

**Fiscal Impact**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

**Bill No.:**  
**Version:**  
**Author:**  
**Date:**

**SB 1235**  
**INT**  
**Sen. Rader**  
**02/07/2020**

**OKLAHOMA TAX COMMISSION**

REVENUE IMPACT STATEMENT  
SECOND REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE

**DATE OF IMPACT STATEMENT:** February 8, 2020

**BILL NUMBER:** SB 1235 **STATUS AND DATE OF BILL:** Introduced 1/8/2020

**AUTHORS:** House n/a Senate Rader

**TAX TYPE (S):** Sales and Withholding

**SUBJECT:** Oklahoma Community Economic Development Pooled Finance Act

**PROPOSAL:** Amendatory


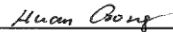

SB 1235 modifies the Oklahoma Community Economic Development Pooled Finance Act (62 O.S. § 891.1 et seq) by expanding the definitions of “eligible local government entity” and “infrastructure”.

**EFFECTIVE DATE:** November 1, 2020

**REVENUE IMPACT:**

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 21: None.  
FY 22: None

<u>Feb. 8, 2020</u>	<u></u>	
DATE	DIVISION DIRECTOR	lrh
<u>2/8/2020</u>	<u></u>	
DATE	HUAN GONG, ECONOMIST	
<u>2/10/2020</u>	<u></u>	
DATE	FOR THE COMMISSION	

*The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.*

**ATTACHMENT TO REVENUE IMPACT: SB 1235 [INTRODUCED] Prepared 2/8/20**

The Economic Development Pooled Finance Program was established in 2009 by the Oklahoma Community Economic Development Pooled Finance Act. The program supports economic development and public infrastructure projects for the purpose of attracting private investment, creating jobs, and developing infrastructure through a \$200 million pool of financing made available to for-profit entities for an economic development project, or two or more local governments for a local infrastructure project. Debt is issued by the Oklahoma Development Finance Authority (ODFA) to finance a project that receives approval from the Department of Commerce. The debt is repaid by the recipient either through captured withholding taxes generated by a for-profit entity receiving funding, or a new tax or tax increase levied by the local governments receiving funding.

The Tax Commission's role is to capture the withholding taxes as detailed in the Department of Commerce's determination letter and deposit the taxes into new fund accounts set up by OMES at the State Treasurer's office.

SB 1235 modifies the Oklahoma Community Economic Development Pooled Finance Act (62 O.S. § 891.1 et seq) by expanding the definitions of

- "Eligible local government entity" to include an entity subject to the jurisdiction of the Oklahoma State Board of Career and Technology Education or the Oklahoma State Regents for Higher Education; and
- "Infrastructure" to include any asset or project that is owned or operated by an eligible local government entity that provides a specific industry focused training program that:
  - (1) is collaboratively developed with major industry employers in this state to meet the occupational and skill demands in its workforce, and
  - (2) the delivery of instruction may be a collaboration between or among entities under the jurisdiction of the State Department of Education, the Oklahoma State Board of Career and Technology Education and the Oklahoma State Regents for Higher Education.

No change in revenue is expected as a result of this proposal.