

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1159

By: Adelson

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5
6 AS INTRODUCED

7 An Act relating to the Oklahoma Capital Investment
8 Board; amending 74 O.S. 2011, Section 5085.7, which
9 relates to tax credits; modifying amount of tax
10 credits which may be issue or transferred; amending
11 74 O.S. 2011, Section 5085.9, which relates to annual
12 report; requiring specified information be included
13 in annual report; and providing an effective date.

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

15 SECTION 1. AMENDATORY 74 O.S. 2011, Section 5085.7, is
16 amended to read as follows:

17 Section 5085.7. A. The State of Oklahoma hereby issues tax
18 credits that may be used to reduce the tax liability of a person,
19 firm or corporation if such liability is imposed pursuant to the
20 provisions of Section 2355 of Title 68 of the Oklahoma Statutes or
21 Section 624 of Title 36 of the Oklahoma Statutes. Provided, tax
22 credits against liabilities imposed pursuant to Section 624 of Title
23 36 of the Oklahoma Statutes shall be limited to the amount that
24 would otherwise be collected and allocated to the General Revenue
Fund of the State Treasury. Tax credits issued and transferred to

1 the Oklahoma Development Finance Authority pursuant to the
2 provisions of this section and prior to ~~the effective date of this~~
3 ~~act~~ July 1, 1991 are hereby transferred to the Oklahoma Capital
4 Investment Board, created pursuant to the provisions of ~~this act~~ the
5 Oklahoma Capital Formation Act. The total amount of tax credits
6 that are hereby issued, or are transferred pursuant to this section
7 to the Board, is ~~One Hundred Million Dollars (\$100,000,000.00)~~ Fifty
8 Million Dollars (\$50,000,000.00). The credits shall be freely
9 transferable to subsequent transferees; however, no such tax credit
10 shall be exercisable before July 1, 1990, nor after July 1, 2015.
11 The Board shall not transfer tax credits except in conjunction with
12 a legitimate call on a Board guarantee. The Board shall immediately
13 notify the President Pro Tempore of the Senate, the Speaker of the
14 House of Representatives and the Governor in writing if any tax
15 credit is transferred in conjunction with a legitimate call on a
16 Board guarantee; provided, the Board shall not be required to make
17 such notification for transfers to subsequent transferees.

18 B. The Oklahoma Capital Investment Board shall determine the
19 amount of individual tax credits to be transferred pursuant to ~~this~~
20 ~~act~~ the Oklahoma Capital Formation Act and may negotiate for sale of
21 such credits subject only to the limits imposed by ~~this act~~ the
22 Oklahoma Capital Formation Act. The Board shall ensure that no more
23 than Twenty Million Dollars (\$20,000,000.00) in tax credits has been
24 transferred which may be claimed and used to reduce the tax

1 otherwise imposed by Section 2355 of Title 68 of the Oklahoma
2 Statutes or Section 624 of Title 36 of the Oklahoma Statutes for any
3 one (1) fiscal year. The Board shall clearly indicate upon the face
4 of the certificate or other document transferring the tax credit the
5 principal amount of the tax credit and the taxable year or years for
6 which the credit may be claimed. Any original sale of tax credits
7 by the Board shall be by competitive bidding unless the sale is for
8 full-face value.

9 C. The Board shall, in conjunction with the Oklahoma Tax
10 Commission, develop a system for registration of any tax credits
11 issued or transferred pursuant to ~~this act~~ the Oklahoma Capital
12 Formation Act and a system of certificates that permits verification
13 that any tax credit claimed upon a tax return is validly issued,
14 properly taken in the year of claim and that any transfers of the
15 tax credit are made in accordance with the requirements of ~~this act~~
16 the Oklahoma Capital Formation Act.

17 D. The Board may pay a fee in connection with the purchase by
18 the Board of an option or other agreement pursuant to which a
19 transfer of tax credits authorized by ~~this act~~ the Oklahoma Capital
20 Formation Act may be made.

21 E. The Board shall have the power to make any contract, execute
22 any document, charge reasonable fees for services rendered, perform
23 any act or enter into any financial or other transaction necessary
24 in order to carry out its mission. The Board may employ such

1 persons as may be required for the proper implementation of ~~this act~~
2 the Oklahoma Capital Formation Act, the management of its assets, or
3 the performance of any function authorized or required by ~~this act~~
4 the Oklahoma Capital Formation Act or necessary for the
5 accomplishment of any such function. Such persons shall be selected
6 by the Board based upon outstanding knowledge and leadership in the
7 field for which the person performs services for the Board.

8 SECTION 2. AMENDATORY 74 O.S. 2011, Section 5085.9, is
9 amended to read as follows:

10 Section 5085.9. A. The Oklahoma Capital Investment Board shall
11 publish a separate annual report in conjunction with its annual
12 audit and present the report to the Governor, the Legislature and
13 Oklahoma Futures. The annual report shall review:

14 1. Review the mission of the Board and programs implemented
15 according to objective measures set forth in the Board's business
16 plan; and

17 2. Provide, for all funds which are invested by the Board
18 pursuant to a transfer of tax credits authorized under Section
19 5085.7 of this title, a listing of the dollars obtained through the
20 sale of tax credits and invested in investee companies and the
21 dollars obtained through the sale of tax credits and invested in
22 venture funds. The Board shall distribute this annual report by
23 such means that will make it available to the financial community.
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1 B. Seven (7) years after the Board has begun operations,
2 Oklahoma Futures shall review, analyze and evaluate the extent to
3 which the Board has achieved its statutory mission. The evaluation
4 shall include, but not be limited to, an examination of quantified
5 results of the Board's programs and plans.

6 SECTION 3. This act shall become effective November 1, 2012.

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