate
9

10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to economic development; amending 62
12 O.S. 2001, Section 841, as last amended by Section 2,
13 Chapter 217, O.S.L. 2008 (62 O.S. Supp. 2009, Section
14 841), which relates to the Oklahoma Local Development
and Enterprise Zone Incentive Leverage Act; modifying
definitions; and declaring an emergency.

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

18 SECTION 1. AMENDATORY 62 O.S. 2001, Section 841, as last
19 amended by Section 2, Chapter 217, O.S.L. 2008 (62 O.S. Supp. 2009,
20 Section 841), is amended to read as follows:

21 Section 841. As used in the Oklahoma Local Development and
22 Enterprise Zone Incentive Leverage Act:

23 1. "Enterprise" means any form of business organization
24 including, but not limited to, any partnership, sole proprietorship,

1 corporation, limited liability company or other legally constituted
2 business entity;

3 2. "Enterprise zone" means an area as defined pursuant to
4 paragraph 5 of Section 690.2 of this title;

5 3. "Estimated direct state benefits" means the total
6 incremental state tax revenues new to the state estimated by the
7 Oklahoma Department of Commerce to accrue to the state from new
8 investments and new employment during the period of apportionment of
9 local sales taxes as a result of the project and/or projects
10 described in the related project plan. For purposes of projecting
11 state benefits for a military growth impact project, the military
12 growth impacts shall be used in lieu of the project and/or projects
13 described in the related project plan. In projecting such benefits,
14 the Oklahoma Department of Commerce shall consider, if practicable,
15 whether or not the project plan involves an enterprise:

- 16 a. relocating from within the state,
17 b. subject to or in the process of recruitment by two or
18 more governmental entities within the state, or
19 c. which will be in direct competition with an existing
20 enterprise located in the state;

21 4. "Estimated direct state costs" means the costs projected by
22 the Oklahoma Department of Commerce to be incurred by the state
23 during the period of apportionment of local sales taxes, as a result
24 of the project and/or projects described in the related project

1 plan. For purposes of projecting state costs for a military growth
2 impact project, the military growth impacts shall be used in lieu of
3 the project and/or projects described in the related project plan;

4 5. "Estimated net direct state benefits" means the estimated
5 direct state benefits less the estimated direct state costs;

6 6. "Facility" means the definition contained in paragraph 8 of
7 Section 690.2 of this title;

8 7. "Governing body" means the governing board of a local
9 governmental entity in the case of a single incentive district or
10 increment district when the boundaries of the district are
11 coextensive with or contained within the jurisdiction of any such
12 single local governmental entity or the governing boards of a
13 combination of counties, cities, or towns forming an incentive
14 district or an increment district pursuant to the provisions of the
15 Local Development Act;

16 8. "Incentive district" means an area created pursuant to the
17 provisions of the Local Development Act, including Section 856 of
18 this title;

19 9. "Increment district" means an area created pursuant to the
20 provisions of the Local Development Act;

21 10. "Local governmental entity" means a county, city or town
22 forming an incentive district or an increment district pursuant to
23 the provisions of the Local Development Act;

24

1 11. "Local sales taxes" means amounts payable to or for the
2 benefit of a local governmental entity calculated as a percentage,
3 which, except on transient lodgings, shall not exceed four and one-
4 half percent (4.5%) of gross sales whether imposed by ordinance,
5 resolution, covenant, or agreement;

6 12. "Major tourism destination project" means a project which:

7 a. meets the definition of a "tourism attraction" as set
8 forth in subparagraph a of paragraph 10 of Section
9 2357.36 of Title 68 of the Oklahoma Statutes, subject
10 only to the restrictions of divisions (1), (3) and (6)
11 of subparagraph b of paragraph 10 of Section 2357.36
12 of Title 68 of the Oklahoma Statutes,

13 b. is projected to meet the following qualifications
14 within three (3) years of the date of substantial
15 completion of the project based upon the findings of
16 the Oklahoma Department of Commerce:

17 (1) at least Fifty Million Dollars (\$50,000,000.00)
18 in capital investment,

19 (2) at least Fifty Million Dollars (\$50,000,000.00)
20 in projected annual gross sales revenues or at
21 least Ten Million Dollars (\$10,000,000.00) in
22 annual gross sales revenues to out-of-state
23 visitors,

24 (3) a number of out-of-state visitors of at least:

1 (a) twenty percent (20%) of the number of total
2 visitors, or

3 (b) twenty thousand (20,000) visitors per year,
4 and

5 (4) a number of visitors traveling at least one
6 hundred (100) miles of at least:

7 (a) thirty percent (30%) of the number of total
8 visitors, or

9 (b) twenty-five thousand (25,000) visitors per
10 year, or

11 c. is a lake resort project, containing a hotel, a
12 conference center, and an eighteen-hole golf course,
13 located within twenty-five (25) linear miles of the
14 state boundary on a lake containing at least forty-
15 five thousand (45,000) surface acres of water, that is
16 estimated to generate at least Fifty Million Dollars
17 (\$50,000,000.00) in capital investment;

18 13. "Military growth impacts" means the increases in
19 investment, employment, and residents resulting from military growth
20 activities;

21 14. "Military growth impact community" means a city, town, or
22 county experiencing and reasonably projected to experience a
23 population growth of at least one thousand (1,000) persons and
24 increased payrolls of at least Ten Million Dollars (\$10,000,000.00)

1 within a five-year period directly resulting from federal military
2 base activities;

3 15. "Military growth impact project" means a project pursuant
4 to the Local Development Act which the governing body determines to
5 be in support of the needs and quality of life issues resulting from
6 the military growth impacts;

7 16. "Net benefit rate" means the estimated net direct state
8 benefits computed as a percentage of gross taxable sales derived
9 from the project during the period of apportionment of local sales
10 taxes by the local governmental entity;

11 ~~14.~~ 17. "Public entity" means those entities described in the
12 Local Development Act;

13 ~~15.~~ 18. "Retail purposes" means the objectives of selling
14 tangible personal property, other than art, on the physical premises
15 of an establishment. Retail purposes shall not mean a hotel, motel,
16 entertainment facility, museum, cultural facility, art gallery,
17 restaurant supporting another establishment excluded herein,
18 military growth impact project located within a military growth
19 impact community, or a major tourism destination project;

20 ~~16.~~ 19. "State local enterprise matching payment" means the
21 payment authorized by subsection A of Section 844 of this title; and

22 ~~17.~~ 20. "State local government matching payment" means the
23 payment authorized by subsection D of Section 844 of this title.

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1 SECTION 2. It being immediately necessary for the preservation
2 of the public peace, health and safety, an emergency is hereby
3 declared to exist, by reason whereof this act shall take effect and
4 be in full force from and after its passage and approval.

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