An Act

ENROLLED HOUSE
BILL NO. 2480

By: Joyner and Morrissette of the House

and

Barrington, Sparks and Sharp of the Senate

An Act relating to revenue and taxation; amending 68 O.S. 2011, Section 1370.7, which relates to regional economic development and transportation authorities; modifying definitions; adding definition; providing for regional districts; establishing governance requirements for certain authorities; limiting applicability of certain tax levies; modifying duration of certain tax levies; modifying apportionment within the regional district of excess tax levies; and providing an effective date.

SUBJECT: Regional economic development and transportation authorities

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 1370.7, is amended to read as follows:

Section 1370.7 A. As used in this section, the following terms shall have the following meanings:

1. "Agency" includes but is not limited to extant transportation operating systems;

2. "Operation" includes but is not limited to leasing services, contracting for services, planning, <u>staffing, operating,</u> financing,

construction and maintenance of a transportation or regional economic project regardless of the source of funding;

3. "Regional district" means a specific governing and assessment district created out of any combination of any portions of any cities, towns or counties, either equal to or less than the entirety of the boundaries of such cities, towns or counties;

4. "Transportation project or system" includes but is not limited to transit, commuter and passenger rail service or operations or intermodal facilities, the components of which contribute to a system that incorporates transportation modes of highway, air, rail and waterway together in order to facilitate the movement of commerce; and

~~4.~~ 5. "User fees" means farebox revenues.

B. Any combination of cities, towns and counties, or their agencies, by resolution of their governing boards, may jointly create a transportation authority or regional economic development authority and a regional district pursuant to the provisions of Section 176 of Title 60 of the Oklahoma Statutes for the purpose of planning, financing, construction, maintenance and operation of transportation or regional economic development projects located within the boundaries of such ~~cities, towns or counties~~ regional district. An authority created pursuant to the provisions of this subsection shall have the powers granted pursuant to the provisions of Section 176 of Title 60 of the Oklahoma Statutes in addition to the powers granted pursuant to the provisions of this section except that no transportation or regional economic development authority created pursuant to the provisions of this subsection shall have any power or authority to exercise or to attempt to exercise any powers of eminent domain. The combination of cities, towns and counties, or their agencies, creating the authority shall be designated the beneficiary of the authority. The boundaries of the authority shall be coterminous with the boundaries of the ~~cities, towns or counties creating the authority~~ regional district. The authority shall be governed by a board of directors appointed by the governing boards of the cities, towns or counties creating such authority, and the representative makeup of the board and the number of directors, their duties and terms of service shall be determined by such governing boards creating such authority.

C. Any transportation authority or regional economic development authority created pursuant to the provisions of

subsection B of this section may levy a sales tax of not to exceed two percent (2%) upon the gross proceeds or gross receipts derived from all sales or services in the ~~cities, towns and counties~~ regional district comprising the authority upon which a consumer's sales tax is levied by this state. Before a sales tax may be levied by the authority, the imposition of the tax shall first be approved by a majority of votes cast by the registered voters within the boundaries of ~~each of the cities, towns and counties~~ the regional district comprising the authority voting thereon at a special election jointly called by the governing boards of the cities, towns and counties comprising the authority. Provided, if a majority of the votes cast by registered voters of an authority voting fail to approve such a tax, the governing boards of such cities, towns and counties shall not jointly call another special election for such purpose for at least six (6) months. Any sales tax approved by the registered voters of an authority shall be applicable only when the point of sale is within the boundaries or limits of the authority and provided no other sales tax is being levied pursuant to this section in the same regional district during the same time period.

D. All items that are exempt from the state sales tax shall be exempt from any sales tax levied pursuant to the provisions of this section.

E. Any sales tax which may be levied pursuant to the provisions of this section shall be designated for the purposes of planning, financing, construction, maintenance and operation of transportation or regional economic development projects within the boundaries of the authority. The authority shall identify the purpose of the sales tax when it is presented to the voters pursuant to the provisions of this section. The proceeds of any sales tax levied by an authority shall be used only for the purposes for which the sales tax was designated.

F. The authority shall identify the specific duration of the tax when it is presented to the voters pursuant to the provisions of this section and shall include specific language in the ballot title disclosing the duration of the tax. A levy by a transportation authority or a regional economic development authority shall have a maximum duration of thirty (30) years if the proceeds from the tax are pledged to the repayment of indebtedness ~~and~~, a maximum duration of twenty (20) years if the proceeds from the tax are to be used for expenditures other than the repayment of indebtedness, or for as long as such authority is in operation.

G. An authority created pursuant to the provisions of subsection B of this section may utilize the provisions of the Local Development Act as it relates to the financing of such transportation or regional economic development projects.

H. A transportation or regional economic development authority created pursuant to this section shall exist for the duration of the operation and no longer than one (1) year after cessation of the operation.

I. Providing that at cessation of operations the proceeds of any tax levied by an authority pursuant to this section are pledged for the purpose of retiring indebtedness incurred for the specific purpose for which the tax is imposed, the tax shall not be repealed until such time as the indebtedness is retired. In no event shall the life of the tax be extended beyond the duration approved by the voters of the authority.

J. If the revenue collected from any taxes levied by the authority exceeds the amount necessary for payment of any and all expenses incurred by the authority in the planning, financing, construction, maintenance and operation of transportation or regional economic development projects, the excess funds shall be apportioned to the general funds of the cities, towns and counties comprising the authority in proportion to the population of each city, town and county <u>within the regional district</u>.

K. A transportation authority created pursuant to the provisions of subsection B of this section may provide for the financing of a transportation system utilizing any revenue measures available pursuant to subsections B through J of this section in combination with revenue derived from user fees.

SECTION 2. This act shall become effective November 1, 2014.

Passed the House of Representatives the 20th day of May, 2014.

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Presiding Officer of the House
of Representatives

Passed the Senate the 21st day of May, 2014.

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Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

_____
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20 _____, at _____ o'clock _____ M.

By: _____