

BILL SUMMARY
2nd Session of the 53rd Legislature

Bill No.:	SB 1159
Version:	CCR4 A
Request Number:	3421
Author:	Rep. Sears
Date:	5/23/2012
Impact:	\$0

**No Increase in Potential
For Claimed Credits**

Research Analysis

The CCR to SB1159 provides that tax credits may be exercised after July 1, 2020 provided the tax credits were purchased or agreed to be purchased pursuant to an agreement originally entered into no later than December 31, 1995.

Further after the effective date of the act neither the Oklahoma Capital Investment Board nor any entity which is a subsidiary or affiliate of the Board nor any entity which is controlled either directly or indirectly by the Board or which acts under the authority of or pursuant to the direction of the Oklahoma Capital Investment Board shall enter into or modify any contract authorizing or requiring the investment of any funds in a general partnership, limited partnership, corporation, limited liability company, private equity or hedge fund or any other lawfully recognized business entity. The act would also prohibit the Board or any subsidiary or affiliate from entering into transactions to extend the Oklahoma Capital Access Program.

The act also requires that within thirty (30) days after the Oklahoma Capital Investment Board or any subsidiary or affiliate of the board has made payment of any remaining expense or obligation created by the Board or by the subsidiary or affiliate, pursuant to the terms of any promissory note, loan agreement, guaranty agreement, investment agreement or other contract or agreement, any remaining monies paid to either the Oklahoma capital Investment Board or any subsidiary or affiliate of the Board pursuant to the terms of an agreement or contract entered into prior to the effective date of this act shall be paid by the Board or by its subsidiary or affiliate to the General Revenue Fund of the State Treasury.

The act further provides that none of the provisions of the act shall alter, amend, modify, affect, diminish or impair the enforceability of, or any obligation or liability of the Oklahoma Capital Investment Board or any entity which is a subsidiary or affiliate of the Oklahoma Capital Investment board or any entity which is controlled either directly or indirectly by the Oklahoma Capital Investment Board under any contract, agreement, guarantee or instrument entered into or delivered by such party with any business entity or bank, financial institution or any other entity existing as of the effective date of this act, including, without limitation, any guarantee extended by the Oklahoma Capital Investment Board and any assignment of any third party commitments to purchase, and proceeds released from the sale of tax credits, all of which shall remain in full force and effect.

Prepared By: Brad Wolgamott

Fiscal Analysis

The measure prohibits the Oklahoma Capital Investment Board from entering into any contract authorizing or requiring investment of funds upon the effective date of the measure, except for investment of funds for those commitments made by the board prior to the effective date. The amount of potential for the sale and eventual claim of credits is limited to the existing investment structure – the actual amount of credits that might be sold will depend on the terms of any lending and the performance of the investment portfolio. The total amount of credits and the amount which may be sold in any one year do not change. The provisions of the measure will result in the reduction in exposure to the sale of credits as the current portfolio nears maturity.

Prepared By: Mark Tygret

Other Considerations

None.