

1 ENGROSSED HOUSE
2 BILL NO. 1786

By: Shannon, Sherrer and Ownbey
of the House

3 and

4 Barrington of the Senate

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6
7 (economic development - Local Government
8 Infrastructure Cost Recovery Payment Act - Local
9 Government Infrastructure Cost Recovery Revolving
10 Fund - codification - effective date -
11 emergency)

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

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 4001 of Title 62, unless there
17 is created a duplication in numbering, reads as follows:

18 This act shall be known and may cited as the "Local Government
19 Infrastructure Cost Recovery Payment Act".

20 SECTION 2. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 4002 of Title 62, unless there
22 is created a duplication in numbering, reads as follows:

23 The expenditures from the Local Government Infrastructure Cost
24 Recovery Revolving Fund, if made in accordance with the requirements

1 of this act, shall be construed as an expenditure of public funds in
2 furtherance of essential state government functions and for the
3 purpose of conferring general and uniform benefits resulting from
4 the expenditures upon the residents and other legal entities located
5 in areas subject to the jurisdiction of the local government entity
6 making application for infrastructure cost recovery payments.

7 SECTION 3. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 4003 of Title 62, unless there
9 is created a duplication in numbering, reads as follows:

10 As used in this act:

11 1. "Eligible infrastructure costs" means the money expended by
12 a local government entity prior to the beginning of business
13 operations or substantially contemporaneous with the beginning of
14 business operations by a targeted vendor for:

- 15 a. road and street construction, repair and maintenance,
- 16 b. bridge construction, repair and maintenance,
- 17 c. surface water management assets, including but not
18 limited to pipe, grates, channels, culverts or other
19 related assets,
- 20 d. sanitary sewer management assets,
- 21 e. such other tangible assets, whether consisting of real
22 or personal property, or improvements upon real
23 property, designated by a local government entity in
24 connection with a targeted vendor;

1 2. "Growth revenue" means the amount of state sales tax revenue
2 collected by a targeted vendor establishing a new business location
3 within the unincorporated area of a county or the incorporated area
4 of a city or town derived from sales of tangible personal property
5 or services made by such vendor for the first time at the location;

6 3. "Infrastructure cost recovery amount" means some portion,
7 not in excess of one hundred percent (100%), of the growth revenue
8 designated by a local government entity to be paid to the local
9 government entity during the infrastructure cost recovery period for
10 eligible infrastructure recovery costs;

11 4. "Local government entity" means:

- 12 a. an incorporated city,
- 13 b. an incorporated town, or
- 14 c. a county;

15 5. "State sales tax" means the levy imposed pursuant to Section
16 1354 of Title 68 of the Oklahoma Statutes and does not include
17 proceeds from the levy of sales tax imposed by a county, city or
18 town; and

19 6. "Targeted vendor" means a lawfully recognized business
20 entity engaged in a retail or commercial enterprise making taxable
21 sales of property or services subject to the levy of the state sales
22 tax for the first time within the unincorporated area of a county or
23 for the first time within the incorporated area of a city or town

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1 and identified by a local government entity pursuant to Section 4 of
2 this act.

3 SECTION 4. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 4004 of Title 62, unless there
5 is created a duplication in numbering, reads as follows:

6 A. A local government entity shall be authorized to receive an
7 infrastructure cost recovery payment for eligible infrastructure
8 costs as provided by this act.

9 B. A local government entity shall make application to the
10 Oklahoma Tax Commission for payments authorized by this act on such
11 forms as the Tax Commission may prescribe for such purpose.

12 C. The application shall require the local government to
13 identify:

14 1. The legal name of the targeted vendor and the form of
15 business organization through which the business activity is or will
16 be conducted;

17 2. The physical location or address at which the principal
18 business activity of the vendor is or will be conducted;

19 3. A description of the business activity that is or will be
20 conducted by the targeted vendor;

21 4. The infrastructure asset or assets for which the
22 infrastructure cost recovery payment is claimed;

23 5. The cost of eligible infrastructure assets to be repaid
24 through the payments authorized by this act;

1 6. The period for which the infrastructure recovery payments
2 are requested;

3 7. The total amount of the infrastructure recovery payment; and

4 8. Such other information as the Tax Commission may require.

5 D. The Tax Commission shall evaluate the application to
6 determine whether the local government entity is entitled to
7 payments otherwise authorized by this act.

8 E. If the Tax Commission determines that the local government
9 entity is eligible, the Tax Commission shall make a monthly payment,
10 in the amount designated by the local government entity and, subject
11 to a maximum period of five (5) years, for the period of time
12 designated by the local government entity, from the Local Government
13 Infrastructure Cost Recovery Revolving Fund created by Section 5 of
14 this act.

15 F. No monthly payment shall be made to a local government
16 entity in an amount exceeding the growth revenue remitted by the
17 targeted vendor. If more than one vendor is a targeted vendor with
18 respect to one local government entity, the monthly payment shall
19 not exceed the total amount of growth revenue remitted by all
20 targeted vendors with respect to such local government entity.

21 SECTION 5. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 4005 of Title 62, unless there
23 is created a duplication in numbering, reads as follows:

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1 There is hereby created in the State Treasury a revolving fund
2 for the Oklahoma Tax Commission to be designated the "Local
3 Government Infrastructure Cost Recovery Revolving Fund". The fund
4 shall be a continuing fund, not subject to fiscal year limitations,
5 and shall consist of all monies received by the Oklahoma Tax
6 Commission from state sales tax collections consisting of growth
7 revenue from targeted vendors. All monies accruing to the credit
8 of said fund are hereby appropriated and may be budgeted and
9 expended by the Oklahoma Tax Commission for the purpose of making
10 infrastructure cost recovery payments to an eligible local
11 government entity. Expenditures from said fund shall be made upon
12 warrants issued by the State Treasurer against claims filed as
13 prescribed by law with the Director of State Finance for approval
14 and payment.

15 SECTION 6. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 4006 of Title 62, unless there
17 is created a duplication in numbering, reads as follows:

18 A. Using information provided by a local government entity, the
19 Oklahoma Tax Commission shall identify any and all targeted vendors
20 remitting growth revenues.

21 B. Sales tax returns filed by targeted vendors shall be
22 analyzed to determine the amount of growth revenue remitted by the
23 targeted vendors.

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1 C. The Tax Commission shall transfer to the Local Government
2 Infrastructure Cost Recovery Revolving Fund each month the amount of
3 growth revenues remitted by all targeted vendors which will be
4 required to make infrastructure cost recovery payments.

5 SECTION 7. This act shall become effective July 1, 2009.

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

10 Passed the House of Representatives the 11th day of March, 2009.

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13 _____
Presiding Officer of the House of
14 Representatives

15 Passed the Senate the ____ day of _____, 2009.

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Presiding Officer of the Senate

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