

1 ENGROSSED HOUSE
2 BILL NO. 1455

By: Murphey and Walker of the
House

3 and

4 Jolley of the Senate
5
6

7 An Act relating to governmental entities; creating
8 the Streamlining and Savings Act of 2013; repealing 2
9 O.S. 2011, Section 3-2, which relates to the Fire Ant
10 Research and Management Advisory Committee; amending
11 2 O.S. 2011, Section 3-101, which relates to the
12 Oklahoma Apiary Act; eliminating the Apiary Advisory
13 Committee; amending 2 O.S. 2011, Section 5-3.2, which
14 relates to the Oklahoma Agriculture Enhancement and
15 Diversification Act; deleting reference to the
16 Oklahoma Agriculture Enhancement and Diversification
17 Advisory Board; repealing 2 O.S. 2011, Section 5-3.5,
18 which relates to Oklahoma Agriculture Enhancement and
19 Diversification Advisory Board; repealing 2 O.S.
20 2011, Section 7-10, which relates to the Southern
21 Dairy Compact; repealing 2 O.S. 2011, Section 10-9.2,
22 which relates to the rule advisory committee for the
23 State Board of Agriculture for the Oklahoma
24 Registered Poultry Feeding Operations Act; amending 2
O.S. 2011, Section 10-9.12, which relates to the
Oklahoma Registered Poultry Feeding Operations Act;
removing requirement to consider comments by the rule
advisory committee; repealing 2 O.S. 2011, Sections
15-60.1, 15-60.2, 15-60.3, as amended by Section 10,
Chapter 304, O.S.L. 2012, and 15-60.4 (2 O.S. Supp.
2012, Section 15-60.3), which relate to Oklahoma
County Fair Enhancement Program; repealing 2 O.S.
2011, Section 16-13, which relates to the forestry
cost-share advisory committee; repealing 2 O.S. 2011,
Sections 18-43.1, 18-43.2, 18-43.3 and 18-43.4, which
relate to the Oklahoma Dairy Promotion Act; repealing
2 O.S. 2011, Section 20-5, which relates to rule
advisory committee for the State Board of Agriculture
for the Oklahoma Swine Feeding Operations Act;
repealing 2 O.S. 2011, Section 20-43, which relates
to rule advisory committee for the State Board of

1 Agriculture for the Oklahoma Concentrated Animal
2 Feeding Operations Act; repealing 2 O.S. 2011,
3 Section 1950.11, which relates to the Oklahoma
4 Biofuels Development Advisory Committee; repealing 3A
5 O.S. 2011, Section 706, which relates to the Lottery
6 Retailer Advisory Board; repealing 18 O.S. 2011,
7 Section 381.5a, which relates to the Savings and Loan
8 Advisory Council; amending 27A O.S. 2011, Section 1-
9 1-202, which relates to the powers and duties of the
10 state environmental agencies; deleting the State
11 Water Quality Standards Advisory Committee; deleting
12 duties of the Committee; amending 27A O.S. 2011,
13 Section 2-2-201, which relates to advisory councils;
14 removing certain advisory council; adding
15 jurisdictional areas for certain advisory council;
16 deleting membership requirements of certain advisory
17 council; repealing 36 O.S. 2011, Section 2211, which
18 relates to the Health Care Indemnity Fund Task Force;
19 repealing 47 O.S. 2011, Section 40-122, which relates
20 to the Advisory Committee for Motorcycle Safety and
21 Education; repealing 53 O.S. 2011, Section 7.3, which
22 relates to the Buffalo Soldiers Heritage Corridor
23 Advisory Committee; amending 53 O.S. 2011, Sections
24 400 and 402, which relate to the Oklahoma American
Civil War Sesquicentennial Commission; providing
sunset date for Commission and advisory council;
repealing 57 O.S. 2011, Section 508.2c, as amended by
Section 244, Chapter 304, O.S.L. 2012 (57 O.S. Supp.
2012, Section 508.2c), which relates to the creation
of the Oklahoma Integrated Justice Information
Systems (OIJIS) Steering Committee; repealing 59 O.S.
2011, Section 1103, as amended by Section 1, Chapter
55, O.S.L. 2012 (59 O.S. Supp. 2012, Section 1103),
which relates to waterworks and wastewater works
advisory council; amending 59 O.S. 2011, Sections
1202, 1209, 1210, 1211 and 1216, which relate to
foresters; replacing State Board of Registration for
registered foresters with the State Board of
Agriculture; removing references to State Board of
Registration for Foresters; transferring duties of
the secretary to the Board; repealing 59 O.S. 2011,
Sections 1203, as amended by Section 1, Chapter 72,
O.S.L. 2012, and by Section 279, Chapter 304, O.S.L.
2012, 1204, 1206, 1207 and 1208 (59 O.S. Supp. 2012,
Section 1203), which relate to the State Board of
Registration for Foresters; repealing 60 O.S. 2011,
Sections 180.51, 180.52, 180.53, 180.54 and 180.55,

1 which relate to trusts for water pollution control
2 projects; amending 62 O.S. 2011, Section 35.8, as
3 amended by Section 417, Chapter 304, O.S.L. 2012 (62
4 O.S. Supp. 2012, Section 35.8), which relates to the
5 Information Technology Consolidation and Coordination
6 Act; deleting references to the Oklahoma Integrated
7 Justice Information Systems Steering Committee;
8 repealing 62 O.S. 2011, Section 88.3, which relates
9 to the Oklahoma Linked Deposit Review Board; amending
10 63 O.S. 2011, Section 683.6, which relates to the
11 Emergency Management Advisory Council; abolishing the
12 Emergency Management Advisory Council; amending 63
13 O.S. 2011, Sections 683.26 and 683.28, which relate
14 to the Oklahoma Office of Volunteerism; abolishing
15 the Oklahoma Office of Volunteerism; deleting
16 references to the Oklahoma Office of Volunteerism;
17 repealing 63 O.S. 2011, Sections 683.27, as amended
18 by Section 507, Chapter 304, O.S.L. 2012, 683.30 and
19 683.31 (63 O.S. Supp. 2012, Section 683.27), which
20 relate to the transfer of the Oklahoma Office of
21 Volunteerism and duties of the Oklahoma Commission on
22 Volunteerism; repealing 66 O.S. 2011, Section 323.1,
23 which relates to the Eastern Flyer Passenger Rail
24 Development Task Force; amending 68 O.S. 2011,
Section 205, which relates to the Oklahoma Tax
Commission; removing references to the Incentive
Review Committee; repealing 68 O.S. 2011, Section
205.4, which relates to the Incentive Review
Committee; repealing 68 O.S. 2011, Section 302-6,
which relates to the Cigarette and Tobacco Tax
Advisory Committee; repealing 68 O.S. 2011, Section
1354.12 and 1354.13, which relate to the Legislative
Oversight Committee on the Streamlined Sales Tax
System; amending 68 O.S. 2011, Section 3603, as
amended by Section 1, Chapter 310, O.S.L. 2012 (68
O.S. Supp. 2012, Section 3603), which relates to the
Oklahoma Quality Jobs Program Act; modifying
definition; amending 68 O.S. 2011, Section 3604,
which relates to Oklahoma Quality Jobs Program Act;
modifying reference to Oklahoma State Data Center;
amending 68 O.S. 2011, Section 3604.1, which relates
to Oklahoma Quality Jobs Program Act; modifying
reference to Oklahoma State Data Center; amending 68
O.S. 2011, Section 3607, which relates to Oklahoma
Quality Jobs Program Act; modifying reference to
Oklahoma State Data Center; amending 68 O.S. 2011,
Section 3903, which relates to Small Employer Quality

1 Jobs Incentive Act; modifying reference to Oklahoma
2 State Data Center; amending 68 O.S. 2011, Section
3 3904, which relates to Small Employer Quality Jobs
4 Incentive Act; modifying reference to Oklahoma State
5 Data Center; amending 68 O.S. 2011, Section 3914,
6 which relates to 21st Century Quality Jobs Incentive
7 Act; modifying reference to Oklahoma State Data
8 Center; amending 68 O.S. 2011, Section 50011, which
9 relates to the Oklahoma Tourism Promotion Act;
10 deleting definition; repealing 68 O.S. 2011, Section
11 50015, which relates to the Oklahoma Tourism
12 Promotion Advisory Committee; repealing 69 O.S. 2011,
13 Sections 420 and 421, as amended by Section 573,
14 Chapter 304, O.S.L. 2012 (69 O.S. Supp. 2012, Section
15 421), which relate to Safe Routes to Schools program;
16 repealing 73 O.S. 2011, Section 310, as amended by
17 Section 690, Chapter 304, O.S.L. 2012 (73 O.S. Supp.
18 2012, Section 310), which relates to the State
19 Facility Capital Needs Committee; repealing Section
20 6, Chapter 417, O.S.L. 1997, which relates to the
21 State Facility Capital Needs Committee; amending 74
22 O.S. 2011, Section 2236, which relates to the Office
23 of the Oklahoma Film and Music Commission; changing
24 name of the Office; deleting the Oklahoma Film and
Music Commission; deleting the membership and duties
of the Commission; repealing 74 O.S. 2011, Sections
2286, 2287, 2288, as amended by Section 999, Chapter
304, O.S.L. 2012, 2289, 2290, 2291, 2292 and 2293 (74
O.S. Supp. 2012, Section 2288), which relate to the
Oklahoma Recreation and Development Revolving Fund
Advisory Act; providing for transfer of certain
funds; amending 74 O.S. 2011, Section 4190, as
amended by Section 1019, Chapter 304, O.S.L. 2012 (74
O.S. Supp. 2012, Section 4190), which relates to
child care centers for state employees; deleting
advisory committee; amending 74 O.S. 2011, Section
5003.10a, which relates to the Department of
Commerce; removing references to the International
Trade Legislative Advisory Committee; repealing 74
O.S. 2011, Section 5003.10c, which relates to the
International Trade Legislative Advisory Committee;
repealing 74 O.S. 2011, Sections 5018 and 5019, as
amended by Section 1031, Chapter 304, O.S.L. 2012 (74
O.S. Supp. 2012, Section 5019), which relate to the
Oklahoma State Data Center; amending 74 O.S. 2011,
Sections 5060.1a, 5060.2, as amended by Section 1035,
Chapter 304, O.S.L. 2012, 5060.3, 5060.4, 5060.9,

1 5060.22 and 5060.30, as amended by Section 1039,
2 Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2012,
3 Sections 5060.2 and 5060.30), which relate to the
4 Oklahoma Science and Technology Research and
5 Development Act; deleting references to the Oklahoma
6 Institute of Technology; deleting mission or purpose
7 of the Institute; deleting definition; deleting
8 certain powers and duties of the Oklahoma Science and
9 Technology Research and Development Board; modifying
10 the Oklahoma Institute of Technology Trust Fund;
11 repealing 74 O.S. 2011, Section 5212, which relates
12 to the Spaceport Territory Advisory Council;
13 repealing 74 O.S. 2011, Section 8401, as amended by
14 Section 1052, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
15 2012, Section 8401), which relates to the War on
16 Terror Memorial Design Committee; amending 75 O.S.
17 2011, Sections 250.10, 303, 502, 504 and 505, which
18 relate to the Small Business Regulatory Review
19 Committee; modifying references; repealing 75 O.S.
20 2011, Section 503, which relates to the Small
21 Business Regulatory Review Committee; repealing 82
22 O.S. 2011, Section 110.30, which relates to the
23 formation and duties of a high-hazard dams study
24 group; repealing 85 O.S. 2011, Section 358, which
relates to the Individual Self-Insured Guaranty Fund
Board; amending 85 O.S. 2011, Section 365, as amended
by Section 1076, Chapter 304, O.S.L. 2012 (85 O.S.
Supp. 2012, Section 365), which relates to the
Individual Self-Insured Guaranty Fund Board and Group
Self-Insurance Association Guaranty Fund Board;
modifying references; repealing 85 O.S. 2011,
Sections 359 and 360, which relate to the Group Self-
Insurance Association Guaranty Fund Board and the
Workers' Compensation Self-Insurance Guaranty Fund;
amending 85 O.S. 2011, Section 367, which relates to
the Oklahoma Workers' Compensation Electronic Data
Interchange Advisory Committee; modifying references;
repealing Section 2, Chapter 335, O.S.L. 2007, which
relates to the Task Force on Dynamic Revenue
Forecasting; repealing Section 1, Chapter 163, O.S.L.
2008, which relates to the marginal-quality water
technical work group; providing for noncodification;
and providing an effective date.

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

1 SECTION 1. NEW LAW A new section of law not to be
2 codified in the Oklahoma Statutes reads as follows:

3 This act shall be known and may be cited as the "Streamlining
4 and Savings Act of 2013".

5 SECTION 2. REPEALER 2 O.S. 2011, Section 3-2, is hereby
6 repealed.

7 SECTION 3. AMENDATORY 2 O.S. 2011, Section 3-101, is
8 amended to read as follows:

9 Section 3-101. A. The State Board of Agriculture or its
10 authorized agents shall have the authority to enter any premises or
11 mode of transportation during reasonable hours for the purpose of
12 implementing the Oklahoma Apiary Act or rules promulgated pursuant
13 thereto.

14 B. The Board or its authorized agents shall have the authority
15 to carry out all necessary and proper actions to determine
16 compliance with the Oklahoma Apiary Act including, but not limited
17 to, conducting investigations, opening any bundle, package, or
18 container, examining and making photocopies of records or documents,
19 examining devices, collecting and submitting samples for analysis,
20 issuing any order to destroy infected or infested bees or apiary
21 equipment, and removing or destroying bees, hives or other articles
22 as deemed necessary by the Board.

23 C. The Board is authorized to promulgate rules necessary,
24 expedient, or appropriate for the performance, enforcement, or

1 carrying out of any of the purposes, objectives, or provisions of
2 the Oklahoma Apiary Act, including the establishment of fees. All
3 fees shall be fair and equitable to all parties concerned. Any
4 rules shall be promulgated pursuant to the Administrative Procedures
5 Act.

6 D. The Board shall have the authority to:

7 1. Issue, renew, deny, modify, suspend, cancel, and revoke any
8 registration, permit, certificate, license, identification, or order
9 issued pursuant to the provisions of the Oklahoma Apiary Act;

10 2. Issue certificates of inspection;

11 3. Issue entry permits to any person transporting bees or
12 apiary equipment into this state;

13 4. Investigate complaints and violations of the Oklahoma Apiary
14 Act and rules promulgated pursuant thereto;

15 5. Issue quarantines, initiate control measures, confiscate,
16 and destroy apiaries, bees, colonies, or hives that present a danger
17 to the public safety or welfare; and

18 6. Exercise all incidental powers as necessary and proper to
19 implement and enforce the provisions of the Oklahoma Apiary Act and
20 the rules of the Board promulgated pursuant thereto.

21 ~~E. Pursuant to the general powers contained in Section 2-6 of~~
22 ~~this title, the Board may establish an Apiary Advisory Committee~~
23 ~~composed of interested residents and beekeepers of the state who,~~
24 ~~without compensation, may advise and make recommendations to the~~

1 ~~Department on the administration of the Oklahoma Apiary Act and on~~
2 ~~other apiary matters.~~

3 SECTION 4. AMENDATORY 2 O.S. 2011, Section 5-3.2, is
4 amended to read as follows:

5 Section 5-3.2 A. The State Board of Agriculture is hereby
6 authorized to establish and administer the Oklahoma Agriculture
7 Enhancement and Diversification Program.

8 B. The purpose of the Oklahoma Agriculture Enhancement and
9 Diversification Program is to promote and encourage the interests of
10 agriculture through the allocation of funds, by grant or loan, to
11 individuals, cooperatives and other agricultural entities to provide
12 assistance to projects dealing with the development of new or
13 expanded uses or both new and expanded uses of agricultural
14 products, and to increase productivity, provide added value to
15 agricultural products and benefit the agricultural producer.

16 C. The Program shall consist of the following categories:

17 1. Cooperative marketing grants and loans to be available to
18 entities or individuals wishing to work together to develop or
19 establish production, processing or marketing of agricultural
20 products. The purpose of this category is to provide funding for
21 promoting productivity, providing added value to agricultural
22 products, stimulating and fostering agricultural diversification and
23 encouraging processing innovations;

24

1 2. Marketing and utilization grants and loans to be used to
2 assist in the development or implementation of sound domestic or
3 foreign marketing plans for Oklahoma agricultural products, by-
4 products, or new and better uses for existing agricultural products
5 by the financing of marketing feasibility studies, business plans,
6 and test marketing;

7 3. Farm diversification grants or loans to be used for projects
8 dealing with the diversification of family farms or ranches to
9 nontraditional crops, livestock, or on-farm, value-added processing
10 of agricultural commodities; and

11 4. Basic and applied research grants and loans for business
12 creation or expansion, or research which will likely lead to a
13 marketable product through the focusing of research efforts on uses
14 and processing of Oklahoma agricultural products and by-products,
15 including but not limited to:

- 16 a. focused research which enhances the value of an
- 17 agricultural product or by-product,
- 18 b. feasibility studies,
- 19 c. product development costs, and
- 20 d. projects that are driven by an entrepreneur or the
- 21 industry.

22 D. The State Board of Agriculture, ~~with the advice and~~
23 ~~assistance of the Oklahoma Agriculture Enhancement and~~
24 ~~Diversification Advisory Board created in Section 5 of this act,~~

1 shall promulgate rules governing the Oklahoma Agriculture
2 Enhancement and Diversification Program.

3 SECTION 5. REPEALER 2 O.S. 2011, Section 5-3.5, is
4 hereby repealed.

5 SECTION 6. REPEALER 2 O.S. 2011, Section 7-10, is hereby
6 repealed.

7 SECTION 7. REPEALER 2 O.S. 2011, Section 10-9.2, is
8 hereby repealed.

9 SECTION 8. AMENDATORY 2 O.S. 2011, Section 10-9.12, is
10 amended to read as follows:

11 Section 10-9.12 A. The State Board of Agriculture ~~after~~
12 ~~consideration of comments by the rule advisory committee~~ shall
13 promulgate rules for the administration, implementation and
14 enforcement of the Oklahoma Registered Poultry Feeding Operations
15 Act.

16 B. 1. The State Board of Agriculture shall promulgate a
17 violation points system for persons violating the Oklahoma
18 Registered Poultry Feeding Operations Act which provides that:

19 a. violations involving the greatest harm to the natural
20 resources of the state, ground or surface water
21 quantity or quality, public health or the environment
22 shall receive the most points and shall be considered
23 significant violations,

24

- 1 b. violations that are committed willfully or
2 intentionally shall be considered significant
3 violations,
4 c. the number of points received shall be directly
5 related to the degree of negligence or willfulness,
6 d. the commission of three significant violations, or the
7 commission of lesser violations that result in a
8 predetermined cumulative number of points, within a
9 limited period of time of not less than two (2) years
10 shall result in the mandatory designation of the
11 registered poultry feeding operation as a concentrated
12 animal feeding operation subject to the Oklahoma
13 Concentrated Animal Feeding Operations Act, and
14 e. the commission of one significant violation that
15 results in serious harm may result in the designation
16 of the poultry operation as a concentrated animal
17 feeding operation subject to the Oklahoma Concentrated
18 Animal Feeding Operations Act.

19 2. In developing the violation points system pursuant to this
20 subsection, the Board shall determine the:

- 21 a. number of points that lesser violations must
22 cumulatively total to result in the designation of the
23 poultry operation as a concentrated animal feeding
24

1 operation subject to the Oklahoma Concentrated Animal
2 Feeding Operations Act,

3 b. limited period of time during which the commission of
4 three significant violations, or the commission of a
5 greater number of lesser violations, will result in
6 the administrative action. The limited period of time
7 shall not be less than two (2) years,

8 c. duration of the registration revocation, and

9 d. conditions under which the person whose registration
10 is revoked may reapply for another registration
11 pursuant to the Oklahoma Registered Poultry Feeding
12 Operations Act.

13 C. For the performance of its duties and responsibilities, the
14 Board is authorized to employ such personnel and agents as may be
15 required within the funds available.

16 SECTION 9. REPEALER 2 O.S. 2011, Sections 15-60.1, 15-
17 60.2, 15-60.3, as amended by Section 10, Chapter 304, O.S.L. 2012,
18 and 15-60.4 (2 O.S. Supp. 2012, Section 15-60.3), are hereby
19 repealed.

20 SECTION 10. REPEALER 2 O.S. 2011, Section 16-13, is
21 hereby repealed.

22 SECTION 11. REPEALER 2 O.S. 2011, Sections 18-43.1, 18-
23 43.2, 18-43.3 and 18-43.4, are hereby repealed.

1 SECTION 12. REPEALER 2 O.S. 2011, Section 20-5, is
2 hereby repealed.

3 SECTION 13. REPEALER 2 O.S. 2011, Section 20-43, is
4 hereby repealed.

5 SECTION 14. REPEALER 2 O.S. 2011, Section 1950.11, is
6 hereby repealed.

7 SECTION 15. REPEALER 3A O.S. 2011, Section 706, is
8 hereby repealed.

9 SECTION 16. REPEALER 18 O.S. 2011, Section 381.5a, is
10 hereby repealed.

11 SECTION 17. AMENDATORY 27A O.S. 2011, Section 1-1-202,
12 is amended to read as follows:

13 Section 1-1-202. A. Each state environmental agency shall:

14 1. Be responsible for fully implementing and enforcing the laws
15 and rules within its jurisdictional areas of environmental
16 responsibility;

17 2. Utilize and enforce the Oklahoma Water Quality Standards
18 established by the Oklahoma Water Resources Board;

19 3. Seek to strengthen relationships between state, regional,
20 local and federal environmental planning, development and management
21 programs;

22 4. Specifically facilitate cooperation across jurisdictional
23 lines of authority with other state environmental agencies regarding
24 programs to resolve environmental concerns;

1 5. Cooperate with all state environmental agencies, other state
2 agencies and local or federal governmental entities to protect,
3 foster, and promote the general welfare, and the environment and
4 natural resources of this state;

5 6. Have the authority to engage in environmental and natural
6 resource information dissemination and education activities within
7 their respective areas of environmental jurisdiction; and

8 7. Participate in every hearing conducted by the Oklahoma Water
9 Resources Board for the consideration, adoption or amendment of the
10 classification of waters of the state and standards of purity and
11 quality thereof, and shall have the opportunity to present written
12 comment to the members of the Oklahoma Water Resources Board at the
13 same time staff recommendations are submitted to those members for
14 Board review and consideration.

15 B. 1. In addition to the requirements of subsection A of this
16 section, each state environmental agency shall have promulgated by
17 July 1, 2001, a Water Quality Standards Implementation Plan for its
18 jurisdictional areas of environmental responsibility in compliance
19 with the Administrative Procedures Act and pursuant to the
20 provisions of this section. Each agency shall review its plan at
21 least every three (3) years thereafter to determine whether
22 revisions to the plan are necessary.

23 2. Upon the request of any state environmental agency, the
24 Oklahoma Water Resources Board shall provide consulting assistance

1 to such agency in developing a Water Quality Standards
2 Implementation Plan as required by this subsection.

3 3. Each Water Quality Standards Implementation Plan shall:

4 a. describe, generally, the processes, procedures and
5 methodologies the state environmental agency will
6 utilize to ensure that programs within its
7 jurisdictional areas of environmental responsibility
8 will comply with anti-degradation standards and lead
9 to:

10 (1) maintenance of water quality where beneficial
11 uses are supported,

12 (2) removal of threats to water quality where
13 beneficial uses are in danger of not being
14 supported, and

15 (3) restoration of water quality where beneficial
16 uses are not being supported,

17 b. include the procedures to be utilized in the
18 application of use support assessment protocols to
19 make impairment determinations,

20 c. list and describe programs affecting water quality,

21 d. include technical information and procedures to be
22 utilized in implementing the Water Quality Standards
23 Implementation Plan,

24

- 1 e. describe the method by which the Water Quality
2 Standards Implementation Plan will be integrated into
3 the water quality management activities within the
4 jurisdictional areas of environmental responsibility
5 of the state environmental agency,
- 6 f. detail the manner in which the agency will comply with
7 mandated statewide requirements affecting water
8 quality developed by other state environmental
9 agencies including, but not limited to, total maximum
10 daily load development, water discharge permit
11 activities and nonpoint source pollution prevention
12 programs,
- 13 g. include a brief summary of the written comments and
14 testimony received pursuant to all public meetings
15 held or sponsored by the state environmental agency
16 for the purpose of providing the public and other
17 state environmental agencies an opportunity to comment
18 on the plan, and
- 19 h. describe objective methods and means to evaluate the
20 effectiveness of activities conducted pursuant to the
21 Water Quality Standards Implementation Plan to achieve
22 Water Quality Standards.

23 C. ~~1. There is hereby created a State Water Quality Standards~~
24 ~~Implementation Advisory Committee. The Committee shall consist of a~~

1 ~~designated representative of each of the state environmental~~
2 ~~agencies and the Secretary of the Environment. The Water Resources~~
3 ~~Board representative shall serve as chair of the Committee.~~

4 ~~2. Prior to the publication of the notice of rulemaking intent~~
5 ~~for a Water Quality Standards Implementation Plan or amendment~~
6 ~~thereof, the environmental agency developing the plan shall submit~~
7 ~~the draft plan to the Water Quality Standards Implementation~~
8 ~~Advisory Committee for review. The Committee shall evaluate the~~
9 ~~extent to which the agency's Water Quality Standards Implementation~~
10 ~~Plan meets the requirements set out in this section and, to the~~
11 ~~extent necessary to achieve compliance with these requirements,~~
12 ~~shall provide detailed, written recommendations of provisions which~~
13 ~~should be incorporated into the agency's plan. A copy of such~~
14 ~~written recommendations shall also be submitted to the Speaker of~~
15 ~~the House of Representatives and the President Pro Tempore of the~~
16 ~~Senate.~~

17 ~~D.~~ 1. Each state environmental agency with groundwater
18 protection authority pursuant to Article III of the Oklahoma
19 Environmental Quality Act shall be the groundwater protection agency
20 for activities within its jurisdictional areas of environmental
21 responsibility.

22 2. The Department of Environmental Quality shall cooperate with
23 other state environmental agencies, as appropriate and necessary, in
24 the protection of such unassigned activities.

1 3. Groundwater regulatory agencies shall develop groundwater
2 protection practices to prevent groundwater contamination from
3 activities within their respective jurisdictional areas of
4 environmental responsibility.

5 4. Each groundwater protection agency shall promulgate such
6 rules, and issue such permits, policies, directives or any other
7 appropriate requirements, as necessary, to implement the
8 requirements of this subsection.

9 5. Groundwater protection agencies shall take such action as
10 may be necessary to assure that activities within their respective
11 jurisdictional areas of environmental responsibility protect
12 groundwater quality to support the uses of the state's water
13 quality.

14 6. In addition, each groundwater protection agency with
15 enforcement authority is hereby authorized to:

16 a. engage the voluntary cooperation of all persons in the
17 maintenance and protection of groundwater, and to
18 advise, consult and cooperate with all persons, all
19 agencies of the state, universities and colleges, the
20 federal government or other states, and with
21 interstate agencies in the furtherance of the purposes
22 of this subsection, and to this end and for the
23 purposes of studies, scientific or other
24 investigations, research, experiments and

1 demonstrations pertaining thereto, receive and spend
2 funds as appropriated by the Legislature, and from
3 such agencies and other officers and persons on behalf
4 of the state,

5 b. encourage the formulation and execution of plans to
6 maintain and protect groundwater by cooperative groups
7 or associations of municipal corporations, industries,
8 industrial users and other users of groundwaters of
9 the state, who, jointly or severally, are or may be
10 impacting on the maintenance and protection of
11 groundwater,

12 c. encourage, participate in or conduct or cause to be
13 conducted studies, scientific or other investigations,
14 research, experiments and demonstrations relating to
15 the maintenance and protection of groundwater, and to
16 collect data with respect thereto, all as may be
17 deemed advisable and necessary to carry out the
18 purposes of this subsection, and to make reports and
19 recommendations with respect thereto,

20 d. conduct groundwater sampling, data collection,
21 analyses and evaluations with sufficient frequency to
22 ascertain the characteristics and quality of
23 groundwater and the sufficiency of the groundwater
24

1 protection programs established pursuant to this
2 subsection, and

3 e. develop a public education and promotion program to
4 aid and assist in publicizing the need of, and
5 securing support for, the maintenance and protection
6 of groundwater.

7 ~~E.~~ D. Each state environmental agency and each state agency
8 with limited environmental responsibilities shall participate in the
9 information management system developed by the Department of
10 Environmental Quality, pursuant to Section ~~6~~ 1-4-107 of this ~~act~~
11 title, with such information as the Department shall reasonably
12 request.

13 ~~F.~~ E. In each even-numbered year, in cooperation with other
14 state environmental agencies participating in the monitoring of
15 water resources, the Oklahoma Water Resources Board shall provide a
16 report on the status of water quality monitoring to the Legislature
17 for review.

18 SECTION 18. AMENDATORY 27A O.S. 2011, Section 2-2-201,
19 is amended to read as follows:

20 Section 2-2-201. A. There are hereby created:

- 21 1. The Water Quality Management Advisory Council;
- 22 2. The Hazardous Waste Management Advisory Council;
- 23 3. The Solid Waste Management Advisory Council; and
- 24 4. The Radiation Management Advisory Council; ~~and~~

1 ~~5. The Laboratory Services Advisory Council.~~

2 B. 1. Except as provided for in paragraph 2 of this
3 subsection, each Council created pursuant to subsection A of this
4 section shall consist of nine (9) members. Three members shall be
5 appointed by the Governor, three members shall be appointed by the
6 Speaker of the House of Representatives and three members shall be
7 appointed by the President Pro Tempore of the Senate. Appointments
8 shall be for three-year terms. Members of the Advisory Councils
9 shall serve at the pleasure of and may be removed from office by the
10 appointing authority. Members shall continue to serve until their
11 successors are appointed. Any vacancy shall be filled in the same
12 manner as the original appointments. Five members shall constitute
13 a quorum.

14 2. The Solid Waste Management Advisory Council shall consist of
15 ten (10) members. Four members shall be appointed by the Governor,
16 three members shall be appointed by the Speaker of the House of
17 Representatives and three members shall be appointed by the
18 President Pro Tempore of the Senate. Appointments shall be for
19 three-year terms. Members of the Solid Waste Management Advisory
20 Council shall serve at the pleasure of and may be removed from
21 office by the appointing authority. Members shall continue to serve
22 until their successors are appointed. Any vacancy shall be filled
23 in the same manner as the original appointments. Six members shall
24 constitute a quorum.

1 3. Each Council shall elect a chair and a vice-chair from among
2 its members. Each Council shall meet as required for rule
3 development, review and recommendation and for such other purposes
4 specified by law. Special meetings may be called by the chair or by
5 the concurrence of any three ~~(3)~~ members.

6 C. 1. All members of the Water Quality Management Advisory
7 Council shall be knowledgeable of water quality and of the
8 environment. The Council shall be composed as follows:

9 a. the Governor shall appoint three members as follows:

10 (1) one member representing the field of engineering,

11 (2) one member representing a statewide nonprofit
12 environmental organization, and

13 (3) one member representing the general public,

14 b. the President Pro Tempore of the Senate shall appoint
15 three members as follows:

16 (1) one member representing an industry located in
17 this state,

18 (2) one member representing an oil field-related
19 industry, and

20 (3) one member representing the field of geology, and

21 c. the Speaker of the House of Representatives shall
22 appoint three members as follows:

23

24

1 (1) one member representing a political subdivision
2 of the state who shall be a member of the local
3 governmental body of a city or town,

4 (2) one member representing a rural water district
5 organized pursuant to the laws of this state, and

6 (3) one member representing the field of agriculture.

7 2. The jurisdictional areas of the Water Quality Management
8 Advisory Council shall include Article VI of this chapter, Article
9 IV of this chapter, waterworks and wastewater activities, water
10 quality and protection and related activities and such other areas
11 as designated by the Board.

12 D. 1. All members of the Hazardous Waste Management Advisory
13 Council shall be knowledgeable of hazardous waste and of the
14 environment. The Council shall be composed as follows:

15 a. the Governor shall appoint three members as follows:

16 (1) one member representing an industry located in
17 this state,

18 (2) one member representing a statewide nonprofit
19 environmental organization, and

20 (3) one member representing a political subdivision
21 of the state who shall be a member of the local
22 governing body of a city or town,

23 b. the President Pro Tempore of the Senate shall appoint
24 three members as follows:

1 (1) one member representing a political subdivision
2 of the state who shall be a member of the local
3 governmental body of a city or town,

4 (2) one member representing the general public, and

5 (3) one member representing industry generating
6 hazardous waste, and

7 c. the Speaker of the House of Representatives shall
8 appoint three members as follows:

9 (1) one member representing the field of engineering,

10 (2) one member representing the hazardous waste
11 industry, and

12 (3) one member representing the field of geology.

13 2. The jurisdictional areas of the Hazardous Waste Management
14 Advisory Council shall include Article VII of this chapter, the
15 Oklahoma Hazardous Waste Reduction Program, and such other areas as
16 designated by the Board.

17 E. 1. All members of the Solid Waste Management Advisory
18 Council shall be knowledgeable of solid waste and of the
19 environment. The Council shall be composed as follows:

20 a. the Governor shall appoint four members as follows:

21 (1) one member representing a statewide nonprofit
22 environmental organization,

23 (2) one member shall be a county commissioner,

24 (3) one member representing the general public, and

1 (4) one member representing the solid waste
2 incineration, waste-to-energy industry in this
3 state,

4 b. the President Pro Tempore of the Senate shall appoint
5 three members as follows:

6 (1) one member representing an industry located in
7 this state generating solid waste,

8 (2) one member representing a political subdivision
9 of this state who shall be a member of the local
10 governmental body of a city or town, and

11 (3) one member representing the field of geology, and

12 c. the Speaker of the House of Representatives shall
13 appoint three members as follows:

14 (1) one member representing the solid waste disposal
15 industry in this state,

16 (2) one member representing the field of engineering,
17 and

18 (3) one member representing the transportation
19 industry.

20 2. The jurisdictional areas of the Solid Waste Management
21 Advisory Council shall include Article X of this chapter, the
22 Oklahoma Used Tire Recycling Act and such other areas as designated
23 by the Board.
24

1 F. 1. All members of the Radiation Management Advisory Council
2 shall be knowledgeable of radiation hazards and radiation
3 protection. The Council shall be composed as follows:

4 a. the Governor shall appoint three members as follows:

5 (1) one member representing an industry located in
6 this state which uses sources of radiation in its
7 manufacturing or processing business,

8 (2) one member representing a statewide nonprofit
9 environmental organization, and

10 (3) one member representing the engineering
11 profession who shall be a professional engineer
12 employed and experienced in matters of radiation
13 management and protection,

14 b. the President Pro Tempore of the Senate shall appoint
15 three members as follows:

16 (1) one member representing the faculty of an
17 institution of higher learning of university
18 status and shall be experienced in matters of
19 scientific knowledge and competent in matters of
20 radiation management and protection,

21 (2) one member representing the general public, and

22 (3) one member representing the field of industrial
23 radiography, and
24

1 c. the Speaker of the House of Representatives shall
2 appoint three members as follows:

3 (1) one member representing the transportation
4 industry,

5 (2) one member representing the petroleum industry
6 who is trained and experienced in radiation
7 management and protection, and

8 (3) one member representing a medical institution
9 within this state who shall be experienced in
10 matters of radiation management and protection.

11 2. The jurisdictional areas of the Radiation Management
12 Advisory Council shall include Article IX of this chapter and such
13 other areas as designated by the Board.

14 G. ~~1. All members of the Laboratory Services Advisory Council~~
15 ~~shall be knowledgeable of laboratory services and certification~~
16 ~~standards. The Council shall be composed as follows:~~

17 ~~a. the Governor shall appoint three members as follows:~~

18 ~~(1) one member representing a private laboratory~~
19 ~~within the state certified by the Department,~~

20 ~~(2) one member representing the field of hydro-~~
21 ~~geology, and~~

22 ~~(3) one member representing permit holders required~~
23 ~~to routinely submit laboratory analyses results~~
24 ~~to the Department,~~

1 ~~b. the President Pro Tempore of the Senate shall appoint~~
2 ~~three members as follows:~~

3 ~~(1) one member representing a private laboratory~~
4 ~~within the state certified by the Department,~~

5 ~~(2) one member representing a public laboratory~~
6 ~~within the state certified by the Department, and~~

7 ~~(3) one member representing the field of~~
8 ~~microbiology, and~~

9 ~~e. the Speaker of the House of Representatives shall~~
10 ~~appoint three members as follows:~~

11 ~~(1) one member representing a private laboratory~~
12 ~~within the state certified by the Department,~~

13 ~~(2) one member representing permit holders required~~
14 ~~to routinely submit laboratory analyses results~~
15 ~~to the Department, and~~

16 ~~(3) one member representing the field of~~
17 ~~environmental chemistry.~~

18 ~~2. The jurisdictional areas of the Laboratory Services Advisory~~
19 ~~Council shall include Article IV of this chapter and such other~~
20 ~~areas designated by the Board.~~

21 ~~H.~~ 1. The Air Quality Council created pursuant to Section 6,
22 Chapter 215, O.S.L. 1992 (63 O.S. Supp. 1992, Section 1-1807.1)
23 shall remain in effect as the Air Quality Advisory Council and carry
24 on the powers and duties assigned to it by law. Future appointments

1 to the Council shall be made according to the provisions of this
2 section.

3 2. The Council shall consist of nine (9) members who shall be
4 residents of this state and appointed by the Governor with the
5 advice and consent of the Senate.

6 3. Members of the Council shall have the qualifications as
7 follows:

8 a. one member shall be selected from the engineering
9 profession, and, as such, shall be a professional
10 engineer and experienced in matters of air pollution
11 equipment and control, who shall not be an employee of
12 any unit of government,

13 b. one member shall be selected from industry in general,
14 and, as such, shall be employed as a manufacturing
15 executive carrying on a manufacturing business within
16 this state,

17 c. one member shall be selected from a faculty of an
18 institution of higher learning of university status
19 and shall be experienced in matters of scientific
20 knowledge and competent in matters of air pollution
21 control and evaluation,

22 d. one member shall be selected from the transportation
23 industry,
24

1 e. one member shall be selected from the petroleum
2 industry, and, as such, shall be employed by a
3 petroleum company carrying on a petroleum refining
4 business within the state, and, as such, shall be
5 trained and experienced in matters of scientific
6 knowledge of causes as well as effects of air
7 pollution,

8 f. one member shall be selected from agriculture, and, as
9 such, shall be engaged in or employed by a basic
10 agricultural business or the processing of
11 agricultural products,

12 g. one member shall be selected from the political
13 subdivisions of the state, and, as such, shall be a
14 member of the local government body of a city or town,

15 h. one member, whose first term shall expire on June 15,
16 1998, shall be selected from the general public, and

17 i. one member, whose first term shall expire on June 15,
18 1999, shall be selected from the electric utilities
19 industry, and as such, shall be knowledgeable in
20 matters of air pollution and control.

21 4. Each member shall be appointed to serve a term of office of
22 seven (7) years.

23 The terms of all members shall be deemed to have expired on June
24 15th of the year of expiration, and shall continue until successors

1 have been duly appointed and qualified. If a vacancy occurs, the
2 Governor shall appoint a person for the remaining portion of the
3 unexpired term created by the vacancy. Five members of the Council
4 shall constitute a quorum.

5 5. The Council shall hold at least two regular meetings each
6 calendar year at a place and time to be fixed by the Council. The
7 Council shall select one of its members to serve as chair and
8 another of its members to serve as vice-chair at the first regular
9 meeting in each calendar year to serve as the chair and vice-chair
10 for the ensuing year. Special meetings may be called, and any
11 meeting may be canceled, by the chair, or by three members of the
12 Council by delivery of written notice to each member of the Council.

13 6. The jurisdictional areas of the Air Quality Council shall
14 include Article V of this chapter and such other areas as designated
15 by the Board.

16 ~~F.~~ H. In addition to other powers and duties assigned to each
17 Council pursuant to this Code, each Council shall, within its
18 jurisdictional area:

19 1. Have authority to recommend to the Board rules on behalf of
20 the Department. The Department shall not have standing to recommend
21 to the Board permanent rules or changes to such rules within the
22 jurisdiction of a Council which have not previously been submitted
23 to the appropriate Council for action;

24

1 2. Before recommending any permanent rules to the Board, give
2 public notice, offer opportunity for public comment and conduct a
3 public rulemaking hearing when required by the Administrative
4 Procedures Act;

5 3. Have the authority to make written recommendations to the
6 Board which have been concurred upon by at least a majority of the
7 membership of the Council;

8 4. Have the authority to provide a public forum for the
9 discussion of issues it considers relevant to its area of
10 jurisdiction, and to:

11 a. pass nonbinding resolutions expressing the sense of
12 the Council, and

13 b. make recommendations to the Board or Department
14 concerning the need and the desirability of conducting
15 meetings, workshops and seminars; and

16 5. Cooperate with each other Council, the public, the Board and
17 the Executive Director in order to coordinate the rules within their
18 respective jurisdictional areas and to achieve maximum efficiency
19 and effectiveness in furthering the objectives of the Department.

20 ~~J.~~ I. The Councils shall not recommend rules for promulgation
21 by the Environmental Quality Board unless all applicable
22 requirements of the Administrative Procedures Act have been
23 followed, including but not limited to notice, rule impact statement
24 and rule-making hearings.

1 ~~K.~~ J. Members of the Councils shall serve without compensation
2 but may be reimbursed expenses incurred in the performance of their
3 duties, as provided in the State Travel Reimbursement Act. The
4 Councils are authorized to utilize the conference rooms of the
5 Department of Environmental Quality and obtain administrative
6 assistance from the Department, as required.

7 SECTION 19. REPEALER 36 O.S. 2011, Section 2211, is
8 hereby repealed.

9 SECTION 20. REPEALER 47 O.S. 2011, Section 40-122, is
10 hereby repealed.

11 SECTION 21. REPEALER 53 O.S. 2011, Section 7.3, is
12 hereby repealed.

13 SECTION 22. AMENDATORY 53 O.S. 2011, Section 400, is
14 amended to read as follows:

15 Section 400. The Oklahoma American Civil War Sesquicentennial
16 Commission is hereby created, to continue to July 1, 2015, in
17 accordance with the provisions of the Oklahoma Sunset Law, to assist
18 the Oklahoma Historical Society and the Oklahoma History Center in
19 preparing for and commemorating the sesquicentennial of Oklahoma's
20 participation in the American Civil War.

21 SECTION 23. AMENDATORY 53 O.S. 2011, Section 402, is
22 amended to read as follows:

23
24

1 Section 402. A. The Oklahoma American Civil War
2 Sesquicentennial Commission shall consist of twelve (12) members as
3 follows:

- 4 1. Four members appointed by the Governor;
- 5 2. Four members appointed by the President Pro Tempore of the
6 Senate; and
- 7 3. Four members appointed by the Speaker of the House of
8 Representatives.

9 B. There is hereby created an advisory council to the
10 Commission, to continue to July 1, 2015, in accordance with the
11 provisions of the Oklahoma Sunset Law, to be composed of:

- 12 a. the Director of the Oklahoma History Center or
13 designee,
- 14 b. the Executive Director of the Oklahoma Tourism and
15 Recreation Department or designee,
- 16 c. the President of the Oklahoma Historical Society or
17 designee,
- 18 d. the Director of the Native American Cultural and
19 Educational Authority of Oklahoma or designee,
- 20 e. the President of the Oklahoma County Civil War
21 Roundtable or designee,
- 22 f. the President of the Tulsa County Civil War Roundtable
23 or designee,

24

1 g. the Superintendent of the Honey Springs Battlefield or
2 designee,

3 h. the Curator of the Confederate Memorial Hall or
4 designee, and

5 i. the Curator of the Union Memorial Hall, or designee.

6 C. The members of the Commission shall serve at the pleasure of
7 the appointing authority.

8 D. The Commission shall elect a chair and vice-chair from among
9 its membership.

10 E. A quorum of the Commission shall be required in order for
11 any final action of the Commission.

12 F. Members of the Commission shall receive no compensation for
13 their service, but shall receive travel reimbursement as follows:

14 1. Legislative members of the Commission shall be reimbursed
15 for necessary travel expenses incurred in the performance of their
16 duties in accordance with the provisions of Section 456 of Title 74
17 of the Oklahoma Statutes; and

18 2. Nonlegislative members of the Commission shall be reimbursed
19 for necessary travel expenses incurred in the performance of their
20 duties in accordance with the State Travel Reimbursement Act.

21 G. The Oklahoma Historical Society shall provide staff support
22 to the Commission.

23 H. The Commission shall submit to the Legislature an annual
24 report, including any legislative findings to the President Pro

1 Tempore of the Senate, the Speaker of the House of Representatives,
2 and the Governor by January 1 of each year.

3 SECTION 24. REPEALER 57 O.S. 2011, Section 508.2c, as
4 amended by Section 244, Chapter 304, O.S.L. 2012 (57 O.S. Supp.
5 2012, Section 508.2c), is hereby repealed.

6 SECTION 25. REPEALER 59 O.S. 2011, Section 1103, as
7 amended by Section 1, Chapter 55, O.S.L. 2012 (59 O.S. Supp. 2012,
8 Section 1103), is hereby repealed.

9 SECTION 26. AMENDATORY 59 O.S. 2011, Section 1202, is
10 amended to read as follows:

11 Section 1202. As used in this act: ~~(1) the~~

12 1. The term "forester" means a person who, by reason of his
13 knowledge of the natural sciences, mathematics, and the principles
14 of forestry, acquired by forestry education, as set forth in Section
15 ~~12, (1)~~ 1212 of this ~~act~~ title, and/or practical experience is
16 qualified to engage in the practice of professional forestry as
17 hereinafter defined; ~~(2) the~~

18 2. The term "registered forester" means a person who has been
19 licensed pursuant to the act; ~~(3) the~~

20 3. The term "practice of professional forestry" means
21 professional forestry services, including but not limited to
22 consultation, investigation, evaluation, planning, or responsible
23 supervisions of any forestry activities when such professional
24

1 services require the application of forestry principles and
2 techniques; and ~~(4) the~~

3 4. The term "Board" means the State Board of Registration for
4 registered foresters Agriculture.

5 SECTION 27. AMENDATORY 59 O.S. 2011, Section 1209, is
6 amended to read as follows:

7 Section 1209. The ~~secretary of the~~ Board shall receive and
8 account for all monies derived under the provisions of this act, and
9 shall pay the same monthly to the State Treasurer, who shall keep
10 such monies in a separate fund to be known as the "Professional
11 Foresters Fund". Such fund shall be kept separate and apart from
12 all other monies in the treasury, and shall be paid out only by
13 warrants of the comptroller upon the State Treasurer, upon itemized
14 vouchers approved by the chairman and attested by ~~the secretary of~~
15 the Board. All monies in the "Professional Foresters Fund" are
16 hereby specifically appropriated for the use of the Board. The
17 Board may employ such clerical and other assistants as are necessary
18 for the proper performance of its work, or, in lieu of employing
19 clerical assistants, the Board may contract with any state
20 department or agency to furnish the Board with such clerical
21 assistance as the Board deems necessary. The compensation of such
22 assistants, or the cost of contraction for such clerical assistance,
23 shall be paid out of the "Professional Foresters Fund" in the manner
24 prescribed herein. Provided, however, that under no circumstances

1 shall the total amount of warrants issued by the comptroller in
2 payment of the expenses and compensation provided for by this act
3 exceed the amount of the examination and registration fees, license
4 fees, donations, and other monies collected by the Board as herein
5 provided. The Board is authorized to accept all gifts, bequests,
6 and donations which shall be used or expended in accordance with
7 their terms or stipulations, but in absence of any such terms or
8 stipulations such gifts, bequests, or donations may be used or
9 expended for such purposes as the Board may determine.

10 SECTION 28. AMENDATORY 59 O.S. 2011, Section 1210, is
11 amended to read as follows:

12 Section 1210. The ~~State Board of Registration for Foresters~~
13 shall keep a record of its proceedings and a register of all
14 applications for registration, which register shall show the name,
15 age, and residence of such applicant; the date of the application;
16 address for the receipt of mail and the place of business of such
17 applicant; the education and other qualifications of the applicant;
18 whether or not an examination was required; whether the application
19 was rejected; whether a license was granted; the date of the action
20 of the Board; and such other information as may be deemed necessary
21 by the Board.

22 SECTION 29. AMENDATORY 59 O.S. 2011, Section 1211, is
23 amended to read as follows:

24

1 Section 1211. A roster showing the names and places of business
2 of all registered foresters qualified according to the provisions of
3 this act shall be prepared by the ~~secretary of the~~ Board during the
4 month of March of each year. Copies of such roster shall be mailed
5 to each person so registered, placed on file with the Secretary of
6 State and made available to the public upon request.

7 SECTION 30. AMENDATORY 59 O.S. 2011, Section 1216, is
8 amended to read as follows:

9 Section 1216. Licenses shall expire one (1) year after the date
10 of their issuance or renewal and shall become invalid on that date
11 unless renewed. It shall be the duty of the ~~secretary of the~~ Board
12 to notify, at his or her last-registered address, every person
13 registered under this act of the date of the expiration of his
14 license and the amount of the fee that shall be required for its
15 renewal for one (1) year; such notice shall be mailed at least one
16 (1) month in advance of the date of the expiration of said license.
17 The fee for renewal of licenses shall not exceed Ten Dollars
18 (\$10.00). The Board shall make an exception to the foregoing
19 renewal provisions in the case of a person while on active duty in
20 any of the armed forces of the United States.

21 SECTION 31. REPEALER 59 O.S. 2011, Sections 1203, as
22 amended by Section 1, Chapter 72, O.S.L. 2012, and by Section 279,
23 Chapter 304, O.S.L. 2012, 1204, 1206, 1207 and 1208 (59 O.S. Supp.
24 2012, Section 1203), are hereby repealed.

1 SECTION 32. REPEALER 60 O.S. 2011, Sections 180.51,
2 180.52, 180.53, 180.54 and 180.55, are hereby repealed.

3 SECTION 33. AMENDATORY 62 O.S. 2011, Section 35.8, as
4 amended by Section 417, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
5 2012, Section 35.8), is amended to read as follows:

6 Section 35.8 A. Notwithstanding any other provision of law,
7 the provisions of the Information Technology Consolidation and
8 Coordination Act shall operate to maintain or increase security
9 standards and shall not jeopardize confidentiality or compliance
10 with state or federal laws or regulations. The State Governmental
11 Technology Applications Review Board, ~~with the advice of the~~
12 ~~Oklahoma Integrated Justice Information Systems Steering Committee,~~
13 shall consider and approve security protocols which shall be
14 followed by the Information Services Division of the Office of
15 Management and Enterprise Services. The Board, ~~in conjunction with~~
16 ~~the Committee,~~ shall make recommendations to state officers and
17 employees related to continuity of criminal justice information
18 system security protocols.

19 B. Notwithstanding the provisions of Section 35.5 of this
20 title, the transfer of information technology assets and positions
21 of the Department of Public Safety shall occur prior to the transfer
22 of assets and positions of other public safety agencies.

23 SECTION 34. REPEALER 62 O.S. 2011, Section 88.3, is
24 hereby repealed.

1 SECTION 35. AMENDATORY 63 O.S. 2011, Section 683.6, is
2 amended to read as follows:

3 Section 683.6 A. ~~There is hereby created an Emergency~~
4 ~~Management Advisory Council. The members of the Council shall be~~
5 ~~composed of the Governor, who shall serve as chair of the Council,~~
6 ~~and the following department heads:~~

7 1. ~~The Director of the Oklahoma Department of Emergency~~
8 ~~Management;~~

9 2. ~~The Commissioner of Public Safety;~~

10 3. ~~The Adjutant General;~~

11 4. ~~The State Commissioner of Health;~~

12 5. ~~The Commissioner of the Oklahoma Department of Agriculture,~~
13 ~~Food, and Forestry;~~

14 6. ~~The Director of the Department of Human Services;~~

15 7. ~~The Director of the Department of Transportation;~~

16 8. ~~The Director of the Oklahoma Water Resources Board;~~

17 9. ~~The State Fire Marshal;~~

18 10. ~~The Department of Environmental Quality;~~

19 11. ~~The Oklahoma Sheriffs' Association; and~~

20 12. ~~The Director of the Oklahoma State Bureau of Narcotics and~~
21 ~~Dangerous Drugs Control,~~

22 ~~who shall serve without additional compensation.~~

23 B. ~~The Council shall advise the Governor and the Director on~~
24 ~~all matters pertaining to emergency management.~~

1 ~~C.~~ 1. There is hereby created the State Hazard Mitigation
2 Team, composed of the administrative heads of the following agencies
3 or their designees:

4 ~~a.~~

5 1. Oklahoma Department of Emergency Management, who shall serve
6 as the Team Coordinator Ti

7 ~~b.~~

8 2. Oklahoma Water Resources Board Ti

9 ~~c.~~

10 3. Oklahoma Climatological Survey Ti

11 ~~d.~~

12 4. Oklahoma Conservation Commission Ti

13 ~~e.~~

14 5. Corporation Commission Ti

15 ~~f.~~

16 6. Oklahoma Department of Commerce Ti

17 ~~g.~~

18 7. Department of Environmental Quality Ti

19 ~~h.~~

20 8. Department of Human Services Ti

21 ~~i.~~

22 9. State Department of Health Ti

23 ~~j.~~

24 10. Department of Transportation Ti

1 ~~k.~~

2 11. Oklahoma Department of Agriculture, Food, and Forestry or
3 the Secretary of ~~the Oklahoma Department of Agriculture, Food, and~~
4 ~~Forestry~~;

5 ~~l.~~

6 12. Department of Wildlife Conservation;

7 ~~m.~~

8 13. Oklahoma Historical Society;

9 ~~n.~~

10 14. Oklahoma Insurance Department;

11 ~~o.~~

12 15. Association of County Commissioners of Oklahoma;

13 ~~p.~~

14 16. Oklahoma Municipal League;

15 ~~q.~~

16 17. State Fire Marshal;

17 ~~r.~~

18 18. Department of Labor;

19 ~~s.~~ a

20 19. A local Emergency Management Director as determined by the
21 President of the Oklahoma Emergency Management Association;

22 ~~t.~~

23 20. State Chancellor or his or her representative for The
24 Oklahoma State System of Higher Education; and

~~4.~~

21. State Director or his or her representative for the Oklahoma Department of Career and Technology Education.

~~2.~~ B. Depending on the circumstances, the Team Coordinator may request participation of the heads of any other state agencies as deemed appropriate.

~~3.~~ C. The Team Coordinator shall also request that a representative of the United States Army Corps of Engineers be appointed by the administrative head of the Tulsa District to participate on the Team.

~~4.~~ D. The Team Coordinator shall also request a representative of the U.S. Department of Housing and Urban Development be appointed by the administrative head of the Oklahoma City office to participate on the team.

~~5.~~ E. The State Hazard Mitigation Team will meet as determined by the Team Coordinator to review and recommend updates to the State Comprehensive All-hazard Mitigation Plan, and shall have those additional responsibilities as provided by the Team Coordinator, including, but not limited to, the review and recommendation for loan and grant application under the Oklahoma Flood Hazard Mitigation Program.

SECTION 36. AMENDATORY 63 O.S. 2011, Section 683.26, is amended to read as follows:

1 Section 683.26 ~~Within the~~ The Oklahoma Department of Emergency
2 Management, ~~there is hereby created the Oklahoma Office of~~
3 ~~Volunteerism for the purpose of developing, promoting and supporting~~
4 ~~emergency management volunteerism in the State of Oklahoma. The~~
5 ~~Oklahoma Office of Volunteerism shall support:~~

6 1. Support voluntary involvement in public and private
7 emergency management programs to meet the needs of the citizens of
8 the State of Oklahoma, ~~to stimulate;~~

9 2. Stimulate new voluntary emergency management initiatives and
10 partnerships, ~~and to serve; and~~

11 3. Serve as a resource and advocate within the State of
12 Oklahoma for volunteer agencies, volunteers and programs which
13 utilize volunteers to support emergency response and disaster
14 recovery operations.

15 SECTION 37. AMENDATORY 63 O.S. 2011, Section 683.28, is
16 amended to read as follows:

17 Section 683.28 ~~A. The Oklahoma Office of Volunteerism shall be~~
18 ~~subject to the authority and direction of the Director of the~~
19 ~~Oklahoma Department of Emergency Management.~~

20 ~~B. The Oklahoma Office of Volunteerism, in cooperation with~~
21 ~~governmental entities, individual volunteers and volunteer~~
22 ~~organizations throughout the State of Oklahoma, shall:~~

23 1. Assist all state agencies in the development of emergency
24 management volunteer programs;

1 2. Operate as a statewide information center for volunteer
2 programs and needed services that could be delivered by volunteer
3 programs;

4 3. Provide or aid in the provision of technical assistance and
5 training for directors and coordinators of volunteers, for staff,
6 and for individual volunteers for state, local or private entities;

7 4. Assess and recognize the needs of communities throughout the
8 State of Oklahoma and assist volunteer programs to meet emergency
9 preparedness and disaster recovery programs;

10 5. Promote and coordinate efforts to expand and improve the
11 statewide voluntary network;

12 6. Develop, implement and maintain a volunteer clearinghouse to
13 disseminate information to support emergency management volunteer
14 programs and to broaden voluntary involvement throughout the State
15 of Oklahoma;

16 7. Promote communication and collaboration between public and
17 private volunteer programs in the State of Oklahoma and between the
18 public and private sector's initiatives in meeting emergency human
19 needs;

20 8. Establish methods for supporting and promoting private
21 sector leadership and responsibility for meeting emergency public
22 needs;

23 9. Cooperate with federal, state, and local volunteer groups in
24 collecting information on federal, state and private resources which

1 may encourage and improve emergency management volunteer projects
2 within the State of Oklahoma;

3 10. Develop a program to inform the public of the opportunities
4 to volunteer and of the services emergency management volunteers
5 provide within the State of Oklahoma; and

6 11. Cooperate with federal, state and local governments and
7 voluntary groups in developing a plan and operational procedures for
8 the receiving and disbursement of donated goods during times of
9 disaster or emergency.

10 SECTION 38. REPEALER 63 O.S. 2011, Sections 683.27, as
11 amended by Section 507, Chapter 304, O.S.L. 2012, 683.30 and 683.31
12 (63 O.S. Supp. 2012, Section 683.27), are hereby repealed.

13 SECTION 39. REPEALER 66 O.S. 2011, Section 323.1, is
14 hereby repealed.

15 SECTION 40. AMENDATORY 68 O.S. 2011, Section 205, is
16 amended to read as follows:

17 Section 205. A. The records and files of the Oklahoma Tax
18 Commission concerning the administration of the Uniform Tax
19 Procedure Code or of any state tax law shall be considered
20 confidential and privileged, except as otherwise provided for by
21 law, and neither the Tax Commission nor any employee engaged in the
22 administration of the Tax Commission or charged with the custody of
23 any such records or files nor any person who may have secured
24 information from the Tax Commission shall disclose any information

1 obtained from the records or files or from any examination or
2 inspection of the premises or property of any person.

3 B. Except as provided in paragraph 26 of subsection C of this
4 section, neither the Tax Commission nor any employee engaged in the
5 administration of the Tax Commission or charged with the custody of
6 any such records or files shall be required by any court of this
7 state to produce any of the records or files for the inspection of
8 any person or for use in any action or proceeding, except when the
9 records or files or the facts shown thereby are directly involved in
10 an action or proceeding pursuant to the provisions of the Uniform
11 Tax Procedure Code or of the state tax law, or when the
12 determination of the action or proceeding will affect the validity
13 or the amount of the claim of the state pursuant to any state tax
14 law, or when the information contained in the records or files
15 constitutes evidence of violation of the provisions of the Uniform
16 Tax Procedure Code or of any state tax law.

17 C. The provisions of this section shall not prevent the Tax
18 Commission from disclosing the following information and no
19 liability whatsoever, civil or criminal, shall attach to any member
20 of the Tax Commission or any employee thereof for any error or
21 omission in the disclosure of such information:

22 1. The delivery to a taxpayer or a duly authorized
23 representative of the taxpayer of a copy of any report or any other
24

1 paper filed by the taxpayer pursuant to the provisions of the
2 Uniform Tax Procedure Code or of any state tax law;

3 2. The exchange of information that is not protected by the
4 federal Privacy Protection Act, 42 U.S.C., Section 2000aa et seq.,
5 pursuant to reciprocal agreements entered into by the Tax Commission
6 and other state agencies or agencies of the federal government;

7 3. The publication of statistics so classified as to prevent
8 the identification of a particular report and the items thereof;

9 4. The examination of records and files by the State Auditor
10 and Inspector or the duly authorized agents of the State Auditor and
11 Inspector;

12 5. The disclosing of information or evidence to the Oklahoma
13 State Bureau of Investigation, Attorney General, Oklahoma State
14 Bureau of Narcotics and Dangerous Drugs Control, any district
15 attorney, or agent of any federal law enforcement agency when the
16 information or evidence is to be used by such officials to
17 investigate or prosecute violations of the criminal provisions of
18 the Uniform Tax Procedure Code or of any state tax law or of any
19 federal crime committed against this state. Any information
20 disclosed to the Oklahoma State Bureau of Investigation, Attorney
21 General, Oklahoma State Bureau of Narcotics and Dangerous Drugs
22 Control, any district attorney, or agent of any federal law
23 enforcement agency shall be kept confidential by such person and not
24 be disclosed except when presented to a court in a prosecution for

1 violation of the tax laws of this state or except as specifically
2 authorized by law, and a violation by the Oklahoma State Bureau of
3 Investigation, Attorney General, Oklahoma State Bureau of Narcotics
4 and Dangerous Drugs Control, district attorney, or agent of any
5 federal law enforcement agency by otherwise releasing the
6 information shall be a felony;

7 6. The use by any division of the Tax Commission of any
8 information or evidence in the possession of or contained in any
9 report or return filed with any other division of the Tax
10 Commission;

11 7. The furnishing, at the discretion of the Tax Commission, of
12 any information disclosed by its records or files to any official
13 person or body of this state, any other state, the United States, or
14 foreign country who is concerned with the administration or
15 assessment of any similar tax in this state, any other state or the
16 United States. The provisions of this paragraph shall include the
17 furnishing of information by the Tax Commission to a county assessor
18 to determine the amount of gross household income pursuant to the
19 provisions of Section 8C of Article X of the Oklahoma Constitution
20 or Section 2890 of this title. The Tax Commission shall promulgate
21 rules to give guidance to the county assessors regarding the type of
22 information which may be used by the county assessors in determining
23 the amount of gross household income pursuant to Section 8C of
24 Article X of the Oklahoma Constitution or Section 2890 of this

1 title. The provisions of this paragraph shall also include the
2 furnishing of information to the State Treasurer for the purpose of
3 administration of the Uniform Unclaimed Property Act;

4 8. The furnishing of information to other state agencies for
5 the limited purpose of aiding in the collection of debts owed by
6 individuals to such requesting agencies;

7 9. The furnishing of information requested by any member of the
8 general public and stated in the sworn lists or schedules of taxable
9 property of public service corporations organized, existing, or
10 doing business in this state which are submitted to and certified by
11 the State Board of Equalization pursuant to the provisions of
12 Section 2858 of this title and Section 21 of Article X of the
13 Oklahoma Constitution, provided such information would be a public
14 record if filed pursuant to Sections 2838 and 2839 of this title on
15 behalf of a corporation other than a public service corporation;

16 10. The furnishing of information requested by any member of
17 the general public and stated in the findings of the Tax Commission
18 as to the adjustment and equalization of the valuation of real and
19 personal property of the counties of the state, which are submitted
20 to and certified by the State Board of Equalization pursuant to the
21 provisions of Section 2865 of this title and Section 21 of Article X
22 of the Oklahoma Constitution;

23 11. The furnishing of information to an Oklahoma wholesaler of
24 low-point beer, licensed under the provisions of Section 163.1 et

1 seq. of Title 37 of the Oklahoma Statutes, or an association or
2 organization whose membership is comprised of such wholesalers, of
3 the licensed retailers authorized by law to purchase low-point beer
4 in this state or the furnishing of information to a licensed
5 Oklahoma wholesaler of low-point beer of shipments by licensed
6 manufacturers into this state;

7 12. The furnishing of information as to the issuance or
8 revocation of any tax permit, license or exemption by the Tax
9 Commission as provided for by law. Such information shall be
10 limited to the name of the person issued the permit, license or
11 exemption, the name of the business entity authorized to engage in
12 business pursuant to the permit, license or exemption, the address
13 of the business entity, and the grounds for revocation;

14 13. The posting of notice of revocation of any tax permit or
15 license upon the premises of the place of business of any business
16 entity which has had any tax permit or license revoked by the Tax
17 Commission as provided for by law. Such notice shall be limited to
18 the name of the person issued the permit or license, the name of the
19 business entity authorized to engage in business pursuant to the
20 permit or license, the address of the business entity, and the
21 grounds for revocation;

22 14. The furnishing of information upon written request by any
23 member of the general public as to the outstanding and unpaid amount
24 due and owing by any taxpayer of this state for any delinquent tax,

1 together with penalty and interest, for which a tax warrant or a
2 certificate of indebtedness has been filed pursuant to law;

3 15. After the filing of a tax warrant pursuant to law, the
4 furnishing of information upon written request by any member of the
5 general public as to any agreement entered into by the Tax
6 Commission concerning a compromise of tax liability for an amount
7 less than the amount of tax liability stated on such warrant;

8 16. The disclosure of information necessary to complete the
9 performance of any contract authorized by this title to any person
10 with whom the Tax Commission has contracted;

11 17. The disclosure of information to any person for a purpose
12 as authorized by the taxpayer pursuant to a waiver of
13 confidentiality. The waiver shall be in writing and shall be made
14 upon such form as the Tax Commission may prescribe;

15 18. The disclosure of information required in order to comply
16 with the provisions of Section 2369 of this title;

17 19. The disclosure to an employer, as defined in Sections
18 2385.1 and 2385.3 of this title, of information required in order to
19 collect the tax imposed by Section 2385.2 of this title;

20 20. The disclosure to a plaintiff of a corporation's last-known
21 address shown on the records of the Franchise Tax Division of the
22 Tax Commission in order for such plaintiff to comply with the
23 requirements of Section 2004 of Title 12 of the Oklahoma Statutes;

24

1 21. The disclosure of information directly involved in the
2 resolution of the protest by a taxpayer to an assessment of tax or
3 additional tax or the resolution of a claim for refund filed by a
4 taxpayer, including the disclosure of the pendency of an
5 administrative proceeding involving such protest or claim, to a
6 person called by the Tax Commission as an expert witness or as a
7 witness whose area of knowledge or expertise specifically addresses
8 the issue addressed in the protest or claim for refund. Such
9 disclosure to a witness shall be limited to information pertaining
10 to the specific knowledge of that witness as to the transaction or
11 relationship between taxpayer and witness;

12 22. The disclosure of information necessary to implement an
13 agreement authorized by Section 2702 of this title when such
14 information is directly involved in the resolution of issues arising
15 out of the enforcement of a municipal sales tax ordinance. Such
16 disclosure shall be to the governing body or to the municipal
17 attorney, if so designated by the governing body;

18 23. The furnishing of information regarding incentive payments
19 made pursuant to the provisions of Sections 3601 through 3609 of
20 this title or incentive payments made pursuant to the provisions of
21 Sections 3501 through 3508 of this title;

22 24. The furnishing to a prospective purchaser of any business,
23 or his or her authorized representative, of information relating to
24 any liabilities, delinquencies, assessments or warrants of the

1 prospective seller of the business which have not been filed of
2 record, established, or become final and which relate solely to the
3 seller's business. Any disclosure under this paragraph shall only
4 be allowed upon the presentment by the prospective buyer, or the
5 buyer's authorized representative, of the purchase contract and a
6 written authorization between the parties;

7 25. The furnishing of information as to the amount of state
8 revenue affected by the issuance or granting of any tax permit,
9 license, exemption, deduction, credit or other tax preference by the
10 Tax Commission as provided for by law. Such information shall be
11 limited to the type of permit, license, exemption, deduction, credit
12 or other tax preference issued or granted, the date and duration of
13 such permit, license, exemption, deduction, credit or other tax
14 preference and the amount of such revenue. The provisions of this
15 paragraph shall not authorize the disclosure of the name of the
16 person issued such permit, license, exemption, deduction, credit or
17 other tax preference, or the name of the business entity authorized
18 to engage in business pursuant to the permit, license, exemption,
19 deduction, credit or other tax preference;

20 26. The examination of records and files of a person or entity
21 by the Oklahoma State Bureau of Narcotics and Dangerous Drugs
22 Control pursuant to a court order by a magistrate in whose
23 territorial jurisdiction the person or entity resides, or where the
24 Tax Commission records and files are physically located. Such an

1 order may only be issued upon a sworn application by an agent of the
2 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control,
3 certifying that the person or entity whose records and files are to
4 be examined is the target of an ongoing investigation of a felony
5 violation of the Uniform Controlled Dangerous Substances Act and
6 that information resulting from such an examination would likely be
7 relevant to that investigation. Any records or information obtained
8 pursuant to such an order may only be used by the Oklahoma State
9 Bureau of Narcotics and Dangerous Drugs Control in the investigation
10 and prosecution of a felony violation of the Uniform Controlled
11 Dangerous Substances Act. Any such order issued pursuant to this
12 paragraph, along with the underlying application, shall be sealed
13 and not disclosed to the person or entity whose records were
14 examined, for a period of ninety (90) days. The issuing magistrate
15 may grant extensions of such period upon a showing of good cause in
16 furtherance of the investigation. Upon the expiration of ninety
17 (90) days and any extensions granted by the magistrate, a copy of
18 the application and order shall be served upon the person or entity
19 whose records were examined, along with a copy of the records or
20 information actually provided by the Tax Commission;

21 27. The disclosure of information, as prescribed by this
22 paragraph, which is related to the proposed or actual usage of tax
23 credits pursuant to Section 2357.7 of this title, the Small Business
24 Capital Formation Incentive Act or the Rural Venture Capital

1 Formation Incentive Act. Unless the context clearly requires
2 otherwise, the terms used in this paragraph shall have the same
3 meaning as defined by Section 2357.7, 2357.61 or 2357.72 of this
4 title. The disclosure of information authorized by this paragraph
5 shall include:

6 a. the legal name of any qualified venture capital
7 company, qualified small business capital company, or
8 qualified rural small business capital company,

9 b. the identity or legal name of any person or entity
10 that is a shareholder or partner of a qualified
11 venture capital company, qualified small business
12 capital company, or qualified rural small business
13 capital company,

14 c. the identity or legal name of any Oklahoma business
15 venture, Oklahoma small business venture, or Oklahoma
16 rural small business venture in which a qualified
17 investment has been made by a capital company, or

18 d. the amount of funds invested in a qualified venture
19 capital company, the amount of qualified investments
20 in a qualified small business capital company or
21 qualified rural small business capital company and the
22 amount of investments made by a qualified venture
23 capital company, qualified small business capital
24

1 company, or qualified rural small business capital
2 company;

3 28. The disclosure of specific information as required by
4 Section 46 of Title 62 of the Oklahoma Statutes;

5 29. The disclosure of specific information as required by
6 Section 205.5 of this title; or

7 30. The disclosure of specific information as required by
8 Section ~~3~~ 205.6 of this ~~act~~ title.

9 D. The Tax Commission shall cause to be prepared and made
10 available for public inspection in the office of the Tax Commission
11 in such manner as it may determine an annual list containing the
12 name and post office address of each person, whether individual,
13 corporate, or otherwise, making and filing an income tax return with
14 the Tax Commission.

15 It is specifically provided that no liability whatsoever, civil
16 or criminal, shall attach to any member of the Tax Commission or any
17 employee thereof for any error or omission of any name or address in
18 the preparation and publication of the list.

19 E. The Tax Commission shall prepare or cause to be prepared a
20 report on all provisions of state tax law that reduce state revenue
21 through exclusions, deductions, credits, exemptions, deferrals or
22 other preferential tax treatments. The report shall be prepared not
23 later than October 1 of each even-numbered year and shall be
24 submitted to the Governor, the President Pro Tempore of the Senate

1 and the Speaker of the House of Representatives. The Tax Commission
2 may prepare and submit supplements to the report at other times of
3 the year if additional or updated information relevant to the report
4 becomes available. The report shall include, for the previous
5 fiscal year, the Tax Commission's best estimate of the amount of
6 state revenue that would have been collected but for the existence
7 of each such exclusion, deduction, credit, exemption, deferral or
8 other preferential tax treatment allowed by law. The Tax Commission
9 may request the assistance of other state agencies as may be needed
10 to prepare the report. The Tax Commission is authorized to require
11 any recipient of a tax incentive or tax expenditure to report to the
12 Tax Commission such information as requested so that the Tax
13 Commission may ~~provide the information to the Incentive Review~~
14 ~~Committee or~~ fulfill its obligations as required by this subsection.
15 The Tax Commission may require this information to be submitted in
16 an electronic format. The Tax Commission may disallow any claim of
17 a person for a tax incentive due to its failure to file a report as
18 required under the authority of this subsection. ~~The Tax Commission~~
19 ~~may consult with the Incentive Review Committee to develop a~~
20 ~~reporting system to obtain the information requested in a manner~~
21 ~~that is the least burdensome on the taxpayer.~~

22 F. It is further provided that the provisions of this section
23 shall be strictly interpreted and shall not be construed as
24 permitting the disclosure of any other information contained in the

1 records and files of the Tax Commission relating to income tax or to
2 any other taxes.

3 G. Unless otherwise provided for in this section, any violation
4 of the provisions of this section shall constitute a misdemeanor and
5 shall be punishable by the imposition of a fine not exceeding One
6 Thousand Dollars (\$1,000.00) or by imprisonment in the county jail
7 for a term not exceeding one (1) year, or by both such fine and
8 imprisonment, and the offender shall be removed or dismissed from
9 office.

10 H. Offenses described in Section 2376 of this title shall be
11 reported to the appropriate district attorney of this state by the
12 Tax Commission as soon as the offenses are discovered by the Tax
13 Commission or its agents or employees. The Tax Commission shall
14 make available to the appropriate district attorney or to the
15 authorized agent of the district attorney its records and files
16 pertinent to prosecutions, and such records and files shall be fully
17 admissible as evidence for the purpose of such prosecutions.

18 SECTION 41. REPEALER 68 O.S. 2011, Section 205.4 is
19 hereby repealed.

20 SECTION 42. REPEALER 68 O.S. 2011, Section 302-6, is
21 hereby repealed.

22 SECTION 43. REPEALER 68 O.S. 2011, Section 1354.12 and
23 1354.13, are hereby repealed.

24

1 SECTION 44. AMENDATORY 68 O.S. 2011, Section 3603, as
2 amended by Section 1, Chapter 310, O.S.L. 2012 (68 O.S. Supp. 2012,
3 Section 3603), is amended to read as follows:

4 Section 3603. A. As used in Section 3601 et seq. of this
5 title:

6 1. a. "Basic industry" means:

7 (1) those manufacturing activities defined or
8 classified in the NAICS Manual under Industry
9 Sector Nos. 31, 32 and 33, Industry Group No.
10 5111 or Industry No. 11331,

11 (2) those electric power generation, transmission and
12 distribution activities defined or classified in
13 the NAICS Manual under U.S. Industry Nos. 221111
14 through 221122, if:

15 (a) an establishment engaged therein qualifies
16 as an exempt wholesale generator as defined
17 by 15 U.S.C., Section 79z-5a,

18 (b) the exempt wholesale generator facility
19 consumes from sources located within the
20 state at least ninety percent (90%) of the
21 total energy used to produce the electrical
22 output which qualifies for the specialized
23 treatment provided by the Energy Policy Act
24 of 1992, P.L. 102-486, 106 Stat. 2776, as

1 amended, and federal regulations adopted
2 pursuant thereto,

3 (c) the exempt wholesale generator facility
4 sells to purchasers located outside the
5 state for consumption in activities located
6 outside the state at least ninety percent
7 (90%) of the total electrical energy output
8 which qualifies for the specialized
9 treatment provided by the Energy Policy Act
10 of 1992, P.L. 102-486, 106 Stat. 2776, as
11 amended, and federal regulations adopted
12 pursuant thereto, and

13 (d) the facility is constructed on or after July
14 1, 1996,

15 (3) those administrative and facilities support
16 service activities defined or classified in the
17 NAICS Manual under Industry Group Nos. 5611 and
18 5612, Industry Nos. 51821, 519130, 52232, 56142
19 and 54191 or U.S. Industry Nos. 524291 and
20 551114, those other support activities for air
21 transportation defined or classified in the NAICS
22 Manual under Industry Group No. 488190, and those
23 support, repair, and maintenance service
24 activities for the wind industry defined or

1 classified in the NAICS Manual under Industry
2 Group No. 811310,

3 (4) those professional, scientific and technical
4 service activities defined or classified in the
5 NAICS Manual under U.S. Industry Nos. 541710 and
6 541380,

7 (5) distribution centers for retail or wholesale
8 businesses defined or classified in the NAICS
9 Manual under Sector No. 42, if forty percent
10 (40%) or more of the inventory processed through
11 such warehouse is shipped out-of-state,

12 (6) those adjustment and collection service
13 activities defined or classified in the NAICS
14 Manual under U.S. Industry No. 561440, if
15 seventy-five percent (75%) of the loans to be
16 serviced were made by out-of-state debtors,

17 (7) (a) those air transportation activities defined
18 or classified in the NAICS Manual under
19 Industry Group No. 4811, if the following
20 facilities are located in this state:

21 (i) the corporate headquarters of an
22 establishment classified therein, and

23 (ii) a facility or facilities at which
24 reservations for transportation

1 provided by such an establishment are
2 processed, whether such services are
3 performed by employees of the
4 establishment, by employees of a
5 subsidiary of or other entity
6 affiliated with the establishment or by
7 employees of an entity with whom the
8 establishment has contracted for the
9 performance of such services; provided,
10 this provision shall not disqualify an
11 establishment which uses an out-of-
12 state entity or employees for some
13 reservations services, or

14 (b) those air transportation activities defined
15 or classified in the NAICS Manual under
16 Industry Group No. 4811, if an establishment
17 classified therein has or will have within
18 one (1) year sales of at least seventy-five
19 percent (75%) of its total sales, as
20 determined by the Incentive Approval
21 Committee pursuant to the provisions of
22 subsection B of this section, to out-of-
23 state customers or buyers, to in-state
24 customers or buyers if the product or

1 service is resold by the purchaser to an
2 out-of-state customer or buyer for ultimate
3 use, or to the federal government,

4 (8) flight training services activities defined or
5 classified in the NAICS Manual under U.S.
6 Industry Group No. 611512, which for purposes of
7 Section 3601 et seq. of this title shall include
8 new direct jobs for which gross payroll existed
9 on or after January 1, 2003, as identified in the
10 NAICS Manual,

11 (9) the following, if an establishment classified
12 therein has or will have within one (1) year
13 sales of at least seventy-five percent (75%) of
14 its total sales, as determined by the Incentive
15 Approval Committee pursuant to the provisions of
16 subsection B of this section, to out-of-state
17 customers or buyers, to in-state customers or
18 buyers if the product or service is resold by the
19 purchaser to an out-of-state customer or buyer
20 for ultimate use, or to the federal government:

21 (a) those transportation and warehousing
22 activities defined or classified in the
23 NAICS Manual under Industry Subsector No.
24 493, if not otherwise listed in this

1 paragraph, Industry Subsector No. 484 and
2 Industry Group Nos. 4884 through 4889,

3 (b) those passenger transportation activities
4 defined or classified in the NAICS Manual
5 under Industry Nos. 561510, 561520 and
6 561599,

7 (c) those freight or cargo transportation
8 activities defined or classified in the
9 NAICS Manual under Industry No. 541614,

10 (d) those insurance activities defined or
11 classified in the NAICS Manual under
12 Industry Group No. 5241,

13 (e) those mailing, reproduction, commercial art
14 and photography and stenographic service
15 activities defined or classified in the
16 NAICS Manual under U.S. Industry Nos.
17 541430, 541860, 541922, 561439 and 561492,

18 (f) those services to dwellings and other
19 buildings, as defined or classified in the
20 NAICS Manual under Industry Group No. 5617,
21 excluding U.S. Industry No. 561730,

22 (g) those equipment rental and leasing
23 activities defined or classified in the
24

1 NAICS Manual under Industry Group Nos. 5323
2 and 5324,

3 (h) those employment services defined or
4 classified in the NAICS Manual under
5 Industry Group No. 5613,

6 (i) those information technology and other
7 computer-related service activities defined
8 or classified in the NAICS Manual under
9 Industry Group Nos. 5112, 5182, 5191 and
10 5415,

11 (j) those business support service activities
12 defined or classified in the NAICS Manual
13 under U.S. Industry Nos. 561410 through
14 561439, Industry Group No. 5616 and Industry
15 No. 51911,

16 (k) those medical and diagnostic laboratory
17 activities defined or classified in the
18 NAICS Manual under Industry Group No. 6215,

19 (l) those professional, scientific and technical
20 service activities defined or classified in
21 the NAICS Manual under Industry Group Nos.
22 5412, 5414, 5415, 5416 and 5417, Industry
23 Nos. 54131, 54133, 54136, 54137 and 54182,
24

1 and U.S. Industry No. 541990, if not
2 otherwise listed in this paragraph,

3 (m) those communication service activities
4 defined or classified in the NAICS Manual
5 under Industry Nos. 51741 and 51791,

6 (n) those refuse systems activities defined or
7 classified in the NAICS Manual under
8 Industry Group No. 5622, provided that the
9 establishment is primarily engaged in the
10 capture and distribution of methane gas
11 produced within a landfill,

12 (o) general wholesale distribution of groceries,
13 defined or classified in the NAICS Manual
14 under Industry Group Nos. 4244 and 4245,

15 (p) those activities relating to processing of
16 insurance claims, defined or classified in
17 the NAICS Manual under U.S. Industry Nos.
18 524210 and 524292; provided, activities
19 described in U.S. Industry Nos. 524210 and
20 524292 in the NAICS Manual other than
21 processing of insurance claims shall not be
22 included for purposes of this subdivision,
23
24

1 (q) those agricultural activities classified in
2 the NAICS Manual under U.S. Industry Nos.
3 112120 and 112310,

4 (r) those professional organization activities
5 classified in the NAICS Manual under U.S.
6 Industry No. 813920,

7 (s) alternative energy structure construction
8 classified in the NAICS Manual under U.S.
9 Industry No. 237130,

10 (t) solar reflective coating application
11 classified in the NAICS Manual under U.S.
12 Industry No. 238160, and

13 (u) solar heating equipment installation
14 classified in the NAICS Manual under U.S.
15 Industry No. 238220;

16 (10) those activities related to extraction of crude
17 petroleum and natural gas defined or classified
18 in the NAICS Manual under Industry Group No. 2111
19 or 213111, subject to the limitations provided in
20 paragraph 3 of this subsection and paragraph 3 of
21 subsection B of this section,

22 (11) those activities performed by the federal
23 civilian workforce at a facility of the Federal
24 Aviation Administration located in this state if

1 the Director of the Department of Commerce
2 determines or is notified that the federal
3 government is soliciting proposals or otherwise
4 inviting states to compete for additional federal
5 civilian employment or expansion of federal
6 civilian employment at such facilities,

7 (12) those activities defined or classified in the
8 NAICS Manual under U.S. Industry No. 711211 (2007
9 version),

10 (13) those real estate or brokerage activities
11 classified in the NAICS Manual under U.S.
12 Industry No. 53120 for which at least seventy-
13 five percent (75%) of the establishment's
14 revenues are attributed to out-of-state sales and
15 at least seventy-five percent (75%) of the real
16 estate transactions generating those revenues are
17 attributed to real property located outside the
18 State of Oklahoma, or

19 (14) those support activities for rail transportation
20 and those support activities for water
21 transportation defined or classified in the NAICS
22 Manual under U.S. Industry Nos. 4882 and 4883.

23 b. An establishment described in subparagraph a of this
24 paragraph shall not be considered to be engaged in a

1 basic industry unless it offers, or will offer within
2 one hundred eighty (180) days of employment, a basic
3 health benefits plan to the individuals it employs in
4 new direct jobs in this state which is determined by
5 the Oklahoma Department of Commerce to consist of the
6 following elements or elements substantially
7 equivalent thereto:

- 8 (1) not more than fifty percent (50%) of the premium
9 shall be paid by the employee,
- 10 (2) coverage for basic hospital care,
- 11 (3) coverage for physician care,
- 12 (4) coverage for mental health care,
- 13 (5) coverage for substance abuse treatment,
- 14 (6) coverage for prescription drugs, and
- 15 (7) coverage for prenatal care;

16 2. "Change in control event" means the transfer to one or more
17 unrelated establishments or unrelated persons, of either:

- 18 a. beneficial ownership of more than fifty percent (50%)
19 in value and more than fifty percent (50%) in voting
20 power of the outstanding equity securities of the
21 transferred establishment, or
- 22 b. more than fifty percent (50%) in value of the assets
23 of an establishment.

1 A transferor shall be treated as related to a transferee if more
2 than fifty percent (50%) of the voting interests of the transferor
3 and transferee are owned, directly or indirectly, by the other or
4 are owned, directly or indirectly, by the same person or persons,
5 unless such transferred establishment has an outstanding class of
6 equity securities registered under Sections 12(b) or 15(d) of the
7 Securities Exchange Act of 1934, as amended, in which event the
8 transferor and transferee will be treated as unrelated; provided, an
9 establishment applying for the Oklahoma Quality Jobs Program Act as
10 a result of a change of control event is required to apply within
11 one hundred eighty (180) days of the change in control event to
12 qualify for consideration. An establishment entering the Oklahoma
13 Quality Jobs Program Act as the result of a change of control event
14 shall be required to maintain a level of new direct jobs as agreed
15 to in its contract with the Department of Commerce and to pay new
16 direct jobs an average annualized wage which equals or exceeds one
17 hundred twenty-five percent (125%) of the average county wage as
18 that percentage is determined by the ~~Oklahoma State Data Center~~
19 Department of Commerce based upon the most recent U.S. Department of
20 Commerce data for the county in which the new jobs are located. For
21 purposes of this paragraph, healthcare premiums paid by the
22 applicant for individuals in new direct jobs shall not be included
23 in the annualized wage. Such establishment entering the Quality
24 Jobs Program Act as the result of a change of control event shall be

1 required to retain the contracted average annualized wage and
2 maintain the contracted maintenance level of new direct jobs numbers
3 as certified by the Tax Commission. If the required average
4 annualized wage or the required new direct jobs numbers do not equal
5 or exceed such contracted level during any quarter, the quarterly
6 incentive payments shall not be made and shall not be resumed until
7 such time as such requirements are met. An establishment described
8 in this paragraph shall be required to repay all incentive payments
9 received under the Quality Jobs Program Act if the establishment is
10 determined by the Oklahoma Tax Commission to no longer have business
11 operations in the state within three (3) years from the beginning of
12 the calendar quarter for which the first incentive payment claim is
13 filed.

14 3. "New direct job":

15 a. means full-time-equivalent employment in this state in
16 an establishment which has qualified to receive an
17 incentive payment pursuant to the provisions of
18 Section 3601 et seq. of this title which employment
19 did not exist in this state prior to the date of
20 approval by the Department of the application of the
21 establishment pursuant to the provisions of Section
22 3604 of this title and with respect to an
23 establishment qualifying for incentive payments
24 pursuant to division (12) of subparagraph a of

1 paragraph 1 of this subsection shall not include
2 compensation paid to an employee or independent
3 contractor for an athletic contest conducted in the
4 state if the compensation is paid by an entity that
5 does not have its principal place of business in the
6 state or that does not own real or personal property
7 having a market value of at least One Million Dollars
8 (\$1,000,000.00) located in the state, and the
9 employees or independent contractors of such entity
10 are compensated to compete against the employees or
11 independent contractors of an establishment that
12 qualifies for incentive payments pursuant to division
13 (12) of subparagraph a of paragraph 1 of this
14 subsection and which is organized under Oklahoma law
15 or that is lawfully registered to do business in the
16 state and which does have its principal place of
17 business located in the state and owns real or
18 personal property having a market value of at least
19 One Million Dollars (\$1,000,000.00) located in the
20 state; provided, that if an application of an
21 establishment is approved by the Department of
22 Commerce after a change in control event and the
23 Director of the Department of Commerce determines that
24 the jobs located at such establishment are likely to

1 leave the state, "new direct job" shall include
2 employment that existed in this state prior to the
3 date of application which is retained in this state by
4 the new establishment following a change in control
5 event, if such job otherwise qualifies as a new direct
6 job, and

7 b. shall include full-time-equivalent employment in this
8 state of employees who are employed by an employment
9 agency or similar entity other than the establishment
10 which has qualified to receive an incentive payment
11 and who are leased or otherwise provided under
12 contract to the qualified establishment, if such job
13 did not exist in this state prior to the date of
14 approval by the Department of the application of the
15 establishment or the job otherwise qualifies as a new
16 direct job following a change in control event. A job
17 shall be deemed to exist in this state prior to
18 approval of an application if the activities and
19 functions for which the particular job exists have
20 been ongoing at any time within six (6) months prior
21 to such approval. With respect to establishments
22 defined in division (10) of subparagraph a of
23 paragraph 1 of this subsection, new direct jobs shall
24 be limited to those jobs directly comprising the

1 corporate headquarters of or directly relating to
2 manufacturing, maintenance, administrative, financial,
3 engineering, surveying, geological or geophysical
4 services performed by the establishment. Under no
5 circumstances shall employment relating to field
6 services be considered new direct jobs;

7 4. "Estimated direct state benefits" means the tax revenues
8 projected by the Department to accrue to the state as a result of
9 new direct jobs;

10 5. "Estimated direct state costs" means the costs projected by
11 the Department to accrue to the state as a result of new direct
12 jobs. Such costs shall include, but not be limited to:

- 13 a. the costs of education of new state resident children,
- 14 b. the costs of public health, public safety and
15 transportation services to be provided to new state
16 residents,
- 17 c. the costs of other state services to be provided to
18 new state residents, and
- 19 d. the costs of other state services;

20 6. "Estimated net direct state benefits" means the estimated
21 direct state benefits less the estimated direct state costs;

22 7. "Net benefit rate" means the estimated net direct state
23 benefits computed as a percentage of gross payroll; provided:

- 1 a. except as otherwise provided in this paragraph, the
2 net benefit rate may be variable and shall not exceed
3 five percent (5%),
- 4 b. the net benefit rate shall not exceed six percent (6%)
5 in connection with an establishment which is owned and
6 operated by an entity which has been awarded a United
7 States Department of Defense contract for which:
- 8 (1) bids were solicited and accepted by the United
9 States Department of Defense from facilities
10 located outside this state,
- 11 (2) the term is or is renewable for not less than
12 twenty (20) years, and
- 13 (3) the average annual salary, excluding benefits
14 which are not subject to Oklahoma income taxes,
15 for new direct jobs created as a direct result of
16 the awarding of the contract is projected by the
17 Department of Commerce to equal or exceed Forty
18 Thousand Dollars (\$40,000.00) within three (3)
19 years of the date of the first incentive payment,
- 20 c. except as otherwise provided in subparagraph d of this
21 paragraph, in no event shall incentive payments,
22 cumulatively, exceed the estimated net direct state
23 benefits,
- 24

1 d. the net benefit rate shall be five percent (5%) for an
2 establishment locating:

3 (1) in an opportunity zone located in a high-
4 employment county, as such terms are defined in
5 subsection G of Section 3604 of this title, or

6 (2) in a county in which:

7 (a) the per capita personal income, as
8 determined by the Department, is eighty-five
9 percent (85%) or less of the statewide
10 average per capita personal income,

11 (b) the population has decreased over the
12 previous ten (10) years, as determined by
13 the ~~State Data Center~~ Department of Commerce
14 based on the most recent U.S. Department of
15 Commerce data, or

16 (c) the unemployment rate exceeds the lesser of
17 five percent (5%) or two percentage points
18 above the state average unemployment rate as
19 certified by the Oklahoma Employment
20 Security Commission,

21 e. the net benefit rate shall not exceed six percent (6%)
22 in connection with an establishment which:

23 (1) is, as of the date of application, receiving
24 incentive payments pursuant to the Oklahoma

1 Quality Jobs Program Act and has been receiving
2 such payments for at least one (1) year prior to
3 the date of application, and

4 (2) expands its operations in this state by creating
5 additional new direct jobs which pay average
6 annualized wages which equal or exceed one
7 hundred fifty percent (150%) of the average
8 annualized wages of new direct jobs on which
9 incentive payments were received during the
10 preceding calendar year, and

11 f. with respect to an establishment defined or classified
12 in the NAICS Manual under U.S. Industry No. 711211
13 (2007 version) or any establishment defined or
14 classified in the NAICS Manual as a U.S. Industry
15 Number which is not included within the definition of
16 "basic industry" as such term is defined in this
17 section on April 17, 2008, the net benefit rate shall
18 not exceed the highest rate of income tax imposed upon
19 the Oklahoma taxable income of individuals pursuant to
20 subparagraph (g) or subparagraph (h), as applicable,
21 of paragraph 1 and paragraph 2 of subsection B of
22 Section 2355 of this title. Any change in such
23 highest rate of individual income tax imposed pursuant
24 to the provisions of Section 2355 of this title shall

1 be applicable to the computation of incentive payments
2 to an establishment as described by this subparagraph
3 and shall be effective for purposes of incentive
4 payments based on payroll paid by such establishment
5 on or after January 1 of any applicable year for which
6 the net benefit rate is modified as required by this
7 subparagraph.

8 Incentive payments made pursuant to the provisions of this
9 subparagraph shall be based upon payroll associated with such new
10 direct jobs. For purposes of this subparagraph, the amount of
11 health insurance premiums or other benefits paid by the
12 establishment shall not be included for purposes of computation of
13 the average annualized wage;

14 8. "Gross payroll" means wages, as defined in Section 2385.1 of
15 this title for new direct jobs;

16 9. a. "Establishment" means any business or governmental
17 entity, no matter what legal form, including, but not
18 limited to, a sole proprietorship; partnership;
19 limited liability company; corporation or combination
20 of corporations which have a central parent
21 corporation which makes corporate management decisions
22 such as those involving consolidation, acquisition,
23 merger or expansion; federal agency; political
24 subdivision of the State of Oklahoma; or trust

1 authority; provided, distinct, identifiable subunits
2 of such entities may be determined to be an
3 establishment, for all purposes of Section 3601 et
4 seq. of this title, by the Department subject to the
5 following conditions:

6 (1) within three (3) years of the first complete
7 calendar quarter following the start date, the
8 entity must have a minimum payroll of Two Million
9 Five Hundred Thousand Dollars (\$2,500,000.00) and
10 the subunit must also have or will have a minimum
11 payroll of Two Million Five Hundred Thousand
12 Dollars (\$2,500,000.00),

13 (2) the subunit is engaged in an activity or service
14 or produces a product which is demonstratively
15 independent and separate from the entity's other
16 activities, services or products and could be
17 conducted or produced in the absence of any other
18 activity, service or production of the entity,

19 (3) has an accounting system capable of tracking or
20 facilitating an audit of the subunit's payroll,
21 expenses, revenue and production. Limited
22 interunit overlap of administrative and
23 purchasing functions shall not disqualify a
24

1 subunit from consideration as an establishment by
2 the Department,

3 (4) the entity has not previously had a subunit
4 determined to be an establishment pursuant to
5 this section; provided, the restriction set forth
6 in this division shall not apply to subunits
7 which qualify pursuant to the provisions of
8 subparagraph b of paragraph 7 of this subsection,
9 and

10 (5) it is determined by the Department that the
11 entity will have a probable net gain in total
12 employment within the incentive period.

13 b. The Department may promulgate rules to further limit
14 the circumstances under which a subunit may be
15 considered an establishment. The Department shall
16 promulgate rules to determine whether a subunit of an
17 entity achieves a net gain in total employment. The
18 Department shall establish criteria for determining
19 the period of time within which such gain must be
20 demonstrated and a method for determining net gain in
21 total employment;

22 10. "NAICS Manual" means any manual, book or other publication
23 containing the North American Industry Classification System, United
24

1 States, 1997, promulgated by the Office of Management and Budget of
2 the United States of America, or the latest revised edition;

3 11. "Qualified federal contract" means a contract between an
4 agency or instrumentality of the United States government, including
5 but not limited to the Department of Defense or any branch of the
6 United States Armed Forces, but exclusive of any contract performed
7 for the Federal Emergency Management Agency as a direct result of a
8 natural disaster declared by the Governor or the President of the
9 United States with respect to damage to property located in Oklahoma
10 or loss of life or personal injury to persons in Oklahoma, and a
11 lawfully recognized business entity, whether or not the business
12 entity is organized under the laws of the State of Oklahoma or
13 whether or not the principal place of business of the business
14 entity is located within the State of Oklahoma, for the performance
15 of services, including but not limited to testing, research,
16 development, consulting or other services in a basic industry, if
17 the contract involves the performance of such services performed on
18 or after July 1, 2009, by the employees of the business entity
19 within the State of Oklahoma or if the contract involves the
20 performance of such services performed on or after July 1, 2009, by
21 employees of a lawfully recognized business entity that is a
22 subcontractor of the business entity with which the prime contract
23 has been formed. A qualified federal contract described in this
24 paragraph shall not qualify unless both the qualified federal

1 contractor and any subcontractors originally involved in the work or
2 added subsequently during the period of performance verify to the
3 qualified federal contractor verifier that it offers, or will offer
4 within one hundred eighty (180) days of employment of its respective
5 employees, a basic health benefits plan as described in subparagraph
6 b of paragraph 1 of this subsection to individuals who perform
7 qualified labor hours in this state;

8 12. "Qualified federal contractor verifier" means a nonprofit
9 entity organized under the laws of the State of Oklahoma, having an
10 affiliation with a comprehensive university which is part of The
11 Oklahoma State System of Higher Education, and having the following
12 characteristics:

- 13 a. established multiyear classified and unclassified
14 indefinite-delivery/indefinite-quantity federal
15 contract vehicles in excess of Fifty Million Dollars
16 (\$50,000,000.00),
- 17 b. current capability to sponsor and maintain personnel
18 security clearances and authorized by the federal
19 government to handle and perform classified work up to
20 the Top Secret Sensitive Compartmented Information
21 levels,
- 22 c. at least one on-site federally certified Sensitive
23 Compartmented Information Facility,

24

- d. on-site secure mass data storage complex with the capability of isolating, segregating and protecting corporate proprietary and classified information,
- e. trusted agent status by maintaining no ownership of, vested interest in, nor royalty production from any intellectual property,
- f. at least one hundred thousand (100,000) square feet of configurable laboratory and support space,
- g. the direct access to restricted air space through a formalized memorandum of agreement with the Department of Defense,
- h. at least five thousand (5,000) acres available for outdoor testing and training facilities, and
- i. the ability to house state-of-the-art surety facilities, including chemical, biological, radiological, explosives, electronics, and unmanned systems laboratories and ranges;

13. "SIC Manual" means the 1987 revision to the Standard Industrial Classification Manual, promulgated by the Office of Management and Budget of the United States of America;

14. "Start date" means the date on which an establishment may begin accruing benefits for the creation of new direct jobs, which date shall be determined by the Department;

1 15. "Effective date" means the date of approval of a contract
2 under which incentive payments will be made pursuant to the Oklahoma
3 Quality Jobs Program Act, which shall be the date the signed and
4 accepted incentive contract is received by the Department; provided,
5 an approved project may have a start date which is different from
6 the effective date;

7 16. "Total qualified labor hours" means the reimbursed payment
8 amount for hours of work performed by the State of Oklahoma
9 workforce of a qualified federal contractor or the State of Oklahoma
10 workforce of a subcontractor of a qualified federal contractor and
11 which are required for the full performance of a qualified federal
12 contract;

13 17. "Qualified labor rate" means the fully reimbursed labor
14 rate paid through a qualified federal contract for qualified labor
15 hours to the qualified federal contractor or subcontractor; and

16 18. "Qualified federal contractor" means a business entity:

17 a. maintaining a prime contract with the federal
18 government as defined in paragraph 11 of this
19 subsection,

20 b. providing notice of intent to apply to the Department
21 within one hundred eighty (180) days of the effective
22 date of this act or one hundred eighty (180) days of
23 the date of the award of a qualified federal contract
24

1 or award of a new qualified subcontract under an
2 existing qualified federal contract, and

3 c. adding substantively to the contract by performing at
4 least eight percent (8%) of the total labor whether
5 qualified and nonqualified labor as determined by the
6 federal contractor verifier on a direct contract or
7 individual task order or delivery order on an
8 indefinite-delivery/indefinite-quantity or other
9 blanket contract vehicle.

10 Should a prime contractor provide notice to the Department of
11 its intent not to apply for incentive for a qualified federal
12 contract or fails to qualify under the criteria above,
13 subcontractors in order of tier ranking as determined by the federal
14 contract verifier may assume the role of the prime and apply to
15 become a qualified federal contractor provided the entity meets the
16 same criteria above with the exception that notice of intent to
17 apply with the Department must be provided within sixty (60) days of
18 the prime's disqualification or one hundred eighty (180) days of the
19 award of its subcontract, whichever is later.

20 B. The Incentive Approval Committee is hereby created and shall
21 consist of the Director of the Office of State Finance, the Director
22 of the Department and one member of the Oklahoma Tax Commission
23 appointed by the Tax Commission, or a designee from each agency
24

1 approved by such member. It shall be the duty of the Committee to
2 determine:

3 1. Upon initial application on a form approved by the
4 Committee, if an establishment is engaged in a basic industry as
5 defined in subdivision (b) of division (7) or in subdivisions (a)
6 through (p) of division (9) of subparagraph a of paragraph 1 of
7 subsection A of this section or as otherwise provided by subsection
8 C of this section;

9 2. If an establishment would have been defined as a "basic
10 industry" prior to the amendments to this section to convert from
11 SIC Codes to NAICS Codes. If the Committee so determines, the
12 establishment shall be considered as a "basic industry" for purposes
13 of the Oklahoma Quality Jobs Program Act; and

14 3. If employees of an establishment as defined in division (10)
15 of subparagraph a of paragraph 1 of subsection A of this section
16 meet the requirements to be considered employed in new direct jobs
17 as specified in paragraph 3 of subsection A of this section.

18 C. For an establishment defined as a "basic industry" pursuant
19 to division (4) of subparagraph a of paragraph 1 of subsection A of
20 this section, the Incentive Approval Committee shall consist of the
21 members provided by subsection B of this section and the Executive
22 Director of the Oklahoma Center for the Advancement of Science and
23 Technology, or a designee from the Center appointed by the Executive
24 Director.

1 SECTION 45. AMENDATORY 68 O.S. 2011, Section 3604, is
2 amended to read as follows:

3 Section 3604. A. Except as otherwise provided in subsection I
4 of this section, an establishment which meets the qualifications
5 specified in the Oklahoma Quality Jobs Program Act may receive
6 quarterly incentive payments for a ten-year period from the Oklahoma
7 Tax Commission pursuant to the provisions of the Oklahoma Quality
8 Jobs Program Act; provided, such an establishment defined or
9 classified in the NAICS Manual under U.S. Industry No. 711211 (2007
10 version) may receive quarterly incentive payments for a fifteen-year
11 period. The amount of such payments shall be equal to the net
12 benefit rate multiplied by the actual gross payroll of new direct
13 jobs for a calendar quarter as verified by the Oklahoma Employment
14 Security Commission.

15 B. In order to receive incentive payments, an establishment
16 shall apply to the Oklahoma Department of Commerce. The application
17 shall be on a form prescribed by the Department and shall contain
18 such information as may be required by the Department to determine
19 if the applicant is qualified. An establishment may apply for an
20 effective date for a project, which shall not be more than twenty-
21 four (24) months from the date the application is submitted to the
22 Department.

23
24

1 C. Except as otherwise provided by subsection D or E of this
2 section, in order to qualify to receive such payments, the
3 establishment applying shall be required to:

4 1. Be engaged in a basic industry;

5 2. Have an annual gross payroll for new direct jobs projected
6 by the Department to equal or exceed Two Million Five Hundred
7 Thousand Dollars (\$2,500,000.00) within three (3) years of the first
8 complete calendar quarter following the start date; and

9 3. Have a number of full-time-equivalent employees subject to
10 the tax imposed by Section 2355 of this title and working an annual
11 average of thirty (30) or more hours per week in new direct jobs
12 located in this state equal to or in excess of eighty percent (80%)
13 of the total number of new direct jobs.

14 D. In order to qualify to receive incentive payments as
15 authorized by the Oklahoma Quality Jobs Program Act, an
16 establishment engaged in an activity described under:

17 1. Industry Group Nos. 3111 through 3119 of the NAICS Manual
18 shall be required to:

19 a. have an annual gross payroll for new direct jobs
20 projected by the Department to equal or exceed One
21 Million Five Hundred Thousand Dollars (\$1,500,000.00)
22 within three (3) years of the first complete calendar
23 quarter following the start date and make, or which
24 will make within one (1) year, at least seventy-five

1 percent (75%) of its total sales, as determined by the
2 Incentive Approval Committee pursuant to the
3 provisions of subsection B of Section 3603 of this
4 title, to out-of-state customers or buyers, to in-
5 state customers or buyers if the product or service is
6 resold by the purchaser to an out-of-state customer or
7 buyer for ultimate use, or to the federal government,
8 unless the annual gross payroll equals or exceeds Two
9 Million Five Hundred Thousand Dollars (\$2,500,000.00)
10 in which case the requirements for purchase of output
11 provided by this subparagraph shall not apply, and

- 12 b. have a number of full-time-equivalent employees
13 working an average of thirty (30) or more hours per
14 week in new direct jobs equal to or in excess of
15 eighty percent (80%) of the total number of new direct
16 jobs; and

17 2. Division (4) of subparagraph a of paragraph 1 of subsection
18 A of Section 3603 of this title, shall be required to:

- 19 a. have an annual gross payroll for new direct jobs
20 projected by the Department to equal or exceed One
21 Million Five Hundred Thousand Dollars (\$1,500,000.00)
22 within three (3) years of the first complete calendar
23 quarter following the start date, and

1 b. have a number of full-time-equivalent employees
2 working an average of thirty (30) or more hours per
3 week in new direct jobs equal to or in excess of
4 eighty percent (80%) of the total number of new direct
5 jobs.

6 E. 1. An establishment which locates its principal business
7 activity within a site consisting of at least ten (10) acres which:

8 a. is a federal Superfund removal site,

9 b. is listed on the National Priorities List established
10 under Section 9605 of Title 42 of the United States
11 Code,

12 c. has been formally deferred to the state in lieu of
13 listing on the National Priorities List, or

14 d. has been determined by the Department of Environmental
15 Quality to be contaminated by any substance regulated
16 by a federal or state statute governing environmental
17 conditions for real property pursuant to an order of
18 the Department of Environmental Quality,

19 shall qualify for incentive payments irrespective of its actual
20 gross payroll or the number of full-time-equivalent employees
21 engaged in new direct jobs.

22 2. In order to qualify for the incentive payments pursuant to
23 this subsection, the establishment shall conduct the activity
24 resulting in at least fifty percent (50%) of its Oklahoma taxable

1 income or adjusted gross income, as determined under Section 2358 of
2 this title, whether from the sale of products or services or both
3 products and services, at the physical location which has been
4 determined not to comply with the federal or state statutes
5 described in this subsection with respect to environmental
6 conditions for real property. The establishment shall be subject to
7 all other requirements of the Oklahoma Quality Jobs Program Act
8 other than the exemptions provided by this subsection.

9 3. In order to qualify for the incentive payments pursuant to
10 this subsection, the entity shall obtain from the Department of
11 Environmental Quality a letter of concurrence that:

- 12 a. the site designated by the entity does meet one or
13 more of the requirements listed in paragraph 1 of this
14 subsection, and
- 15 b. the site is being or has been remediated to a level
16 which is consistent with the intended use of the
17 property.

18 In making its determination, the Department of Environmental
19 Quality may rely on existing data and information available to it,
20 but may also require the applying entity to provide additional data
21 and information as necessary.

22 4. If authorized by the Department of Environmental Quality
23 pursuant to paragraph 3 of this subsection, the entity may utilize a
24 remediated portion of the property for its intended purpose prior to

1 remediation of the remainder of the site, and shall qualify for
2 incentive payments based on employment associated with the portion
3 of the site.

4 F. Except as otherwise provided by subsection G of this
5 section, for applications submitted on and after June 4, 2003, in
6 order to qualify to receive incentive payments as authorized by the
7 Oklahoma Quality Jobs Program Act, in addition to other
8 qualifications specified herein, an establishment shall be required
9 to pay new direct jobs an average annualized wage which equals or
10 exceeds:

11 1. One hundred ten percent (110%) of the average county wage as
12 determined by the ~~Oklahoma State Data Center~~ Department of Commerce
13 based on the most recent U.S. Department of Commerce data for the
14 county in which the new direct jobs are located. For purposes of
15 this paragraph, health care premiums paid by the applicant for
16 individuals in new direct jobs shall be included in the annualized
17 wage; or

18 2. One hundred percent (100%) of the average county wage as
19 that percentage is determined by the ~~Oklahoma State Data Center~~
20 Department of Commerce based upon the most recent U.S. Department of
21 Commerce data for the county in which the new jobs are located. For
22 purposes of this paragraph, health care premiums paid by the
23 applicant for individuals in new direct jobs shall not be included
24 in the annualized wage.

1 Provided, no average wage requirement shall exceed Twenty-five
2 Thousand Dollars (\$25,000.00), in any county. This maximum wage
3 threshold shall be indexed and modified from time to time based on
4 the latest Consumer Price Index year-to-date percent change release
5 as of the date of the annual average county wage data release from
6 the Bureau of Economic Analysis of the U.S. Department of Commerce.

7 G. 1. As used in this subsection, "opportunity zone" means one
8 or more census tracts in which, according to the most recent federal
9 decennial census, at least thirty percent (30%) of the residents
10 have annual gross household incomes from all sources below the
11 poverty guidelines established by the U.S. Department of Health and
12 Human Services. An establishment which is otherwise qualified to
13 receive incentive payments and which locates its principal business
14 activity in an opportunity zone shall not be subject to the
15 requirements of subsection F of this section.

16 2. As used in this subsection:

17 a. "negative economic event" means:

18 (1) a man-made disaster or natural disaster as
19 defined in Section 683.3 of Title 63 of the
20 Oklahoma Statutes, resulting in the loss of a
21 significant number of jobs within a particular
22 county of this state, or

23 (2) an economic circumstance in which a significant
24 number of jobs within a particular county of this

1 state have been lost due to an establishment
2 changing its structure, consolidating with
3 another establishment, closing or moving all or
4 part of its operations out of this state, and

5 b. "significant number of jobs" means Local Area
6 Unemployment Statistics (LAUS) data, as determined by
7 the Bureau of Labor Statistics, for a county which are
8 equal to or in excess of five percent (5%) of the
9 total amount of Local Area Unemployment Statistics
10 (LAUS) data for that county for the calendar year, or
11 most recent twelve-month period in which employment is
12 measured, preceding the event.

13 An establishment which is otherwise qualified to receive
14 incentive payments and which locates in a county in which a negative
15 economic event has occurred within the eighteen-month period
16 preceding the start date shall not be subject to the requirements of
17 subsection F of this section; provided, an establishment shall not
18 be eligible to receive incentive payments based upon a negative
19 economic event with respect to jobs that are transferred from one
20 county of this state to another.

21 H. The Department shall determine if the applicant is qualified
22 to receive incentive payments.

23 I. If the applicant is determined to be qualified by the
24 Department and is not subject to the provisions of subparagraph d of

1 paragraph 7 of subsection A of Section 3603 of this title, the
2 Department shall conduct a cost/benefit analysis to determine the
3 estimated net direct state benefits and the net benefit rate
4 applicable for a ten-year period beginning with the first complete
5 calendar quarter following the start date and to estimate the amount
6 of gross payroll for a ten-year period beginning with the first
7 complete calendar quarter following the start date or for a fifteen-
8 year period for an establishment defined or classified in the NAICS
9 Manual under U.S. Industry No. 711211 (2007 version). In conducting
10 such cost/benefit analysis, the Department shall consider
11 quantitative factors, such as the anticipated level of new tax
12 revenues to the state along with the added cost to the state of
13 providing services, and such other criteria as deemed appropriate by
14 the Department. In no event shall incentive payments, cumulatively,
15 exceed the estimated net direct state benefits, except for
16 applicants subject to the provisions of subparagraph d of paragraph
17 7 of subsection A of Section 3603 of this title.

18 J. Upon approval of such an application, the Department shall
19 notify the Tax Commission and shall provide it with a copy of the
20 contract and the results of the cost/benefit analysis. The Tax
21 Commission may require the qualified establishment to submit such
22 additional information as may be necessary to administer the
23 provisions of the Oklahoma Quality Jobs Program Act. The approved
24 establishment shall file quarterly claims with the Tax Commission

1 and shall continue to file such quarterly claims during the ten-year
2 incentive period to show its continued eligibility for incentive
3 payments, as provided in Section 3606 of this title, or until it is
4 no longer qualified to receive incentive payments. The
5 establishment may be audited by the Tax Commission to verify such
6 eligibility. Once the establishment is approved, an agreement shall
7 be deemed to exist between the establishment and the State of
8 Oklahoma, requiring the continued incentive payment to be made as
9 long as the establishment retains its eligibility as defined in and
10 established pursuant to this section and Sections 3603 and 3606 of
11 this title and within the limitations contained in the Oklahoma
12 Quality Jobs Program Act, which existed at the time of such
13 approval.

14 K. A municipality with a population of less than one hundred
15 thousand (100,000) persons in which an establishment eligible to
16 receive quarterly incentive payments pursuant to the provisions of
17 this section is located may file a claim with the Tax Commission for
18 up to twenty-five percent (25%) of the amount of such payment. The
19 amount of such claim shall not exceed amounts paid by the
20 municipality for direct costs of municipal infrastructure
21 improvements to provide water and sewer service to the
22 establishment. Such claim shall not be approved by the Tax
23 Commission unless the municipality and the establishment have
24 entered into a written agreement for such claims to be filed by the

1 municipality prior to submission of the application of the
2 establishment pursuant to the provisions of this section. If such
3 claim is approved, the amount of the payment to the establishment
4 made pursuant to the provisions of Section 3606 of this title shall
5 be reduced by the amount of the approved claim by the municipality
6 and the Tax Commission shall issue a warrant to the municipality in
7 the amount of the approved claim in the same manner as warrants are
8 issued to qualifying establishments.

9 SECTION 46. AMENDATORY 68 O.S. 2011, Section 3604.1, is
10 amended to read as follows:

11 Section 3604.1 A. A qualified federal contractor may receive
12 quarterly incentive payments for renewable ten-year periods from the
13 Oklahoma Tax Commission pursuant to the provisions of the Oklahoma
14 Quality Jobs Program Act and the provisions of this section.

15 B. The amount of such payments shall be equal to a net benefit
16 rate of not less than twenty-five hundredths of one percent (0.25%),
17 but not greater than two percent (2%), multiplied by the total
18 qualified labor hours worked by employees of the federal contractor
19 or employees of a qualified federal subcontractor, or both, pursuant
20 to a qualified federal contract for a calendar quarter as verified
21 by the Oklahoma Employment Security Commission and certified by a
22 qualified federal contractor verifier. The net benefit rate for a
23 qualified federal contractor shall be scaled to annual
24 subcontracting goals that account for both total qualified

1 subcontract labor hours and the ratio of qualified subcontract labor
2 hours to total qualified labor hours. Unless limited by the
3 cost/benefit analysis, the net benefit rate shall:

4 1. Not exceed twenty-five hundredths of one percent (0.25%)
5 when annual qualified subcontract labor hours are less than Two
6 Hundred Thousand Dollars (\$200,000.00) or when annual qualified
7 subcontract labor is less than one percent (1%) of the annual total
8 qualified labor hours claimed;

9 2. Not be less than five-tenths of one percent (0.5%) when
10 subcontract goals are met with a minimum of Two Hundred Thousand
11 Dollars (\$200,000.00) of annual total qualified subcontractor labor
12 hours and these hours are a minimum of one percent (1%) of the
13 annual total qualified hours claimed;

14 3. Not be less than one percent (1%) when subcontract goals are
15 met with a minimum of One Million Dollars (\$1,000,000.00) of annual
16 total qualified subcontractor labor hours and when these hours
17 represent a minimum of five percent (5%) of the annual total
18 qualified hours claimed;

19 4. Not be less than one and five-tenths percent (1.5%) when
20 subcontract goals are met with a minimum of Two Million Dollars
21 (\$2,000,000.00) of annual total qualified subcontractor labor hours
22 and these hours are a minimum of ten percent (10%) of the annual
23 total qualified hours claimed; and

24

1 5. Not be less than two percent (2.0%) when subcontract goals
2 are met with a minimum of Four Million Dollars (\$4,000,000.00) of
3 annual total qualified subcontractor labor hours and these hours are
4 a minimum of twenty percent (20%) of the annual total qualified
5 hours claimed.

6 C. In order to receive incentive payments, a qualified federal
7 contractor shall apply to the Oklahoma Department of Commerce within
8 one hundred eighty (180) days following the date of the award of a
9 qualified federal contract or award of a new qualified subcontract
10 under an existing qualified federal contract. The application shall
11 be on a form prescribed by the Department and shall contain such
12 information as may be required by the Department to determine if the
13 applicant is qualified. Once qualified by the Department, the
14 applicant shall submit qualified federal contracts to the federal
15 contract verifier. The federal contract verifier shall establish
16 with the applicant an information system(s) or contract(s) as may be
17 required to certify the total qualified labor hours, qualified labor
18 rates, and reimbursement through the qualified federal contract. A
19 qualified federal contractor may apply for an effective date for a
20 project, which shall not be more than twenty-four (24) months from
21 the date the application is submitted to the Department. No state
22 agency shall be required to make any payment to a qualified federal
23 contract verifier for any information needed by the agency to
24 perform any duty imposed upon it pursuant to the provisions of

1 Section 3601 et seq. of this title. All costs for the federal
2 contract verifier shall be reimbursed through value-added services
3 on the qualified federal contract or other mechanisms agreed to by
4 the federal contractor verifier and the federal contract performers.

5 D. In order to qualify to receive incentive payments as
6 authorized by the Oklahoma Quality Jobs Program Act, in addition to
7 other qualifications specified herein, a qualified federal
8 contractor shall be required to pay direct jobs an average
9 annualized wage which equals or exceeds:

10 1. One hundred ten percent (110%) of the average county wage as
11 determined by the ~~Oklahoma State Data Center~~ Department of Commerce
12 based on the most recent U.S. Department of Commerce data for the
13 county in which the new direct jobs are located. For purposes of
14 this paragraph, health care premiums paid by the applicant for
15 individuals in new direct jobs shall be included in the annualized
16 wage; or

17 2. One hundred percent (100%) of the average county wage as
18 that percentage is determined by the ~~Oklahoma State Data Center~~
19 Department of Commerce based upon the most recent U.S. Department of
20 Commerce data for the county in which the new jobs are located. For
21 purposes of this paragraph, health care premiums paid by the
22 applicant for individuals in new direct jobs shall not be included
23 in the annualized wage.

24

1 Provided, no average wage requirement shall exceed Twenty-nine
2 Thousand Four Hundred Nine Dollars (\$29,409.00), in any county.
3 This maximum wage threshold shall be indexed and modified from time
4 to time based on the latest Consumer Price Index year-to-date
5 percent change release as of the date of the annual average county
6 wage data release from the Bureau of Economic Analysis of the U.S.
7 Department of Commerce.

8 3. For qualified subcontractor work, the qualified federal
9 contractor shall have a minimum average qualified labor rate
10 requirement paid to the subcontractor of Thirty-one Dollars (\$31.00)
11 per hour, in any county. This maximum wage threshold shall be
12 indexed and modified from time to time based on the latest Consumer
13 Price Index year-to-date percent change release as of the date of
14 the annual average county wage data release from the Bureau of
15 Economic Analysis of the U.S. Department of Commerce.

16 E. The Department shall determine if the applicant is qualified
17 to receive incentive payments using information supplied to the
18 Department by the qualified federal contractor verifier. The NAICS
19 code or codes under which the federal government awarded the
20 qualified federal contract shall be used to determine the basic
21 industry for a qualified federal contractor. For federal contracts
22 awarded under NAICS codes not within the definition of basic
23 industry pursuant to paragraph 1 of subsection A of Section 3603 of
24 this title, the Department of Commerce, with the federal contract

1 verifier, may evaluate and utilize individual statement of work
2 items that would qualify within a basic industry definition.

3 F. If the applicant is determined to be qualified by the
4 Department, the Department shall conduct a cost/benefit analysis to
5 determine the estimated net direct state benefits and the net
6 benefit rate, as provided by subsection B of this section,
7 applicable for a ten-year period beginning with the first complete
8 calendar quarter following the start date and to estimate the amount
9 of gross payroll and total qualified labor hours for a ten-year
10 period beginning with the first complete calendar quarter following
11 the start date. In conducting such cost/benefit analysis, the
12 Department shall consider quantitative factors, such as the
13 anticipated level of new tax revenues to the state along with the
14 added cost to the state of providing services, and such other
15 criteria as deemed appropriate by the Department. In no event shall
16 incentive payments, cumulatively, exceed the estimated net direct
17 state benefits. Using this net cost/benefit analysis model, the
18 Department may establish the renewable ten-year contract with a
19 qualified federal contractor at the entity level to encompass any
20 current or future qualified federal contracts that meet the
21 cost/benefit analysis metrics as determined by the federal
22 contractor verifier and confirmed by the Department.

23 G. Upon approval of such an application, the Department shall
24 notify the Tax Commission and shall provide it with a copy of the

1 contract that has been cosigned by the federal contractor verifier
2 and the results of the cost/benefit analysis. The Tax Commission
3 may require the qualified federal contractor, federal contract
4 verifier, and qualified subcontractors to submit such additional
5 information as may be necessary to administer the provisions of the
6 Oklahoma Quality Jobs Program Act. The approved qualified federal
7 contractor shall file quarterly claims with the Tax Commission and
8 shall continue to file such quarterly claims during the ten-year
9 incentive period to show its continued eligibility for incentive
10 payments, as provided in Section 3606 of this title, or until it is
11 no longer qualified to receive incentive payments. The qualified
12 federal contractor may be audited by the Tax Commission to verify
13 such eligibility. Once the qualified federal contractor is
14 approved, an agreement shall be deemed to exist between the
15 qualified federal contractor and the State of Oklahoma, requiring
16 the continued incentive payment to be made as long as the qualified
17 federal contractor retains its eligibility as defined in and
18 established pursuant to this section and Sections 3603 and 3606 of
19 this title and within the limitations contained in the Oklahoma
20 Quality Jobs Program Act, which existed at the time of such
21 approval.

22 H. For qualified federal contracts with periods of performance
23 exceeding two (2) years, if the actual annual verified gross
24 qualified labor hours for four (4) consecutive calendar quarters

1 does not equal or exceed Two Million Five Hundred Thousand Dollars
2 (\$2,500,000.00) within three (3) years of the start date, or does
3 not equal or exceed actual annual gross qualified labor hours of Two
4 Million Five Hundred Thousand Dollars (\$2,500,000.00) at any other
5 time during the ten-year period after the start date, the incentive
6 payments shall not be made and shall not be resumed until such time
7 as the actual annual qualified labor hours exceed Two Million Five
8 Hundred Thousand Dollars (\$2,500,000.00).

9 I. If the average annualized wage or minimum average qualified
10 labor rate required by subsection H of this section is not met
11 during any calendar quarter, the incentive payments shall not be
12 made and shall not be resumed until such time as such requirements
13 are met.

14 J. Before approving a quarterly incentive payment for a
15 qualified federal contract, the federal contract verifier must first
16 determine through the Department that neither the qualified federal
17 contractor nor the subcontractor are receiving incentive payments
18 under the Oklahoma Quality Jobs Program Act, the Saving Quality Jobs
19 Act, the 21st Century Quality Jobs Incentive Act or the Former
20 Military Facility Development Act for the performance of the same
21 such services under the qualified federal contract and is not
22 qualified for approval of an application for incentive payments
23 under the Oklahoma Quality Jobs Program Act, the Saving Quality Jobs
24 Act, the 21st Century Quality Jobs Incentive Act or the Former

1 Military Facility Development Act for the performance of the same
2 such services under the qualified federal contract. If the
3 qualified federal contractor or the subcontractor are receiving or
4 have an approved application for incentive payments under the
5 Oklahoma Quality Jobs Program Act, the Saving Quality Jobs Act, the
6 21st Century Quality Jobs Incentive Act or the Former Military
7 Facility Development Act for the performance of the same such
8 services under the qualified federal contract, each may choose to
9 defer in part or in entirety the other incentives for the qualified
10 federal contractor to receive the incentives pursuant to subsection
11 B of this section. The federal contract verifier shall confirm any
12 deferrals and ensure the total for all quality jobs incentive
13 payments on any individual does not exceed the total net benefit to
14 the state. Should neither the federal contractor nor the
15 subcontractor defer in part or in entirety their incentive payments
16 such that the total for all Quality Jobs incentive payments exceeds
17 the total net benefit to the state, the priority for incentive
18 payments shall go to the entity with the earliest recognized start
19 date indentified within the current Department of Commerce Quality
20 Jobs contract.

21 SECTION 47. AMENDATORY 68 O.S. 2011, Section 3607, is
22 amended to read as follows:

23 Section 3607. A. Notwithstanding any other provision of law,
24 if a qualified establishment receives an incentive payment pursuant

1 to the provisions of Section 3601 et seq. of this title, neither the
2 qualified establishment nor its contractors or subcontractors shall
3 be eligible to receive the credits or exemptions provided for in the
4 following provisions of law in connection with the activity for
5 which the incentive payment was received:

- 6 1. Paragraphs 16 and 17 of Section 1357 of this title;
- 7 2. Paragraph 7 of Section 1359 of this title;
- 8 3. Section 2357.4 of this title; except as provided in
9 subsection B of this section;
- 10 4. Section 2357.7 of this title;
- 11 5. Section 2-11-303 of Title 27A of the Oklahoma Statutes;
- 12 6. Section 2357.22 of this title;
- 13 7. Section 2357.31 of this title;
- 14 8. Section 54003 of this title;
- 15 9. Section 54006 of this title;
- 16 10. Section 625.1 of Title 36 of the Oklahoma Statutes;
- 17 11. Subsections C and D of Section 2357.59 of this title;
- 18 12. Section 2357.13 of this title; or
- 19 13. Section 4201 of this title.

20 B. Any establishment which has qualified to receive quarterly
21 incentive payments pursuant to subsection B of Section 3604 of this
22 title for a ten-year period with a project start date after January
23 1, 2010, shall be eligible to receive the credit provided for in
24 Section 2357.4 of this title if such establishment:

1 1. Qualifies for the credit allowed pursuant to paragraph 1 of
2 subsection B of Section 2357.4 of this title based on an investment
3 made after January 1, 2010;

4 2. Pays an average annualized wage which equals or exceeds the
5 average state wage as determined by the ~~Oklahoma State Data Center~~
6 Department of Commerce based on the most recent U.S. Department of
7 Commerce data; and

8 3. Obtains a determination letter from the Oklahoma Department
9 of Commerce that the business activity of the entity will result in
10 a positive net benefit rate.

11 C. For purposes of the exception provided for in this section:

12 1. "Estimated direct state benefits" has the meaning set out in
13 paragraph 4 of subsection A of Section 3603 of this title;

14 2. "Estimated indirect state benefits" means the indirect new
15 tax revenues projected by the Oklahoma Department of Commerce to
16 accrue to the state, including, but not limited to, revenue
17 generated from ancillary support jobs directly related to the
18 primary business;

19 3. "Estimated direct state costs" has the meaning set out in
20 paragraph 5 of subsection A of Section 3603 of this title; and

21 4. "Estimated indirect state costs" means the costs projected
22 by the Oklahoma Department of Commerce to accrue to the state as a
23 result of new indirect jobs. Such costs shall include, but not be
24 limited to, costs enumerated in paragraph 3 of this subsection.

1 D. Any establishment which has qualified to receive quarterly
2 incentive payments pursuant to subsection B of Section 3604 of this
3 title for a ten-year period with a project start date after January
4 1, 2010, shall be eligible to receive the credit provided for in
5 Section 2357.4 of this title pursuant to the provisions of this
6 section if such establishment obtains a determination letter from
7 the Oklahoma Department of Commerce that the business activity of
8 the entity will result in a positive net benefit rate, to be
9 computed by the Oklahoma Department of Commerce using a methodology
10 which provides for the analysis of estimated direct state benefits,
11 estimated indirect state benefits, estimated direct state costs and
12 estimated indirect state costs. The Oklahoma Department of Commerce
13 shall use such information as it determines to be relevant for the
14 analysis required by this subsection including, but not limited to,
15 the type of business activity in which the entity is engaged or will
16 be engaged, amount of capital investment, type of assets acquired or
17 utilized by the business entity, economic impact of the business
18 activity within the relevant geographic region and such other
19 factors as the Department determines to be relevant. The Oklahoma
20 Department of Commerce may use information regarding the business
21 entity alone or in conjunction with relevant information regarding
22 other business activity in a geographically relevant area
23 surrounding the principal business location of the primary business
24 entity in order to perform the computation of the net benefit rate.

1 If the result of the analysis is a positive net benefit rate, the
2 establishment shall be allowed to qualify to receive quarterly
3 incentive payments pursuant to subsection B of Section 3604 of this
4 title for a ten-year period and shall be eligible to receive the
5 credit provided for in Section 2357.4 of this title. The Oklahoma
6 Department of Commerce shall transmit a determination letter to the
7 authorized representative of the establishment and shall also
8 transmit a copy of the determination letter to the Oklahoma Tax
9 Commission, regardless of whether the result is a positive or
10 negative net benefit rate.

11 SECTION 48. AMENDATORY 68 O.S. 2011, Section 3903, is
12 amended to read as follows:

13 Section 3903. As used in the Small Employer Quality Jobs
14 Incentive Act:

15 1. "Basic industry" means a basic industry as defined under the
16 Oklahoma Quality Jobs Program Act in divisions (1) through (9) of
17 subparagraph a of paragraph 1 of subsection A of Section 3603 of
18 this title, excluding those activities described in division (10) of
19 subparagraph a of paragraph 1 of subsection A of Section 3603 of
20 this title. Provided, for the purposes of the Small Employer
21 Quality Jobs Incentive Act, the determination required by
22 subdivision (b) of division (7) or division (8) of subparagraph a of
23 paragraph 1 of subsection A of Section 3603 of this title shall be
24

1 made by the Oklahoma Department of Commerce and not the Incentive
2 Approval Committee;

3 2. "Establishment" means any business, no matter what legal
4 form, including, but not limited to, a sole proprietorship,
5 partnership, corporation, or limited liability corporation located
6 in a county with a population of not more than two hundred thousand
7 (200,000) persons, as determined by the ~~Oklahoma State Data Center~~
8 Department of Commerce based on the most recent U.S. Department of
9 Commerce data or located in an "opportunity zone"; provided, a
10 business classified as research and development in the physical,
11 engineering and life sciences as described under U.S. Industry
12 Number 541710 or classified as a testing laboratory as described
13 under U.S. Industry Number 541380 in the North American Industry
14 Classification System (NAICS) Manual shall be considered to be an
15 establishment for purposes of the Small Employer Quality Jobs
16 Incentive Act regardless of the population of the county in which
17 the establishment is located. As used in this paragraph,
18 "opportunity zone" means one or more census tracts in which,
19 according to the most recent Federal Decennial Census, at least
20 thirty percent (30%) of the residents have annual gross household
21 incomes from all sources below the poverty guidelines established by
22 the U.S. Department of Health and Human Services;

23
24

1 3. "Estimated direct state benefits" means the tax revenues
2 projected by the Oklahoma Department of Commerce to accrue to the
3 state as a result of new direct jobs;

4 4. "Estimated direct state costs" means the costs projected by
5 the Department to accrue to the state as a result of new direct
6 jobs. Such costs shall include, but not be limited to:

7 a. the costs of education of new state resident children,

8 b. the costs of public health, public safety and
9 transportation services to be provided to new state
10 residents,

11 c. the costs of other state services to be provided to
12 new state residents, and

13 d. the costs of other state services;

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

16 6. "Full-time employment" means employment of persons residing
17 in this state and working for thirty (30) hours per week or more in
18 this state, which has a minimum six-month duration during any
19 twelve-month period;

20 7. "Gross taxable payroll" means wages, as defined in Section
21 2385.1 of this title, for new direct jobs;

22 8. "Net benefit rate" means the estimated net direct state
23 benefits computed as a percentage of gross payroll; provided:
24

1 a. the net benefit rate may be variable and shall not
2 exceed five percent (5%), and

3 b. in no event shall incentive payments, cumulatively,
4 exceed the estimated net direct state benefits; and

5 9. "New direct job" means full-time employment which did not
6 exist in this state prior to the date of approval, by the Oklahoma
7 Department of Commerce, of an application made pursuant to the Small
8 Employer Quality Jobs Incentive Act. A job shall be deemed to exist
9 in this state prior to approval of an application if the activities
10 and functions for which the particular job exists have been ongoing
11 at any time within six (6) months prior to such approval.

12 SECTION 49. AMENDATORY 68 O.S. 2011, Section 3904, is
13 amended to read as follows:

14 Section 3904. A. An establishment which meets the
15 qualifications specified in the Small Employer Quality Jobs
16 Incentive Act may receive quarterly incentive payments for a seven-
17 year period from the Oklahoma Tax Commission pursuant to the
18 provisions of the Small Employer Quality Jobs Incentive Act in an
19 amount equal to the net benefit rate multiplied by the actual gross
20 taxable payroll of new direct jobs as verified by the Tax
21 Commission.

22 B. In order to receive incentive payments, an establishment
23 shall apply to the Oklahoma Department of Commerce. The application
24 shall be on a form prescribed by the Department and shall contain

1 such information as may be required by the Department to determine
2 if the applicant is qualified. The establishment may apply for an
3 effective date for a project, which shall not be more than twelve
4 (12) months from the date the application is submitted to the
5 Department.

6 C. Before approving an application for incentive payments, the
7 Department must first determine that the applicant meets the
8 following requirements:

9 1. Be engaged in a basic industry;

10 2. Has no more than ninety full-time employees in this state on
11 the date of application nor an average of more than ninety full-time
12 employees in this state during the four calendar quarters
13 immediately preceding the date of application;

14 3. Has a projected minimum employment, as determined by the
15 Department, of new direct jobs within twelve (12) months of the date
16 of application, or after July 1, 2011, within twenty-four (24)
17 months of the date of application, as follows:

18 a. if the establishment is located in a municipality with
19 a population less than three thousand five hundred
20 (3,500) persons, as determined by the ~~Oklahoma State~~
21 ~~Data Center~~ Department of Commerce based on the most
22 recent U.S. Department of Commerce data, or if the
23 establishment is located in an unincorporated area and
24 the largest municipality within twenty (20) miles of

1 the establishment is such a municipality, five new
2 direct jobs,

3 b. if the establishment is located in a municipality with
4 a population of three thousand five hundred (3,500)
5 persons or more but less than seven thousand (7,000)
6 persons, as determined by the ~~Oklahoma State Data~~
7 ~~Center~~ Department of Commerce based on the most recent
8 U.S. Department of Commerce data, or if the
9 establishment is located in an unincorporated area and
10 the largest municipality within twenty (20) miles of
11 the establishment is such a municipality, ten new
12 direct jobs, and

13 c. if the establishment is located in a municipality with
14 a population of seven thousand (7,000) persons or
15 more, as determined by the ~~Oklahoma State Data Center~~
16 Department of Commerce based on the most recent U.S.
17 Department of Commerce data, or if the establishment
18 is located in an unincorporated area and the largest
19 municipality within twenty (20) miles of the
20 establishment is such a municipality, fifteen new
21 direct jobs.

22 Provided, for an establishment engaged in software publishing as
23 defined or classified in the NAICS Manual under Industry Group No.
24 5112, data processing, hosting and related services as defined or

1 classified in the NAICS Manual under Industry Group No. 5182,
2 computer systems design and related services as defined or
3 classified in the NAICS Manual under Industry Group No. 5415,
4 scientific research and development services as defined or
5 classified in the NAICS Manual under Industry Group No. 5417,
6 medical and diagnostic laboratories as defined or classified in the
7 NAICS Manual under Industry Group No. 6215 or testing laboratories
8 as defined or classified in the NAICS Manual under U.S. Industry No.
9 541380, the projected minimum employment requirements of this
10 paragraph must be achieved within thirty-six (36) months of the date
11 of application;

12 4. Has or will have within twelve (12) months of the date of
13 application, or after July 1, 2011, within twenty-four (24) months
14 of the date of application, as determined by the Department, sales
15 of at least seventy-five percent (75%) of its total sales to out-of-
16 state customers or buyers, to in-state customers or buyers if the
17 product or service is resold by the purchaser to an out-of-state
18 customer or buyer for ultimate use, or to the federal government,
19 except that:

20 a. those establishments in the NAICS Manual under the
21 U.S. Industry No. 541710 or 541380 are excused from
22 the seventy-five percent (75%) out-of-state sales
23 requirement,
24

- 1 b. warehouses that serve as distribution centers for
2 retail or wholesale businesses shall be required to
3 distribute forty percent (40%) of inventory to out-of-
4 state locations, and
- 5 c. adjustment and collection services activities defined
6 or classified in the NAICS Manual under U.S. Industry
7 No. 561440 shall be required to have seventy-five
8 percent (75%) of loans to be serviced made by out-of-
9 state debtors;

10 5. Will pay the individuals it employs in new direct jobs an
11 average annualized wage which equals or exceeds:

- 12 a. one hundred twenty-five percent (125%) of the average
13 county wage of small employers located in that county
14 as that percentage is determined by the ~~Oklahoma State~~
15 ~~Data Center~~ Department of Commerce based on the most
16 recent wage and employment data from the Oklahoma
17 Employment Security Commission for the county in which
18 the new direct jobs are located. For purposes of this
19 subparagraph, health care premiums paid by the
20 applicant for individuals in new direct jobs shall be
21 included in the annualized wage, or
- 22 b. one hundred ten percent (110%) of the average county
23 wage of small employers located in that county as that
24 percentage is determined by the ~~Oklahoma State Data~~

1 ~~Center~~ Department of Commerce based upon the most
2 recent wage and employment data from the Oklahoma
3 Employment Security Commission for the county in which
4 the new direct jobs are located. For purposes of this
5 subparagraph, health care premiums paid by the
6 applicant for individuals in new direct jobs shall not
7 be included in the annualized wage~~+~~1 or

8 c. one hundred percent (100%) of the average county wage,
9 excluding health care premiums paid by the applicant
10 for individuals in new direct jobs if the county in
11 which the new jobs are located has:

12 (1) according to the most recent annual determination
13 by the Oklahoma Employment Security Commission, a
14 county unemployment rate more than ten percent
15 (10%) higher than the state unemployment rate,
16 and

17 (2) according to the most recent United States Census
18 Bureau Data, a county personal poverty rate above
19 fifteen percent (15%);

20 6. Has a basic health benefit plan which, as determined by the
21 Department, meets the elements established under divisions (1)
22 through (7) of subparagraph b of paragraph 1 of subsection A of
23 Section 3603 of this title and which will be offered to individuals
24 within twelve (12) months of employment in a new direct job;

1 7. Has not received incentive payments under the Oklahoma
2 Quality Jobs Program Act, the Saving Quality Jobs Act, or the Former
3 Military Facility Development Act; and

4 8. Is not qualified for approval of an application for
5 incentive payments under the Oklahoma Quality Jobs Program Act, the
6 Saving Quality Jobs Act, or the Former Military Facility Development
7 Act.

8 D. The Oklahoma Department of Commerce shall determine if an
9 applicant is qualified to receive the incentive payment. Upon
10 qualifying the applicant, the Department shall notify the Tax
11 Commission and shall provide it with a copy of the application, and
12 approval which shall provide the number of persons employed by the
13 applicant upon the date of approval and the maximum total incentives
14 which may be paid to the applicant during the seven-year period.
15 The Tax Commission may require the qualified establishment to submit
16 additional information as may be necessary to administer the
17 provisions of the Small Employer Quality Jobs Incentive Act. The
18 approved establishment shall report to the Tax Commission quarterly
19 to show its continued eligibility for incentive payments, as
20 provided in Section 3905 of this title. Establishments may be
21 audited by the Tax Commission to verify such eligibility. Once the
22 establishment is approved, an agreement shall be deemed to exist
23 between the establishment and the State of Oklahoma, requiring
24 incentive payments to be made for a seven-year period as long as the

1 establishment retains its eligibility and within the limitations of
2 the Small Employer Quality Jobs Incentive Act which existed at the
3 time of such approval. Any establishment which has been approved
4 for incentive payments prior to July 1, 2002, shall continue to
5 receive such payments pursuant to the laws as they existed prior to
6 July 1, 2002, for any period of time of the original five-year
7 period for such payments remaining after July 1, 2002.

8 SECTION 50. AMENDATORY 68 O.S. 2011, Section 3914, is
9 amended to read as follows:

10 Section 3914. A. An establishment which meets the
11 qualifications specified in the 21st Century Quality Jobs Incentive
12 Act may receive quarterly incentive payments for a ten-year period
13 from the Oklahoma Tax Commission pursuant to the provisions of this
14 act, as verified by the Tax Commission, in an amount equal to:

15 1. The gross payroll multiplied by the initial net benefit rate
16 until such time as the establishment creates ten new direct jobs 7i
17 or

18 2. The gross payroll multiplied by the fulfillment net benefit
19 rate after such time as the establishment created and maintains ten
20 new direct jobs.

21 B. In order to receive incentive payments, an establishment
22 shall apply to the Oklahoma Department of Commerce. The application
23 shall be on a form prescribed by the Department and shall contain
24 such information as may be required by the Department to determine

1 if the applicant is qualified. The establishment may apply for an
2 effective date for a project, which shall not be more than twelve
3 (12) months from the date the application is submitted to the
4 Department.

5 C. Before approving an application for incentive payments, the
6 Department must first determine that the applicant meets the
7 following requirements:

8 1. Be engaged in a basic industry as defined in the 21st
9 Century Quality Jobs Incentive Act;

10 2. Will hire at least ten full-time employees in this state
11 within twelve (12) quarters of the date of application;

12 3. Will pay the individuals it employs in new direct jobs an
13 average annualized wage which equals or exceeds the lower of three
14 hundred percent (300%) of the average of Oklahoma county wages or
15 three hundred percent (300%) of the average county wage for the
16 county in which the applicant is located as that percentage is
17 determined by the ~~Oklahoma State Data Center~~ Department of Commerce
18 based on the most recent U.S. Department of Commerce data;

19 4. Has a basic health benefit plan which, as determined by the
20 Department, meets the elements established under divisions (1)
21 through (7) of subparagraph b of paragraph 1 of subsection A of
22 Section 3603 of ~~Title 68 of the Oklahoma Statutes~~ this title and
23 which will be offered to individuals within twelve (12) months of
24 employment in a new direct job;

1 5. Has not received incentive payments under the Small Employer
2 Quality Jobs Program Act, the Saving Quality Jobs Act or the Former
3 Military Facility Development Act; and

4 6. Is not qualified for approval of an application for
5 incentive payments under the Small Employer Quality Jobs Program
6 Act, the Saving Quality Jobs Act or the Former Military Facility
7 Development Act.

8 D. The Oklahoma Department of Commerce shall determine if an
9 applicant is qualified to receive the incentive payment. Upon
10 qualifying the applicant, the Department shall notify the Tax
11 Commission and shall provide it with a copy of the contract and
12 approval which shall provide the number of persons employed by the
13 applicant upon the date of approval and the maximum total incentives
14 which may be paid to the applicant during the ten-year period. The
15 Tax Commission may require the qualified establishment to submit
16 additional information as may be necessary to administer the
17 provisions of this act. The approved establishment shall report to
18 the Tax Commission quarterly to show its continued eligibility for
19 incentive payments, as provided in Section 3905 of ~~Title 68 of the~~
20 ~~Oklahoma Statutes~~ this title. Establishments may be audited by the
21 Tax Commission to verify such eligibility. Once the establishment
22 is approved, an agreement shall be deemed to exist between the
23 establishment and the State of Oklahoma, requiring incentive
24 payments to be made for a ten-year period as long as the

1 establishment retains its eligibility and within the limitations of
2 this act as it existed at the time of such approval.

3 SECTION 51. AMENDATORY 68 O.S. 2011, Section 50011, is
4 amended to read as follows:

5 Section 50011. As used in the Oklahoma Tourism Promotion Act:

6 1. ~~"Committee" means the Oklahoma Tourism Promotion Advisory~~
7 ~~Committee;~~

8 ~~2.~~ "Department" means the Oklahoma Tourism and Recreation
9 Department; and

10 ~~3.~~ 2. "Tourism promotion" or "promote Oklahoma tourism" means
11 and is limited to:

12 a. the cost of producing advertisements, placement of
13 those advertisements with the media (newspapers,
14 magazines, radio, television, billboard, direct mail,
15 and the Internet) and the production and printing of
16 collateral materials designed specifically to support
17 and fulfill information requests generated by the
18 media advertising campaigns, and the production,
19 printing and distribution of brochures and promotions
20 for regional, national and international tourism
21 conferences. Tourism promotion shall also include
22 festivals, sites and events concerning ethnic history
23 and ethnic events which have occurred or are occurring
24 in this state. For purposes of this paragraph,

1 "ethnic" means of or relating to races or large groups
2 of people classed according to common traits or
3 customs, and

4 b. the cost of providing a computerized consumer-oriented
5 traveler response information program. Such program
6 shall include a comprehensive state data base
7 containing up-to-date information on state travel
8 attractions and facilities, including but not limited
9 to, lodging facilities, restaurants, chambers of
10 commerce, convention and visitors bureaus, golf
11 courses, campgrounds, events, regional tourism
12 organizations and all other attractions. Oklahoma
13 travel attractions and facilities shall be included on
14 such data base free of charge.

15 "Tourism promotion" and "promote Oklahoma tourism" shall not
16 include expenses for travel or lodging.

17 SECTION 52. REPEALER 68 O.S. 2011, Section 50015, is
18 hereby repealed.

19 SECTION 53. REPEALER 69 O.S. 2011, Sections 420 and 421,
20 as amended by Section 573, Chapter 304, O.S.L. 2012 (69 O.S. Supp.
21 2012, Section 421), are hereby repealed.

22 SECTION 54. REPEALER 73 O.S. 2011, Section 310, as
23 amended by Section 690, Chapter 304, O.S.L. 2012 (73 O.S. Supp.
24 2012, Section 310), is hereby repealed.

1 SECTION 55. REPEALER Section 6, Chapter 417, O.S.L.
2 1997, is hereby repealed.

3 SECTION 56. AMENDATORY 74 O.S. 2011, Section 2236, is
4 amended to read as follows:

5 Section 2236. A. There is hereby created within the
6 Department, the ~~Office of the~~ Oklahoma Film and Music ~~Commission~~
7 Office. The Office shall have the primary responsibility in state
8 government for promoting the state as a location for producing
9 motion pictures, television programs, videos and recording or
10 performing music. The Office shall assist the motion picture,
11 television and video film and music industries by providing
12 production contacts in the state, suggesting possible filming,
13 performing, publishing, and recording locations, and other
14 activities that may be required to promote the state as a filming
15 and music center. The Office shall develop resource guides, a
16 database, and a web site. The Office shall develop listings of
17 music festivals and music events being held in Oklahoma.

18 B. ~~1. There is hereby established within the Department, the~~
19 ~~Oklahoma Film and Music Commission which shall consist of the~~
20 ~~Lieutenant Governor, who shall serve as an ex officio member and as~~
21 ~~chair of the Commission, and eleven (11) members appointed by the~~
22 ~~Director of the Department. Appointed members shall serve two-year~~
23 ~~terms. Five appointed members shall have experience in the~~
24 ~~development and implementation of economic development programs.~~

1 ~~Three appointed members shall possess a broad working knowledge of~~
2 ~~the film industry. Three appointed members shall possess a broad~~
3 ~~working knowledge of the music industry.~~

4 ~~2. The Oklahoma Film and Music Commission shall have the~~
5 ~~following responsibilities:~~

- 6 ~~a. focus the film and music industry related activities~~
7 ~~and functions of the Office of the Oklahoma Film and~~
8 ~~Music Commission to provide the maximum economic~~
9 ~~development impact to the State of Oklahoma,~~
- 10 ~~b. promote the film and music industries to local~~
11 ~~communities,~~
- 12 ~~c. solicit input annually from a cross section of the~~
13 ~~public including industry, business, and community~~
14 ~~leaders,~~
- 15 ~~d. along with the Oklahoma Music Hall of Fame, serve as a~~
16 ~~clearinghouse for the Oklahoma music industry using~~
17 ~~databases which it develops and maintains,~~
- 18 ~~e. along with the Oklahoma Music Hall of Fame, promote~~
19 ~~Oklahoma music and musicians to a national and~~
20 ~~international audience,~~
- 21 ~~f. assist the Office of the Oklahoma Film and Music~~
22 ~~Commission in developing a marketing plan and a~~
23 ~~production manual, and~~

1 g. ~~assist the Office of the Oklahoma Film and Music~~
2 ~~Commission in the preparation of the annual report.~~

3 C. ~~The Office of the Oklahoma Film and Music Commission~~ Office
4 shall cooperate with other state and local offices as required to
5 promote the film and music industries in this state.

6 D. C. ~~The Office of the Oklahoma Film and Music Commission~~
7 Office shall establish a film production registration program.
8 Under the program, film production companies shall be required to
9 register with the Office prior to starting production on a film
10 located in the state. The Office shall not require production
11 companies to pay a fee for registration. The purpose of the program
12 shall be to allow the Office to accurately track the number of
13 filming productions occurring in the state and the economic impact
14 of those productions.

15 E. D. ~~The Office of the Oklahoma Film and Music Commission~~
16 Office shall submit an annual report to the Governor, the Speaker of
17 the House of Representatives, and the President Pro Tempore of the
18 Senate prior to July 1 of each year regarding the activities of the
19 Office. The report shall state the number of filming productions
20 that the Office has helped bring to the state and the economic
21 impact of those productions, and provide similar information
22 concerning the efforts of the Office to promote the music industry
23 in this state.

1 SECTION 57. REPEALER 74 O.S. 2011, Sections 2286, 2287,
2 2288, as amended by Section 999, Chapter 304, O.S.L. 2012, 2289,
3 2290, 2291, 2292 and 2293 (74 O.S. Supp. 2012, Section 2288), are
4 hereby repealed.

5 SECTION 58. NEW LAW A new section of law not to be
6 codified in the Oklahoma Statutes reads as follows:

7 Any monies remaining in the Oklahoma Recreation and Development
8 Revolving Fund as created in Section 2288 of Title 74 of the
9 Oklahoma Statutes after the effective date of this act, shall be
10 transferred to the Department of Commerce.

11 SECTION 59. AMENDATORY 74 O.S. 2011, Section 4190, as
12 amended by Section 1019, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
13 2012, Section 4190), is amended to read as follows:

14 Section 4190. A. The Director of the Office of Management and
15 Enterprise Services is authorized to approve and administer child
16 care centers for minor dependents of state employees, and may
17 provide consultation to state agencies regarding child care centers.

18 B. ~~1. The Director shall appoint an advisory committee to~~
19 ~~review the child care needs of state employees, recommend suitable~~
20 ~~sites for centers, monitor and evaluate the operation of centers.~~

21 ~~2. The advisory body shall report annually on the progress of~~
22 ~~the centers to the Governor, the President Pro Tempore of the~~
23 ~~Senate, and the Speaker of the House of Representatives.~~

24

1 ~~C.~~ The Office of Management and Enterprise Services, the
2 Department of Human Services, and the Oklahoma State Department of
3 Health are directed to assist the Director of the Office of
4 Management and Enterprise Services in the implementation of Sections
5 4190 through 4192 of this title.

6 ~~D.~~ C. The Director is authorized to promulgate any rules
7 necessary for the establishment and implementation of Sections 4190
8 through 4192 of this title.

9 ~~E.~~ D. Licensed spaces in the child care centers shall be open
10 to all eligible children, including those individuals not employed
11 by the State of Oklahoma and those financially eligible for
12 Department of Human Services child care assistance. However, minor
13 dependents of state employees shall be given highest priority and
14 children financially eligible for Department of Human Services child
15 care assistance second priority for all vacant spaces.

16 ~~F.~~ E. The Director shall approve rates for child care
17 consistent with the rates of the industry within the geographic
18 area.

19 SECTION 60. AMENDATORY 74 O.S. 2011, Section 5003.10a,
20 is amended to read as follows:

21 Section 5003.10a An office established by the Oklahoma
22 Department of Commerce outside the State of Oklahoma pursuant to
23 paragraph 16 of Section 5003.10 of this title shall not be
24 terminated until the Director of the Oklahoma Department of Commerce

1 provides a written report to the Governor, the Speaker of the House
2 of Representatives, and the President Pro Tempore of the Senate of
3 the intent of the Director to terminate the office. ~~The~~
4 ~~International Trade Legislative Advisory Committee, created pursuant~~
5 ~~to Section 2 of this act, shall review the report and make~~
6 ~~recommendations to the Oklahoma Senate and House of Representatives~~
7 ~~regarding the proposed termination.~~ Termination of the office
8 pursuant to this section shall not occur earlier than sixty (60)
9 days following the date the report is filed as provided in this
10 section. For purposes of this section, "termination" means a
11 reduction in funding for an office or a change in representation.

12 SECTION 61. REPEALER 74 O.S. 2011, Section 5003.10c, is
13 hereby repealed.

14 SECTION 62. REPEALER 74 O.S. 2011, Sections 5018 and
15 5019, as amended by Section 1031, Chapter 304, O.S.L. 2012 (74 O.S.
16 Supp. 2012, Section 5019), are hereby repealed.

17 SECTION 63. AMENDATORY 74 O.S. 2011, Section 5060.1a, is
18 amended to read as follows:

19 Section 5060.1a A. Recognizing the vast, underutilized human
20 and capital resources, both urban and rural, in the State of
21 Oklahoma and the opportunity for economic development through
22 technological advancement, the Legislature and the Governor hereby
23 adopt the following goals:

24

- 1 1. Establishing Oklahoma as a premier information technology
2 and biotechnology center for the twenty-first century;
- 3 2. Enhancing the lives of, and expanding opportunities for, all
4 Oklahomans through growth of information technology, biotechnology,
5 nanotechnology and sensors industries and infrastructure throughout
6 the urban and rural areas of the state;
- 7 3. Expanding and diversifying Oklahoma's economy and providing
8 new and higher quality jobs for Oklahomans; and
- 9 4. Creating public-private partnerships to provide
10 opportunities for development, expansion, and retention of, funding
11 and financing for, and investment in, technology-oriented
12 enterprises in Oklahoma.

13 B. To further the goals set forth in the Oklahoma Science and
14 Technology Research and Development Act, there is hereby created the
15 Oklahoma Science and Technology Research and Development Board. The
16 Board shall be responsible for the administration and governance of
17 the Oklahoma Center for the Advancement of Science and Technology
18 ~~and the Oklahoma Institute of Technology.~~

19 SECTION 64. AMENDATORY 74 O.S. 2011, Section 5060.2, as
20 amended by Section 1035, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
21 2012, Section 5060.2), is amended to read as follows:

22 Section 5060.2 A. In order to attain the goals as set forth in
23 the Oklahoma Science and Technology Research and Development Act,
24 Oklahoma enterprises need institutions that combine the resources of

1 the public and private sectors to encourage the development of new
2 products, new processes and whole new industries in Oklahoma. The
3 institutions are needed to:

4 1. Support the development of new or expanded technologies;

5 2. Provide basic and applied research capital to move
6 innovation to commercial application;

7 3. Encourage the transfer of technology to firms and farms
8 throughout the geographic regions of the state;

9 4. Stimulate seed-capital investment in firms that will use
10 innovation, new technologies, or technological advances in
11 profitable commercial applications;

12 5. Foster competitiveness, productivity and modernization in
13 Oklahoma firms and farms; and

14 6. Establish public-private partnerships to provide
15 opportunities for development, expansion, and retention of, funding
16 and financing for, and investment in, technology-oriented
17 enterprises in Oklahoma.

18 B. There is hereby created the Oklahoma Center for the
19 Advancement of Science and Technology. The Oklahoma Center for the
20 Advancement of Science and Technology is hereby constituted an
21 instrumentality of the state and the exercise of the authority and
22 powers conferred by law shall be deemed and held to be the
23 performance of an essential governmental function.

24

1 ~~C. There is hereby created the Oklahoma Institute of Technology~~
2 ~~as an institute within the Oklahoma Center for the Advancement of~~
3 ~~Science and Technology. The Oklahoma Science and Technology~~
4 ~~Research and Development Board and the Oklahoma Center for the~~
5 ~~Advancement of Science and Technology are hereby directed to support~~
6 ~~the Oklahoma Institute of Technology and to include the Institute in~~
7 ~~the Center's budget work program submitted each fiscal year to the~~
8 ~~Office of Management and Enterprise Services.~~

9 SECTION 65. AMENDATORY 74 O.S. 2011, Section 5060.3, is
10 amended to read as follows:

11 Section 5060.3 ~~A.~~ The mission of the Oklahoma Center for the
12 Advancement of Science and Technology shall be to foster innovation
13 in existing and developing businesses by supporting basic and
14 applied research, by facilitating technology transfer between
15 research laboratories and firms and farms, and by providing
16 seed-capital for innovative and technology-oriented firms and their
17 products. The Oklahoma Center for the Advancement of Science and
18 Technology also shall have the authority to foster enhanced
19 competitiveness in the national and international markets by small
20 and medium-sized manufacturing firms located in Oklahoma by
21 stimulating productivity and modernization of such firms.

22 ~~B. The mission and purposes of the Oklahoma Institute of~~
23 ~~Technology shall include:~~

1 ~~1. Attracting, retaining, and stimulating the development of~~
2 ~~information technology, biotechnology, genetics, and emerging~~
3 ~~technologies;~~

4 ~~2. Providing leadership development programs to prepare rural~~
5 ~~residents for leadership in a technologically enhanced economy;~~

6 ~~3. Upgrading and enhancing rural technology to grow or attract~~
7 ~~high technology companies;~~

8 ~~4. Facilitating joint public-private technology research and~~
9 ~~development projects using resources and facilities of public higher~~
10 ~~education institutions or private entities;~~

11 ~~5. Providing engineering or management assistance to new or~~
12 ~~existing businesses in bringing improved or innovative products or~~
13 ~~services to market; and~~

14 ~~6. Establishing public-private partnerships to provide~~
15 ~~opportunities for development, expansion, and retention of, funding~~
16 ~~and financing for, and investment in, technology-oriented~~
17 ~~enterprises in Oklahoma.~~

18 SECTION 66. AMENDATORY 74 O.S. 2011, Section 5060.4, is
19 amended to read as follows:

20 Section 5060.4 As used in the Oklahoma Science and Technology
21 Research and Development Act:

22 1. "COEAT" means Center of Excellence for Aerospace Technology,
23 an initiative within the Oklahoma Aerospace Institute that
24

1 undertakes applied research, development and technology transfer
2 that has long-term potential for commercial development;

3 2. "CASQ" means Center of Aerospace Supplier Quality, an
4 initiative within the Oklahoma Aerospace Institute that serves as a
5 conduit between Oklahoma's military installations and the aerospace
6 industry;

7 3. "Applied research" means those research activities occurring
8 at institutions of higher education, nonprofit research foundations,
9 and in private enterprises which have potential commercial
10 application;

11 4. "Basic research" means any original investigation for the
12 advancement of scientific knowledge not having a specific commercial
13 objective, but having potential long-range value to commercial
14 interests;

15 5. "Board" means the Oklahoma Science and Technology Research
16 and Development Board;

17 6. "Center" or "OCAST" means the Oklahoma Center for the
18 Advancement of Science and Technology;

19 7. "Commercialization Center" means a private, nonprofit
20 corporation contracting with and funded in part by OCAST to:

21 a. attract to, and retain in, Oklahoma technology and
22 technology-based enterprises,
23
24

- 1 b. promote and assist with the development and expansion
2 of scientific and technology-based industry in the
3 state,
4 c. facilitate the development of incubators for
5 technology-oriented enterprises,
6 d. assist technology-based enterprises in developing and
7 expanding their businesses, obtaining financing and
8 funding, attracting capital, including seed capital
9 and venture capital, and attracting and retaining key
10 management personnel, scientists, and skilled labor,
11 and
12 e. develop, operate, and manage programs to facilitate
13 entrepreneurial activity with respect to technology,
14 scientific-based, biomedical, biomedical-technical,
15 and technology-oriented enterprises in this state;

16 8. "Enterprise" means a firm with its principal place of
17 business in Oklahoma;

18 9. "Health research project" means a specific examination,
19 experimentation or investigation, or initiative to provide research
20 resources oriented principally toward basic, applied, and
21 developmental scientific inquiry related to the causes, diagnosis,
22 prevention, and treatment of human diseases and disabilities and
23 mental health and emotional disorders, and the rehabilitation of
24 persons afflicted with such diseases, disabilities, and disorders;

1 new knowledge, better understanding, and innovative methods to
2 improve the processes by which health care services are made
3 available and how they may be provided more efficiently, more
4 effectively and at a lower cost, for all the citizens of this state;
5 and the development of new products and services which shall form
6 the basis of new high-technology health research and care industry
7 for this state;

8 10. "Industrial Extension System" means a coordinated network
9 of public and private manufacturing modernization resources, the
10 purpose of which is to stimulate the competitiveness of Oklahoma
11 small and medium-sized manufacturing firms;

12 11. ~~"Institute" means the Oklahoma Institute of Technology;~~

13 ~~12.~~ "Institutional Review Board" means a committee composed of
14 investigators, lay representatives, and legal counsel, which is
15 established at each institution of higher learning and each
16 nonprofit research institution receiving funds from a health
17 research project, for the express purpose of determining the
18 appropriateness of any research involving human subjects;

19 ~~13.~~ 12. "Institutions of higher education" means public and
20 private colleges and universities in the state;

21 ~~14.~~ 13. "Investigator" means a person who proposes research
22 projects and is primarily responsible for the execution of the
23 proposed projects and is employed by or affiliated with an
24

1 institution of higher education, a nonprofit research institution in
2 this state, or a private enterprise;

3 ~~15.~~ 14. "Nanotechnology" means technology development at the
4 molecular range (1nm to 100nm) to create and use structures,
5 devices, and systems that have novel properties because of their
6 small size;

7 ~~16.~~ 15. "New technology" means methods, products, processes and
8 procedures developed through science or research;

9 ~~17.~~ 16. "Nonprofit research institution" means any not-for-
10 profit public or private facility in this state which has the
11 capabilities for research projects and which is not a subsidiary of
12 any corporation, partnership, or association organized for profit,
13 nor is its stock or assets owned or controlled by a corporation,
14 partnership, or association organized for profit;

15 ~~18.~~ 17. "OAI" means Oklahoma Aerospace Institute, a strategic
16 partnership that will focus available resources to promote
17 cooperation and collaboration among Oklahoma businesses,
18 manufacturers, military installations, commercial aviation, higher
19 education institutions, nonprofit research institutions, and state
20 government;

21 ~~19.~~ 18. "OAME" means the Oklahoma Alliance for Manufacturing
22 Excellence, Inc., a corporation to be formed pursuant to the
23 provisions of Title 18 of the Oklahoma Statutes and Section 5060.26
24 of this title;

1 ~~20.~~ 19. "ONAP" means the Oklahoma Nanotechnology Applications
2 Project;

3 ~~21.~~ 20. "OSTRaD" means the Oklahoma Science and Technology
4 Research and Development Act;

5 ~~22.~~ 21. "Person" means any individual, partnership, corporation
6 or joint venture carrying on business or proposing to carry on
7 business within the state;

8 ~~23.~~ 22. "Plant science research" means those research
9 activities occurring at institutions of higher education, nonprofit
10 research institutions, and in private enterprises, which have
11 potential commercial application and concern plant productivity,
12 renewable biomass, plant-based environmental applications and
13 chemical platforms, plant-based solutions to improve nutrition,
14 human and/or animal health or performance, process applications, and
15 seed management and the development of new products and services
16 that shall form the basis of new, high-technology plant
17 science/agriculture industry for this state;

18 ~~24.~~ 23. "Product" means any outcome, device, technique or
19 process, which is or may be developed or marketed commercially and
20 which has advanced beyond the theoretical stage and is in a
21 prototype or practice stage;

22 ~~25.~~ 24. "Professional service contract" means a written
23 agreement providing funds for the performance of a research project;
24 for salaries and fringe benefits of personnel associated with

1 research programs; for research equipment; for operating expenses
2 associated with a research program; or for services provided in
3 connection with the evaluation of applications submitted to the
4 Center;

5 ~~26.~~ 25. "Qualified security" means any public or private
6 financial arrangement, involving any note, security, debenture,
7 evidence of indebtedness, certificate of interest or participation
8 in any profit-sharing agreement, preorganization certificate or
9 subscription, transferable security, investment contract,
10 certificate of deposit for a security, certificate of interest or
11 participation in a patent or application therefor, or in royalty or
12 other payments under such a patent or application, or, in general,
13 any interest or instrument commonly known as a "security" or any
14 certificate for, receipt for, guarantee of, or option, warrant or
15 right to subscribe to or purchase any of the foregoing to the extent
16 allowed by law;

17 ~~27.~~ 26. "Seed-capital" means funding, capital, and financing
18 that is provided and made available for the creation, development,
19 validation, refinement, protection, manufacturing, marketing, and
20 commercialization of a product, process, concept, invention, or
21 innovation, whether for the startup of a new enterprise or for the
22 expansion, growth, or restructuring of an existing enterprise; and

23 ~~28.~~ 27. "Technology transfer" means a two-way process by which
24 ideas or inventions for processes or products (developed in research

1 programs usually on a laboratory or pilot-plant scale) are converted
2 to commercial use.

3 SECTION 67. AMENDATORY 74 O.S. 2011, Section 5060.9, is
4 amended to read as follows:

5 Section 5060.9 A. The Oklahoma Science and Technology Research
6 and Development Board shall have the power to:

7 1. Make, amend and repeal bylaws for the management of the
8 Center ~~and the Institute;~~

9 2. Sue and be sued;

10 3. Make contracts and execute all instruments necessary or
11 convenient for carrying out the business of the Center ~~and the~~
12 ~~Institute;~~

13 4. Acquire, own, hold, dispose of and encumber real or personal
14 property of any nature, including tangible, intangible, commercial
15 or intellectual, or any interest therein;

16 5. Enter into agreements or other transactions with any
17 federal, state, county or municipal agency, authority or other
18 governmental entity and with any individual, corporation,
19 enterprise, association or any other entity involving research and
20 technology;

21 6. Acquire real property or an interest therein, by purchase or
22 foreclosure, where such acquisition is necessary or appropriate to
23 protect or secure any investment or loan in which the Center has an
24 interest;

1 7. Sell, transfer and convey any such property to a buyer, and
2 in the event such sale, transfer or conveyance cannot be effected
3 with reasonable promptness or at a reasonable price, to lease such
4 property to a tenant;

5 8. Invest any funds provided by the state and held in reserve
6 in funds not required for immediate disbursement and invest funds
7 received from gifts, grants, donations and other operations of the
8 Center in such investments as would be lawful for a private
9 corporation having purposes similar to the Center;

10 9. Borrow money and give guaranties, provided that the
11 indebtedness and other obligations of the Center ~~or Institute~~ shall
12 be payable solely out of the resources of the Center ~~or the~~
13 ~~Institute, respectively,~~ and shall not constitute a pledge of the
14 full faith and credit of the state or any of its revenues;

15 10. Appoint officers, consultants, agents and advisors, and
16 prescribe their duties and compensation;

17 11. Appear on its own behalf or on behalf of the Center ~~or~~
18 ~~Institute~~ before boards, commissions, departments or other agencies
19 of municipal, county or state government or federal government;

20 12. Procure insurance against any losses in connection with its
21 properties in such amounts from such insurers as may be necessary or
22 desirable;

23 13. Consent, subject to the provisions of any contract with
24 note-holders, whenever it considers it necessary or desirable in the

1 fulfillment of the goals and purposes of the Center ~~or Institute~~, to
2 the modifications, with respect to the rate of interest, time
3 payment or of any installment, of principal and interest or any
4 terms of any contract or agreement of any kind to which the Center
5 ~~or the Institute~~ is a party;

6 14. Accept any and all donations, grants, bequests and devises,
7 conditional and otherwise, of money, property, services or other
8 things of value which may be received from the United States or any
9 agency thereof, any governmental agency, or any institution, person,
10 firm or corporation, public or private, to be held, used or applied
11 for any or all of the goals and purposes of the Center ~~or the~~
12 ~~Institute~~, in accordance with the terms and conditions of any such
13 grant;

14 15. Trade, buy or sell qualified securities;

15 16. Own, possess and take license in, patents, copyrights and
16 proprietary processes and negotiate and enter into contracts and
17 establish charges for the use of such patents, copyrights and
18 proprietary processes when such patents and licenses for innovation
19 or inventions result from research sponsored by the Center ~~or~~
20 ~~Institute~~ in a private enterprise or when the Center ~~or Institute~~
21 finances a product developed by a private enterprise;

22 17. Establish policies governing royalty payments to the Center
23 ~~and Institute~~ on patents and licenses for innovations or inventions
24 arising in the course of research sponsored by the Center ~~or~~

1 ~~Institute~~ at institutions of higher education and nonprofit research
2 foundations; such royalty policies should reflect an appropriate
3 sharing of legal risk as well as financial return between the Center
4 ~~or Institute~~ and such institution or foundation; such patents and
5 licenses shall be in keeping with the patent policies of such
6 institutions or foundations;

7 18. Conduct studies which are related to economic development,
8 involving product or process innovations;

9 19. Solicit, study and assist in the preparation of business
10 plans and proposals of new or established enterprises of special
11 importance to the Oklahoma economy;

12 20. Prepare, publish and distribute such technological studies,
13 reports, bulletins and other materials as it considers appropriate,
14 subject only to the maintenance and responsibility for
15 confidentiality of the client proprietary information, and encourage
16 institutions of higher education to develop and disseminate similar
17 materials;

18 21. Sponsor, or co-sponsor with both private industry and
19 higher education institutions, special institutes, conferences and
20 demonstrations relating to the stimulation of innovation, science
21 and technologically oriented enterprises;

22 22. Participate with any state agency or institution of higher
23 education in developing specific goals, programs and performance
24 monitoring systems to assist in the development of basic research,

1 applied research and technology transfer of special importance to
2 the Oklahoma economy;

3 23. Provide scientific and technological data and information
4 required by the Governor, the Legislature, or its committees, and to
5 state agencies, institutions of higher education and cities, towns,
6 counties and school districts and to private citizens and groups,
7 within the limitations of the resources available to the Center;

8 24. Provide training and practical experience for Oklahoma
9 researchers in the preparation of applications for peer-reviewed
10 grant competitions;

11 25. Facilitate public/private partnerships that will support
12 the creation of endowed chairs, scholarships, research grants, and
13 business opportunities;

14 26. Develop policies and procedures for partnering with and/or
15 between universities offering engineering or technology degrees in
16 Oklahoma to facilitate joint public/private technology research and
17 development projects using resources and facilities of such public
18 higher education institutions or private entities; provided that,
19 the Board shall utilize, and accord lead status to, Rogers State
20 University for coordinating and delivering higher education distance
21 learning opportunities initiated or developed by the Board;

22 27. Advertise for, accept, and fund proposals from
23 universities, private industries, towns, counties, municipalities,
24 and individuals to achieve its goals and purposes;

1 28. Collaborate with the various entities to develop
2 initiatives which foster economic development through technological
3 advancement;

4 29. Create institutes or centers with world-class research
5 teams that support the state's primary economic development thrusts;
6 and

7 ~~30. Expend monies from the income and investment return and~~
8 ~~principal from the Oklahoma Institute of Technology Trust Fund, upon~~
9 ~~authorization of the trustees of the trust fund by the required vote~~
10 ~~as provided in Section 12 of this act; and~~

11 ~~31.~~ Exercise any other powers necessary for the operation and
12 functioning of the Center within the purposes authorized in this
13 act.

14 B. The Center ~~and the Institute~~ shall be exempt from all
15 franchise, corporate business and income taxes levied by the state.
16 The manufacture or sale of any products or processes which are the
17 subject of any agreement made by the Center ~~or the Institute~~, or any
18 person entering into any agreement with the Center ~~or Institute~~
19 shall not be exempt from any such taxes or taxes applicable to such
20 manufacture or sale.

21 C. The Center ~~and Institute~~ shall include in the annual
22 business plan appropriate administrative policies, including but not
23 limited to policies governing the classification, employment,
24 promotion, suspension, disciplinary action or dismissal of Center

1 employees, ~~including employees assigned to the Institute;~~
2 purchasing~~,~~ travel~~,~~ and reimbursement of employees. All actions
3 governed by said administrative policies shall be examined annually
4 in the independent audit required by Section 5060.22 of this title.
5 The Center ~~and Institute~~ shall not be subject to state purchasing
6 laws, except with respect to purchases required for the
7 administrative expenses of the Board, or laws concerning travel or
8 reimbursement of state employees. Professional service contracts
9 executed by the Center ~~or Institute~~ shall not be subject to any
10 requirement of law relating to competitive bidding.

11 Because many of the powers and duties of the Center ~~and~~
12 ~~Institute~~ involve working closely with the private sector, certain
13 employee positions of the Center, ~~including employees assigned to~~
14 ~~the Institute,~~ must be governed, classified and compensated in a
15 manner that compares equally to similar positions in the private
16 sector. Therefore, in the annual business plan, the Board shall
17 list, describe and justify all such positions and their compensation
18 and shall designate and place them in unclassified status, exempt
19 from the provisions of the Oklahoma Personnel Act. All other
20 employees and positions shall be classified and subject to the
21 provisions of the Merit System of Personnel Administration as
22 provided in the Oklahoma Personnel Act. Provided, nothing in this
23 section shall be construed to limit the authority of the Legislature
24 to specify the status of positions otherwise by law. Neither shall

1 the Board have the authority to circumvent, disregard or otherwise
2 disobey specific provisions of law regarding positions in the Center
3 ~~or the Institute.~~

4 D. Upon approval of the Board, the Center shall have the
5 authority to exercise the powers enumerated in subsection A of this
6 section.

7 SECTION 68. AMENDATORY 74 O.S. 2011, Section 5060.22, is
8 amended to read as follows:

9 Section 5060.22 A. The Oklahoma Science and Technology
10 Research and Development Board is authorized and instructed to make
11 an annual report no later than November 1 to the Governor, the
12 President Pro Tempore of the Senate, and the Speaker of the House of
13 Representatives that shall describe the accomplishments, the
14 expenditures, and the activities of the prior fiscal year. The
15 report shall include elements the Board identifies as hampering the
16 state's economic progress and recommendations for changes. The
17 report shall include an independent audit in accordance with
18 auditing standards generally accepted in the United States and the
19 standards applicable to financial audits contained in Government
20 Auditing Standards, latest revised edition, issued by the
21 Comptroller General of the United States, which shall examine, among
22 other things, actions governed by the administrative policies
23 adopted by the Board on behalf of the Oklahoma Center for the
24 Advancement of Science and Technology ~~and the Oklahoma Institute of~~

1 ~~Technology~~. The annual report shall specifically account for the
2 ways in which the need, mission and programs of the Center ~~and the~~
3 ~~Institute~~ have been carried out, including but not limited to a
4 review of the results of the operations and transactions according
5 to objective measures set forth in the business plan. The report
6 shall recommend specific changes in the activities of the Center ~~or~~
7 ~~Institute~~ which are necessary to better carry out the need and
8 mission described in the Oklahoma Center for the Advancement of
9 Science and Technology Act. The Board shall distribute its annual
10 report by such means that will make it widely available to those
11 innovative enterprises of special importance to the Oklahoma
12 economy.

13 B. The Board shall annually review and prepare a report showing
14 how and at what level other states fund technology-based economic
15 development programs. The Board shall recommend an appropriate
16 funding level for Oklahoma which will make these programs nationally
17 competitive with those of other states. The Board's findings and
18 recommendations shall be included in the annual report to be
19 submitted to the Governor and the Legislature.

20 C. The Center shall adopt a threshold funding level for each of
21 the programs provided for by law. The threshold amount shall
22 provide for funding that is great enough to have a significant
23 impact and carry out the intent of the Legislature. If the funding
24 for these programs falls below the threshold, then no funding shall

1 be provided by the Center to the program funded below threshold
2 level.

3 D. The Board, on behalf of the Center ~~and Institute~~, shall fund
4 areas of research and development that the Board selects as most
5 likely to stimulate information technology, biotechnology, genetics,
6 meteorology and climate studies, and emerging or developing
7 technology and related jobs; foster patents; result in new patents,
8 copyrights, trademarks, and licenses of value; pursue world-class
9 research teams that support the state's primary economic development
10 thrusts or focus areas; and stimulate private and public investments
11 with the intent to encourage economic development in Oklahoma.

12 SECTION 69. AMENDATORY 74 O.S. 2011, Section 5060.30, as
13 amended by Section 1039, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
14 2012, Section 5060.30), is amended to read as follows:

15 Section 5060.30 A. The "Oklahoma ~~Institute of~~ Technology Trust
16 Fund" is hereby created. The trust fund shall be administered as
17 follows:

18 1. The trustees of the trust fund shall consist of seven
19 members of the Oklahoma Science and Technology Research and
20 Development Board who are the presidents of Oklahoma State
21 University, the University of Oklahoma, and the private university
22 offering graduate engineering degrees and the four chief executive
23 officers or senior executive officers of corporations or
24 foundations. The chair of the board of trustees shall be elected by

1 the trustees from among the four chief executive officers or senior
2 executive officers who also serve on the Oklahoma Science and
3 Technology Research and Development Board.

4 2. After January 1, 2003, the board of trustees may by
5 unanimous vote expand the number of trustees at any time. No more
6 than three members added by the board of trustees may serve
7 concurrently. The members added by the board of trustees shall be
8 representatives of industries ~~that have demonstrated support for the~~
9 ~~Oklahoma Institute of Technology~~, shall have full voting rights, and
10 shall serve four-year terms. A position added by the board of
11 trustees may be filled at the end of the term by vote of the
12 trustees. A position not filled by the trustees at the end of the
13 term shall be considered abolished.

14 3. ~~The trust fund shall be utilized to further the mission and~~
15 ~~purposes of the Institute.~~

16 4. The trust fund principal shall consist of monies received
17 from any monies the Legislature appropriates for, or transfers to,
18 the trust fund and any monies or assets contributed to the trust
19 fund from any other source, public or private. Notwithstanding
20 other provisions of law, income and investment return on trust fund
21 principal shall accrue to the trust fund and may be authorized upon
22 a majority vote of the trustees for use and expenditure by the
23 Oklahoma Science and Technology Research and Development Board ~~for~~
24 ~~the purposes of the Institute.~~ Use of the trust fund principal may

1 be authorized upon a vote of three-fourths of the trustees for use
2 and expenditure by the Oklahoma Science and Technology Research and
3 Development Board ~~to achieve the purposes and goals of the~~
4 ~~Institute.~~

5 ~~5.~~ 4. The trustees shall develop procedures for accomplishing
6 transfer of income and investment return to appropriate accounts set
7 up in the Office of the State Treasurer.

8 ~~6.~~ 5. The trust fund may be dissolved upon an act approved by
9 three-fourths (3/4) of both houses of the Legislature or pursuant to
10 a plan for use of the principal, leading to dissolution of the trust
11 fund, over a ten-year period that has been proposed by the trustees
12 and approved by the Legislature and the Governor. Upon the trust
13 fund's dissolution, any funds in the trust fund shall be placed in
14 the state general revenue fund, unless the Legislature specifically
15 provides otherwise.

16 B. There is hereby created in the State Treasury a fund for the
17 Oklahoma ~~Institute of Technology~~ Center for the Advancement of
18 Science and Technology to be designated the "Oklahoma ~~Institute of~~
19 Technology Fund". The fund shall be a continuing fund, not subject
20 to fiscal year limitations, and shall consist of any monies received
21 by the ~~Institute~~ Center from the Legislature or other sources for
22 the fund. All monies accruing to the credit of the fund are hereby
23 appropriated and may be budgeted and expended by the Oklahoma
24 Science and Technology Research and Development Board for the

1 purposes of the ~~Institute~~ Center. Expenditures from the fund shall
2 be made upon warrants issued by the State Treasurer against claims
3 filed as prescribed by law with the Director of the Office of
4 Management and Enterprise Services for approval and payment. The
5 Oklahoma Science and Technology Research and Development Board shall
6 develop procedures for setting up accounts within the fund as
7 necessary in the Office of the State Treasurer. The Board shall
8 place only funds appropriated for or otherwise received for the
9 ~~Institute~~ Center in the accounts for the ~~Institute~~ Center and shall
10 not commingle funds that are not appropriated or otherwise received
11 for the ~~Institute~~ Center with funds appropriated or received for any
12 other purpose of the Center.

13 SECTION 70. REPEALER 74 O.S. 2011, Section 5212, is
14 hereby repealed.

15 SECTION 71. REPEALER 74 O.S. 2011, Section 8401, as
16 amended by Section 1052, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
17 2012, Section 8401), is hereby repealed.

18 SECTION 72. AMENDATORY 75 O.S. 2011, Section 250.10, is
19 amended to read as follows:

20 Section 250.10 The Governor by Executive Order or either house
21 of the Legislature or both houses of the Legislature by resolution,
22 or a small business ~~or the Small Business Regulatory Review~~
23 ~~Committee pursuant to Section 5 of this act~~, may request an agency
24 to review its rules to determine whether or not the rules in

1 question should be amended, repealed or redrafted. The agency shall
2 respond to requests from the Governor or the Legislature within
3 ninety (90) calendar days of such request.

4 SECTION 73. AMENDATORY 75 O.S. 2011, Section 303, is
5 amended to read as follows:

6 Section 303. A. Prior to the adoption of any rule or amendment
7 or revocation of a rule, the agency shall:

8 1. Cause notice of any intended action to be published in "The
9 Oklahoma Register" pursuant to subsection B of this section;

10 2. For at least thirty (30) days after publication of the
11 notice of the intended rulemaking action, afford a comment period
12 for all interested persons to submit data, views or arguments,
13 orally or in writing. The agency shall consider fully all written
14 and oral submissions respecting the proposed rule;

15 3. Hold a hearing, if required, as provided by subsection C of
16 this section;

17 4. Consider the effect its intended action may have on the
18 various types of business and governmental entities. Except where
19 such modification or variance is prohibited by statute or
20 constitutional constraints, if an agency finds that its actions may
21 adversely affect any such entity, the agency may modify its actions
22 to exclude that type of entity, or may "tier" its actions to allow
23 rules, penalties, fines or reporting procedures and forms to vary
24 according to the size of a business or governmental entity or its

1 ability to comply or both. For business entities, the agency shall
2 include a description of the probable quantitative and qualitative
3 impact of the proposed rule, economic or otherwise, and use
4 quantifiable data to the extent possible, taking into account both
5 short-term and long-term consequences; and

6 5. Consider the effect its intended action may have on the
7 various types of consumer groups. If an agency finds that its
8 actions may adversely affect such groups, the agency may modify its
9 actions to exclude that type of activity.

10 B. The notice required by paragraph 1 of subsection A of this
11 section shall include, but not be limited to:

- 12 1. In simple language, a brief summary of the rule;
- 13 2. The proposed action being taken;
- 14 3. The circumstances which created the need for the rule;
- 15 4. The specific legal authority authorizing the proposed rule;
- 16 5. The intended effect of the rule;
- 17 6. If the agency determines that the rule affects business
18 entities, a request that such entities provide the agency, within
19 the comment period, in dollar amounts if possible, the increase in
20 the level of direct costs such as fees, and indirect costs such as
21 reporting, recordkeeping, equipment, construction, labor,
22 professional services, revenue loss, or other costs expected to be
23 incurred by a particular entity due to compliance with the proposed
24 rule;

1 7. The time when, the place where, and the manner in which
2 interested persons may present their views thereon pursuant to
3 paragraph 3 of subsection A of this section;

4 8. Whether or not the agency intends to issue a rule impact
5 statement according to subsection D of this section and where copies
6 of such impact statement may be obtained for review by the public;

7 9. The time when, the place where, and the manner in which
8 persons may demand a hearing on the proposed rule if the notice does
9 not already provide for a hearing. If the notice provides for a
10 hearing, the time and place of the hearing shall be specified in the
11 notice; and

12 10. Where copies of the proposed rules may be obtained for
13 review by the public. An agency may charge persons for the actual
14 cost of mailing a copy of the proposed rules to such persons.

15 The number of copies of such notice as specified by the
16 Secretary shall be submitted to the Secretary who shall publish the
17 notice in "The Oklahoma Register" pursuant to the provisions of
18 Section 255 of this title.

19 Prior to or within three (3) days after publication of the
20 notice in "The Oklahoma Register", the agency shall cause a copy of
21 the notice of the proposed rule adoption and the rule impact
22 statement, if available, to be mailed to all persons who have made a
23 timely request of the agency for advance notice of its rulemaking
24 proceedings. Provided, in lieu of mailing copies, an agency may

1 electronically notify interested persons that a copy of the proposed
2 rule and the rule impact statement, if available, may be viewed on
3 the agency's web site. If an agency posts a copy of the proposed
4 rule and rule impact statement on its web site, the agency shall not
5 charge persons for the cost of downloading or printing the proposed
6 rule or impact statement. Each agency shall maintain a listing of
7 persons or entities requesting such notice.

8 C. 1. If the published notice does not already provide for a
9 hearing, an agency shall schedule a hearing on a proposed rule if,
10 within thirty (30) days after the published notice of the proposed
11 rule adoption, a written request for a hearing is submitted by:

- 12 a. at least ten persons,
- 13 b. a political subdivision,
- 14 c. an agency, or
- 15 d. an association having not less than twenty-five
- 16 members, ~~or~~
- 17 e. ~~the Small Business Regulatory Review Committee.~~

18 At that hearing persons may present oral argument, data, and
19 views on the proposed rule.

20 2. A hearing on a proposed rule may not be held earlier than
21 thirty (30) days after notice of the hearing is published pursuant
22 to subsection B of this section.

23 3. The provisions of this subsection shall not be construed to
24 prevent an agency from holding a hearing or hearings on the proposed

1 rule although not required by the provisions of this subsection;
2 provided that notice of such hearing shall be published in "The
3 Oklahoma Register" at least thirty (30) days prior to such hearing.

4 D. 1. Except as otherwise provided in this subsection, an
5 agency shall issue a rule impact statement of a proposed rule prior
6 to or within fifteen (15) days after the date of publication of the
7 notice of proposed rule adoption. The rule impact statement may be
8 modified after any hearing or comment period afforded pursuant to
9 the provisions of this section.

10 2. Except as otherwise provided in this subsection, the rule
11 impact statement shall include, but not be limited to:

- 12 a. a brief description of the purpose of the proposed
13 rule,
- 14 b. a description of the classes of persons who most
15 likely will be affected by the proposed rule,
16 including classes that will bear the costs of the
17 proposed rule, and any information on cost impacts
18 received by the agency from any private or public
19 entities,
- 20 c. a description of the classes of persons who will
21 benefit from the proposed rule,
- 22 d. a description of the probable economic impact of the
23 proposed rule upon affected classes of persons or
24 political subdivisions, including a listing of all fee

1 changes and, whenever possible, a separate
2 justification for each fee change,

3 e. the probable costs and benefits to the agency and to
4 any other agency of the implementation and enforcement
5 of the proposed rule, the source of revenue to be used
6 for implementation and enforcement of the proposed
7 rule, and any anticipated effect on state revenues,
8 including a projected net loss or gain in such
9 revenues if it can be projected by the agency,

10 f. a determination of whether implementation of the
11 proposed rule will have an economic impact on any
12 political subdivisions or require their cooperation in
13 implementing or enforcing the rule,

14 g. a determination of whether implementation of the
15 proposed rule may have an adverse economic effect on
16 small business as provided by the Oklahoma Small
17 Business Regulatory Flexibility Act,

18 h. an explanation of the measures the agency has taken to
19 minimize compliance costs and a determination of
20 whether there are less costly or nonregulatory methods
21 or less intrusive methods for achieving the purpose of
22 the proposed rule,

23 i. a determination of the effect of the proposed rule on
24 the public health, safety and environment and, if the

1 proposed rule is designed to reduce significant risks
2 to the public health, safety and environment, an
3 explanation of the nature of the risk and to what
4 extent the proposed rule will reduce the risk,

5 j. a determination of any detrimental effect on the
6 public health, safety and environment if the proposed
7 rule is not implemented, and

8 k. the date the rule impact statement was prepared and if
9 modified, the date modified.

10 3. To the extent an agency for good cause finds the preparation
11 of a rule impact statement or the specified contents thereof are
12 unnecessary or contrary to the public interest in the process of
13 adopting a particular rule, the agency may request the Governor to
14 waive such requirement. Upon request by an agency, the Governor may
15 also waive the rule impact statement requirements if the agency is
16 required to implement a statute or federal requirement that does not
17 require an agency to interpret or describe the requirements, such as
18 federally mandated provisions which afford the agency no discretion
19 to consider less restrictive alternatives. If the Governor fails to
20 waive such requirement, in writing, prior to publication of the
21 notice of the intended rulemaking action, the rule impact statement
22 shall be completed. The determination to waive the rule impact
23 statement shall not be subject to judicial review.

1 4. The rule shall not be invalidated on the ground that the
2 contents of the rule impact statement are insufficient or
3 inaccurate.

4 E. Upon completing the requirements of this section, an agency
5 may adopt a proposed rule. No rule is valid unless adopted in
6 substantial compliance with the provisions of this section.

7 SECTION 74. AMENDATORY 75 O.S. 2011, Section 502, is
8 amended to read as follows:

9 Section 502. As used in the Oklahoma Small Business Regulatory
10 Flexibility Act:

11 1. "Agency" is defined as provided by paragraph 3 of Section
12 250.3 of ~~Title 75 of the Oklahoma Statutes~~ this title, except that
13 agencies established by Title 59 of the Oklahoma Statutes that
14 license and regulate or discipline professions and occupations shall
15 be exempt from the definition of agency in the Oklahoma Small
16 Business Regulatory Flexibility Act;

17 2. ~~"Committee" means the Small Business Regulatory Review~~
18 ~~Committee;~~

19 ~~3.~~ "Rule" is defined as provided by paragraph ~~15~~ 17 of Section
20 250.3 of ~~Title 75 of the Oklahoma Statutes~~ this title, provided that
21 the definition shall not include emergency or preemptive rules; and

22 ~~4.~~ 3. "Small business" means a for-profit enterprise
23 consisting of fifty or fewer full-time or part-time employees.

24

1 SECTION 75. AMENDATORY 75 O.S. 2011, Section 504, is
2 amended to read as follows:

3 Section 504. A. Prior to submitting proposed permanent rules
4 for adoption, amendment, revision or revocation pursuant to the
5 Administrative Procedures Act, the agency shall comply with the
6 provisions of paragraph 4 of subsection A of Section 303 of this
7 title in order to determine whether the proposed rules adversely
8 affect small business.

9 ~~B. If the proposed rules may have an adverse economic effect
10 upon small business, the agency shall submit a copy of the proposed
11 rules and a rule impact statement to the Small Business Regulatory
12 Review Committee for its review and comment pursuant to the review
13 and comment provisions of paragraph 2 of subsection A and paragraph
14 6 of subsection B of Section 303 of this title.~~

15 ~~C. Within the review and comment period, if the Small Business
16 Regulatory Review Committee determines that the proposed rules may
17 have an adverse economic effect upon small business, the Committee
18 shall submit to the agency a request to consider:~~

19 ~~1. The availability and practicability of less restrictive
20 alternatives that could be implemented; and~~

21 ~~2. Creative, innovative, or flexible methods of compliance for
22 small businesses.~~

23 ~~D.~~ The Oklahoma Small Business Regulatory Flexibility Act shall
24 not apply to proposed permanent rules by an agency to implement a

1 statute or ordinance that does not require an agency to interpret or
2 describe the requirements of the statute or ordinance, such as state
3 legislative or federally mandated provisions which afford the agency
4 no discretion to consider less restrictive alternatives.

5 SECTION 76. AMENDATORY 75 O.S. 2011, Section 505, is
6 amended to read as follows:

7 Section 505. A. For promulgated rules, any adversely affected
8 small business may file a written petition with the agency that has
9 promulgated the rules objecting to all or part of any rule adversely
10 affecting small business on any of the following grounds:

11 1. The actual effect on small business was not reflected in, or
12 significantly exceeded, the small business impact statement
13 formulated by the agency pursuant to the provisions of paragraph 4
14 of subsection A and paragraph 6 of subsection B of Section 303 of
15 ~~Title 75 of the Oklahoma Statutes~~ this title prior to the adoption
16 of the rules;

17 2. These impacts were either not previously considered at the
18 public hearing on the rules or there was no public hearing on the
19 rules; or

20 3. The technology, economic conditions, or other relevant
21 factors justifying the purpose for the rules have changed or no
22 longer exist.

23 B. ~~Upon submission of the petition, the agency shall forward a~~
24 ~~copy of the petition to the Small Business Regulatory Review~~

1 ~~Committee as notification of a petition filed under the Oklahoma~~
2 ~~Small Business Regulatory Flexibility Act.~~ The agency shall
3 promptly consider the petition and may seek advice and counsel
4 regarding the petition. Within sixty (60) days after the submission
5 of the petition, the agency shall determine whether the impact
6 statement or the public hearing addressed the actual and significant
7 impact on small business or if conditions justifying the rule have
8 changed. ~~The agency shall submit a written response of its~~
9 ~~determination to the Small Business Regulatory Review Committee~~
10 ~~within sixty (60) days after receipt of the petition.~~ If the agency
11 determines that the petition merits the amendment, revision, or
12 revocation of a rule, it may initiate proceedings in accordance with
13 the applicable requirements of the Administrative Procedures Act.

14 ~~C. If the agency determines that the petition does not merit~~
15 ~~the amendment, revision, or revocation of any rule, any adversely~~
16 ~~affected small business may seek a review of the decision by the~~
17 ~~Small Business Regulatory Review Committee. The Committee shall~~
18 ~~promptly convene a meeting for the purpose of determining whether to~~
19 ~~recommend that the agency initiate proceedings in accordance with~~
20 ~~the Administrative Procedures Act. Such review shall not be de novo~~
21 ~~but shall be based upon the actual record presented to the agency.~~
22 ~~The Committee may base its recommendation on any of the following~~
23 ~~reasons:~~

24

1 ~~1. The actual effect on small business was not reflected in, or~~
2 ~~significantly exceeded, the small business impact statement~~
3 ~~formulated by the agency pursuant to the provisions of paragraph 4~~
4 ~~of subsection A and paragraph 6 of subsection B of Section 303 of~~
5 ~~Title 75 of the Oklahoma Statutes prior to the promulgation of the~~
6 ~~rules;~~

7 ~~2. These impacts were not previously considered by the agency;~~
8 ~~or~~

9 ~~3. The technology, economic conditions, or other relevant~~
10 ~~factors justifying the purpose for the rules have changed or no~~
11 ~~longer exist.~~

12 ~~D. If the Small Business Regulatory Review Committee recommends~~
13 ~~that an agency initiate rulemaking proceedings for any reason~~
14 ~~provided in subsection C of this section, the Committee shall submit~~
15 ~~to the Speaker of the House of Representatives and the President Pro~~
16 ~~Tempore of the Senate an evaluation report and the agency's response~~
17 ~~as provided in subsection B of this section. The Legislature may~~
18 ~~subsequently take such action in response to the evaluation report~~
19 ~~and the agency's response as the Legislature finds appropriate.~~

20 SECTION 77. REPEALER 75 O.S. 2011, Section 503, is
21 hereby repealed.

22 SECTION 78. REPEALER 82 O.S. 2011, Section 110.30, is
23 hereby repealed.

1 SECTION 79. REPEALER 85 O.S. 2011, Section 358, is
2 hereby repealed.

3 SECTION 80. AMENDATORY 85 O.S. 2011, Section 365, as
4 amended by Section 1076, Chapter 304, O.S.L. 2012 (85 O.S. Supp.
5 2012, Section 365), is amended to read as follows:

6 Section 365. ~~A. The Individual Self-Insured Guaranty Fund and
7 its Board provided for in Section 358 of this title and the Group
8 Self-Insurance Association Guaranty Fund and its Board provided for
9 in Section 359 of this title shall cease to exist and shall be
10 succeeded by the Workers' Compensation Self-Insurance Guaranty Fund
11 and its Board once the initial appointments to the Workers'
12 Compensation Self-Insurance Guaranty Fund Board are made pursuant to
13 Section 360 of this title. At that time, all unexpended funds,
14 including interest thereon, assets, property, records, and any
15 outstanding financial obligations and encumbrances of the Individual
16 Self-Insured Guaranty Fund Board and Group Self-Insurance
17 Association Guaranty Fund Board shall be transferred to the Workers'
18 Compensation Self-Insurance Guaranty Fund Board created by Section
19 360 of this title. The Director of the Office of Management and
20 Enterprise Services is hereby directed to coordinate the transfer of
21 funds, outstanding financial obligations or encumbrances provided
22 for in this subsection.~~

23 ~~B.~~ Any claim existing or action or proceeding pending by,
24 against or before the Individual Self-Insured Guaranty Fund Board or

1 the Group Self-Insurance Association Guaranty Fund Board when the
2 entities ceased existence may be continued as if the merger into the
3 Workers' Compensation Self-Insurance Guaranty Fund Board did not
4 occur, or the Workers' Compensation Self-Insurance Guaranty Fund
5 Board may be substituted in the matter. The Workers' Compensation
6 Self-Insurance Guaranty Fund Board shall be responsible and liable
7 for all liabilities and obligations of the entities that ceased
8 existence.

9 SECTION 81. REPEALER 85 O.S. 2011, Sections 359 and 360,
10 are hereby repealed.

11 SECTION 82. AMENDATORY 85 O.S. 2011, Section 367, is
12 amended to read as follows:

13 Section 367. A. Annually, on or before the first day of July,
14 the Administrator of the Workers' Compensation Court shall prepare,
15 make public and submit a report for the prior calendar year to the
16 Governor, the Chief Justice of the Supreme Court, the President Pro
17 Tempore of the Senate, the Speaker of the House of Representatives
18 and each member of the Legislature, which shall include a statement
19 of the number of awards made and the causes of the accidents leading
20 to the injuries for which the awards were made, total work load data
21 of the Workers' Compensation Court, a detailed report of the work
22 load of and orders written by each judge of the Court, a detailed
23 statement of the expenses of the office of the Administrator and the
24 Court, together with any other matter which the Administrator deems

1 proper to report to the Governor, including any recommendations the
2 Administrator may desire to make.

3 B. After public hearing and consultation with representatives
4 of employers, insurance carriers, and employees, the Administrator
5 shall implement, with the assistance of the Insurance Commissioner,
6 by July 1, 2012, an electronic data interchange (EDI) system that
7 provides relevant data concerning the Oklahoma workers' compensation
8 system and the delivery of benefits to injured workers.

9 ~~C. To assist the Administrator in developing and implementing~~
10 ~~the EDI system, there is hereby created the Oklahoma Workers'~~
11 ~~Compensation Electronic Data Interchange Advisory Committee. Within~~
12 ~~thirty (30) days of the effective date of this act, the Governor~~
13 ~~shall appoint five persons to serve as members of the advisory~~
14 ~~committee, one of whom shall be selected by the Governor as chair.~~
15 ~~The Administrator and Insurance Commissioner shall be nonvoting~~
16 ~~members of the advisory committee. The Administrator shall provide~~
17 ~~adequate notice of meetings of the advisory committee and public~~
18 ~~hearings as required by law.~~

19 SECTION 83. REPEALER Section 2, Chapter 335, O.S.L.
20 2007, is hereby repealed.

21 SECTION 84. REPEALER Section 1, Chapter 163, O.S.L.
22 2008, is hereby repealed.

23 SECTION 85. This act shall become effective November 1, 2013.
24

1 Passed the House of Representatives the 7th day of March, 2013.

2
3 _____
4 Presiding Officer of the House
of Representatives

5 Passed the Senate the ___ day of _____, 2013.

6
7 _____
8 Presiding Officer of the Senate