

OKLAHOMA TAX COMMISSION**REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
SECOND REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE****DATE OF IMPACT STATEMENT:** April 18, 2022**BILL NUMBER:** HB 1413 **STATUS AND DATE OF BILL:** Engr. Amended 4/13/22**AUTHORS:** House McCall and Fugate Senate Standridge**TAX TYPE (S):** Other **SUBJECT:** Other**PROPOSAL:** New Law

Engrossed Amended HB 1413 proposes to enact the Oklahoma Rail Improvements for Economic Development Program Act (Act) and to create within the Department of Transportation (ODOT) the Oklahoma Rail Improvements for Economic Development Program.

EFFECTIVE DATE: November 1, 2022**REVENUE IMPACT:**

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

FY 23: Unknown.

April 18, 2022
DATERick Miller
DIVISION DIRECTORbdf4/18/2022
DATEHuan Gong
HUAN GONG, ECONOMIST4/19/2022
DATEJoseph P. Bayya
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 – HB 1413 [Engrossed Amended] Prepared
4/18/2022**

Engrossed Amended HB 1413 proposes to enact the Oklahoma Rail Improvements for Economic Development Program Act (Act) and to create within the Department of Transportation (ODOT) the Oklahoma Rail Improvements for Economic Development Program. The ODOT Executive Director will administer the program in consultation with the Oklahoma Department of Commerce (Commerce), and ODOT will have the power to make any contract, execute any document, or perform any act to carry out the provisions of the Act.

The program will focus on providing support for local infrastructure improvements to enhance and improve access to rail transportation networks to support economic development activities throughout Oklahoma. Subject to the availability of funds, the program will make matching grant awards each year to selected qualified communities to support rail infrastructure programs. The awards will be up to \$5 million each and will be a direct one-for-one match for non-state funds invested or received by the program, including funds from the applicant entity. Amounts directly or indirectly awarded to a railroad will be exempt from state and local income taxes, and railroads who participate in the proposed Act are not prohibited from participating in the pooled financing program through Commerce.

The proposal further creates the Oklahoma Rail Improvements for Economic Development Program Revolving Fund in the State Treasury. The Fund is a continuing fund, not subject to fiscal year limitations, and will consist of all monies received by the Oklahoma Tax Commission that are specifically required by law to be deposited in the Fund, any public or private donations, contributions, and gifts received for the benefit of the Fund, and any amounts appropriated by the Legislature. All monies accruing to the Fund are appropriated and may be budgeted and expended by ODOT for the purpose of funding grants as provided in the proposed Act. Expenditures from the Fund will be made upon warrants issued by the State Treasurer against claims filed with the Director of the Office of Management and Enterprise Services for approval and payment.

The potential revenue impact as a result of this proposal is unknown.