

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

COMMITTEE SUBSTITUTE

FOR ENGROSSED

HOUSE BILL NO. 4070

By: Wallace and Sims of the  
House

and

Hall of the Senate

COMMITTEE SUBSTITUTE

An Act relating to county economic development;  
creating the Rural County Economic Development Act of  
2024; providing short title; authorizing the creation  
of certain county organization; providing process for  
formation of certain county organization;  
establishing purpose of certain county organization;  
providing for appointment of members to certain  
county organization; prohibiting compensation for  
members; authorizing certain reimbursement for  
members; authorizing certain actions; providing  
certain powers; authorizing certain delegation of  
powers and duties; authorizing certain contracting;  
authorizing certain county-option sales tax levy;  
limiting levy; requiring submission to voters at  
special election; requiring certain fund creation and  
accounting; amending 68 O.S. 2021, Section 1370,  
which relates to county sales tax; providing for  
certain exception; updating statutory language;  
providing for noncodification; providing for  
codification; and providing an effective date.

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

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

1        This act shall be known and may be cited as the "Rural County  
2 Economic Development Act of 2024".

3        SECTION 2.        NEW LAW        A new section of law to be codified  
4 in the Oklahoma Statutes as Section 899.1 of Title 62, unless there  
5 is created a duplication in numbering, reads as follows:

6        A.    The board of county commissioners of a county with a  
7 population of one hundred thousand (100,000) or less according to  
8 the latest Federal Decennial Census may, by adoption of a resolution  
9 by a majority of the members of the board, form a county economic  
10 development organization for the purpose of implementing or  
11 enhancing economic development programs and initiatives, including  
12 but not limited to efforts to encourage economic development that  
13 generates new jobs and increases capital investment in the county.

14        B.    Each organization created pursuant to this section shall be  
15 a public body, corporate and politic, with the powers and duties  
16 specified in this act.

17        SECTION 3.        NEW LAW        A new section of law to be codified  
18 in the Oklahoma Statutes as Section 899.2 of Title 62, unless there  
19 is created a duplication in numbering, reads as follows:

20        A.    Each county commissioner of a county with a county economic  
21 development organization shall appoint from the county two (2)  
22 persons to serve as members of the county economic development  
23 organization. Each organization member shall serve at the pleasure  
24 of his or her appointing county commissioner.

1 B. The members of the organization shall elect a chair, a vice  
2 chair, and a treasurer from among its membership. A majority of the  
3 organization shall constitute a quorum, the affirmative vote of  
4 which shall be necessary for any action taken by the organization.  
5 Each member of the organization shall receive no compensation for  
6 services to the organization but may be reimbursed by the political  
7 subdivision responsible for such appointment for expenses incurred  
8 for attending meetings of the organization.

9 C. Each organization member shall have been a qualified elector  
10 in the county from which the member is appointed for a period not  
11 less than three (3) years from the date of appointment. No person  
12 shall be eligible for appointment as a member of an organization who  
13 has been convicted of a felony.

14 SECTION 4. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 899.3 of Title 62, unless there  
16 is created a duplication in numbering, reads as follows:

17 A. A county economic development organization created under the  
18 provisions of this act may:

19 1. Adopt bylaws for the regulation of its affairs and conduct  
20 of its business;

21 2. Maintain an office as needed;

22 3. Sue and be sued, in contract, reverse condemnation, equity,  
23 mandamus, and similar actions in its own name, plead and be  
24 impleaded. Any action against the organization shall be brought in

1 the county in which the principal office of the organization is  
2 located or the county where the cause of action arose;

3 4. Acquire, hold, and dispose of real and personal property in  
4 the exercise of its powers and the performance of its duties;

5 5. Make and enter into all contracts and agreements necessary  
6 or incidental to the performance of its duties and the execution of  
7 its powers;

8 6. Adopt such rules and regulations necessary to carry out the  
9 powers and duties expressly granted in this section; and

10 7. Budget and expend funds made available to the organization  
11 in accordance with the provisions of this act.

12 B. The authority provided in subsection A of this section may  
13 be performed directly by a county economic development organization  
14 or delegated to a third-party entity under the provisions of a  
15 contract entered into between the county economic development  
16 organization and the third-party entity.

17 SECTION 5. AMENDATORY 68 O.S. 2021, Section 1370, is  
18 amended to read as follows:

19 Section 1370. A. In accordance with the provisions of Section  
20 ± 1354.36 of this act title, except as provided in Section 6 of this  
21 act, any county of this state may levy a sales tax ~~of~~ not to exceed  
22 two percent (2%) upon the gross proceeds or gross receipts derived  
23 from all sales or services in the county upon which a consumer's  
24 sales tax is levied by this state. Before a sales tax may be levied

1 by the county, the imposition of the tax shall first be approved by  
2 a majority of the registered voters of the county voting thereon at  
3 a special election called by the board of county commissioners or by  
4 initiative petition signed by not less than five percent (5%) of the  
5 registered voters of the county who were registered at the time of  
6 the last general election. However, if a majority of the registered  
7 voters of a county voting fail to approve such a tax, the board of  
8 county commissioners shall not call another special election for  
9 such purpose for six (6) months. Any sales tax approved by the  
10 registered voters of a county shall be applicable only when the  
11 point of sale is within the territorial limits of such county. Any  
12 sales tax levied or any change in the rate of a sales tax levied  
13 pursuant to the provisions of this section shall become effective on  
14 the first day of the calendar quarter following approval by the  
15 voters of the county unless another effective date, which shall also  
16 be on the first day of a calendar quarter, is specified in the  
17 ordinance or resolution levying the sales tax or changing the rate  
18 of sales tax.

19 B. The Oklahoma Tax Commission shall give notice to all vendors  
20 of a rate change at least sixty (60) days prior to the effective  
21 date of the rate change. Provided, for purchases from printed  
22 catalogs wherein the purchaser computed the tax based upon local tax  
23 rates published in the catalog, the rate change shall not be  
24 effective until the first day of a calendar quarter after a minimum

1 of one hundred twenty (120) days' notice to vendors. Failure to  
2 give notice as required by this section shall delay the effective  
3 date of the rate change to the first day of the next calendar  
4 quarter.

5 C. Initiative petitions calling for a special election  
6 concerning county sales tax proposals shall be in accordance with  
7 Sections 2, 3, ~~3.1~~, 6, 18 and 24 of Title 34 of the Oklahoma  
8 Statutes. Petitions shall be submitted to the office of the county  
9 clerk for approval as to form prior to circulation. Following  
10 approval, the petitioner shall have ninety (90) days to secure the  
11 required signatures. After securing the requisite number of  
12 signatures, the petitioner shall submit the petition and signatures  
13 to the county clerk. Following the verification of signatures, the  
14 county clerk shall present the petition to the board of county  
15 commissioners. The special election shall be held within sixty (60)  
16 days of receiving the petition. The ballot title presented to the  
17 voters at the special election shall be identical to the ballot as  
18 presented in the initiative petition.

19 D. Subject to the provisions of Section 1357.10 of this title,  
20 all items that are exempt from the state sales tax shall be exempt  
21 from any sales tax levied by a county.

22 E. Any sales tax which may be levied by a county shall be  
23 designated for a particular purpose. Such purposes may include, but  
24 are not limited to, projects owned by the state, any agency or

1 instrumentality thereof, the county and/or any political subdivision  
2 located in whole or in part within such county, regional  
3 development, economic development, common education, general  
4 operations, capital improvements, county roads, weather modification  
5 or any other purpose deemed, by a majority vote of the county  
6 commissioners or as stated by initiative petition, to be necessary  
7 to promote safety, security and the general well-being of the  
8 people, including any authorized purpose pursuant to the Oklahoma  
9 Community Economic Development Pooled Finance Act. The county shall  
10 identify the purpose of the sales tax when it is presented to the  
11 voters pursuant to the provisions of subsection A of this section.  
12 Except as otherwise provided in this section and except as required  
13 by the Oklahoma Community Economic Development Pooled Finance Act,  
14 the proceeds of any sales tax levied by a county shall be deposited  
15 in the general revenue or sales tax revolving fund of the county and  
16 shall be used only for the purpose for which such sales tax was  
17 designated. If the proceeds of any sales tax levied by a county  
18 pursuant to this section are pledged for the purpose of retiring  
19 indebtedness incurred for the specific purpose for which the sales  
20 tax is imposed, the sales tax shall not be repealed until such time  
21 as the indebtedness is retired. However, in no event shall the life  
22 of the tax be extended beyond the duration approved by the voters of  
23 the county.

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1 F. 1. Notwithstanding any other provisions of law, any county  
2 that has approved a sales tax for the construction, support or  
3 operation of a county hospital may continue to collect such tax if  
4 such hospital is subsequently sold. Such collection shall only  
5 continue if the county remains indebted for the past construction,  
6 support or operation of such hospital. The collection may continue  
7 only until the debt is repaid or for the stated term of the sales  
8 tax, whichever period is shorter.

9 2. If the construction, support or operation of a hospital is  
10 funded through the levy of a county sales tax pursuant to this  
11 section and such hospital is subsequently sold, the county levying  
12 the tax may dissolve the governing board of such hospital following  
13 the sale. Upon the sale of the hospital and dissolution of any  
14 governing board, the county is relieved of any future liability for  
15 the operation of such hospital.

16 G. Proceeds from any sales tax levied that is designated to be  
17 used solely by the sheriff for the operation of the office of  
18 sheriff shall be placed in the special revenue account of the  
19 sheriff.

20 H. The life of the tax could be limited or unlimited in  
21 duration. The county shall identify the duration of the tax when it  
22 is presented to the voters pursuant to the provisions of subsections  
23 A and C of this section. The maximum duration of a levy imposed  
24 pursuant to Section 891.14 of Title 62 of the Oklahoma Statutes



1 shall be no longer than allowed pursuant to the Oklahoma Community  
2 Economic Development Pooled Finance Act.

3 I. Except for the levies imposed pursuant to Section 891.14 of  
4 Title 62 of the Oklahoma Statutes, there are hereby created one or  
5 more county sales tax revolving funds in each county which levies a  
6 sales tax under this section if any or all of the proceeds of such  
7 tax are not to be deposited in the general revenue fund of the  
8 county or comply with the provisions of subsection G of this  
9 section. Each such revolving fund shall be designated for a  
10 particular purpose and shall consist of all monies generated by such  
11 sales tax which are designated for such purpose. Monies in such  
12 funds shall only be expended for the purposes specifically  
13 designated as required by this section. A county sales tax  
14 revolving fund shall be a continuing fund not subject to fiscal year  
15 limitations.

16 J. In the case of a levy submitted for voter approval pursuant  
17 to Section 891.14 of Title 62 of the Oklahoma Statutes, taxes levied  
18 by a county shall not become valid until the ordinance or resolution  
19 setting the rate of the levy shall have been approved by a majority  
20 vote of the registered voters of each such county voting on such  
21 question at a special election. Elections conducted pursuant to  
22 questions submitted pursuant to Section 891.14 of Title 62 of the  
23 Oklahoma Statutes shall be conducted on the same date or in a  
24 sequence that provides that the last vote required for approval by

1 all participating counties or municipalities occurs not later than  
2 thirty (30) days after the date upon which the first vote occurs.

3 SECTION 6. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 1370.10 of Title 68, unless  
5 there is created a duplication in numbering, reads as follows:

6 A. In accordance with the provisions of this act, any county of  
7 this state with a population of one hundred thousand (100,000) or  
8 less according to the latest Federal Decennial Census may levy a  
9 sales tax not to exceed seventy-five one-hundredths of one percent  
10 (0.75%) upon the gross proceeds or gross receipts derived from all  
11 sales or services in the county upon which a consumer's sales tax is  
12 levied by the state, except as provided in paragraph 8 of Section  
13 1357 of Title 68 of the Oklahoma Statutes, subject to the following  
14 conditions:

15 1. The proceeds of such sales tax shall be used solely for the  
16 purposes provided for in this act; and

17 2. Before a sales tax may be levied by the county, the  
18 imposition of the tax shall first be approved by a majority of the  
19 registered voters of the county voting thereon at a special election  
20 called by resolution of the board of county commissioners.

21 B. The board of county commissioners shall create a limited-  
22 purpose fund and deposit therein any revenue generated by a sales  
23 tax levied pursuant to the provisions of subsection A of this  
24 section. The fund shall be placed in an insured or collateralized

1 interest-bearing account and the interest which accrues to the fund  
2 shall be retained in the fund. Monies in the limited-purpose fund  
3 shall be expended only as accumulated and only for the purposes  
4 specifically authorized by this act.

5 SECTION 7. This act shall become effective November 1, 2024.

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