An Act

ENROLLED HOUSE
BILL NO. 1786

By: Shannon, Sherrer, Ownbey, Walker, Armes, Pittman and Coody of the House

and

Barrington and Bass of the Senate

An Act relating to economic development; amending 62 O.S. 2001, Section 841, as last amended by Section 2, Chapter 217, O.S.L. 2008 (62 O.S. Supp. 2009, Section 841), which relates to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act; modifying definitions; and declaring an emergency.

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

SECTION 1. AMENDATORY 62 O.S. 2001, Section 841, as last amended by Section 2, Chapter 217, O.S.L. 2008 (62 O.S. Supp. 2009, Section 841), is amended to read as follows:

Section 841. As used in the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act:

1. "Enterprise" means any form of business organization including, but not limited to, any partnership, sole proprietorship, corporation, limited liability company or other legally constituted business entity;

2. "Enterprise zone" means an area as defined pursuant to paragraph 5 of Section 690.2 of this title;

3. "Estimated direct state benefits" means the total incremental state tax revenues new to the state estimated by the Oklahoma Department of Commerce to accrue to the state from new investments <u>and new employment</u> during the period of apportionment of

local sales taxes as a result of the project and/or projects described in the related project plan. For purposes of projecting state benefits for a military growth impact project, the military growth impacts shall be used in lieu of the project and/or projects described in the related project plan. In projecting such benefits, the Oklahoma Department of Commerce shall consider, if practicable, whether or not the project plan involves an enterprise:

a. relocating from within the state,

b. subject to or in the process of recruitment by two or more governmental entities within the state, or

c. which will be in direct competition with an existing enterprise located in the state;

4. "Estimated direct state costs" means the costs projected by the Oklahoma Department of Commerce to be incurred by the state during the period of apportionment of local sales taxes, as a result of the project and/or projects described in the related project plan. For purposes of projecting state costs for a military growth impact project, the military growth impacts shall be used in lieu of the project and/or projects described in the related project plan;

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

6. "Facility" means the definition contained in paragraph 8 of Section 690.2 of this title;

7. "Governing body" means the governing board of a local governmental entity in the case of a single incentive district or increment district when the boundaries of the district are coextensive with or contained within the jurisdiction of any such single local governmental entity or the governing boards of a combination of counties, cities, or towns forming an incentive district or an increment district pursuant to the provisions of the Local Development Act;

8. "Incentive district" means an area created pursuant to the provisions of the Local Development Act, including Section 856 of this title;

9. "Increment district" means an area created pursuant to the provisions of the Local Development Act;

10. "Local governmental entity" means a county, city or town forming an incentive district or an increment district pursuant to the provisions of the Local Development Act;

11. "Local sales taxes" means amounts payable to or for the benefit of a local governmental entity calculated as a percentage, which, except on transient lodgings, shall not exceed four and one-half percent (4.5%) of gross sales whether imposed by ordinance, resolution, covenant, or agreement;

12. "Major tourism destination project" means a project which:

a. meets the definition of a "tourism attraction" as set forth in subparagraph a of paragraph 10 of Section 2357.36 of Title 68 of the Oklahoma Statutes, subject only to the restrictions of divisions (1), (3) and (6) of subparagraph b of paragraph 10 of Section 2357.36 of Title 68 of the Oklahoma Statutes,

b. is projected to meet the following qualifications within three (3) years of the date of substantial completion of the project based upon the findings of the Oklahoma Department of Commerce:

(1) at least Fifty Million Dollars ($50,000,000.00) in capital investment,

(2) at least Fifty Million Dollars ($50,000,000.00) in projected annual gross sales revenues or at least Ten Million Dollars ($10,000,000.00) in annual gross sales revenues to out-of-state visitors,

(3) a number of out-of-state visitors of at least:

(a) twenty percent (20%) of the number of total visitors, or

(b) twenty thousand (20,000) visitors per year, and

(4) a number of visitors traveling at least one hundred (100) miles of at least:

(a) thirty percent (30%) of the number of total visitors, or

(b) twenty-five thousand (25,000) visitors per year, or

c. is a lake resort project, containing a hotel, a conference center, and an eighteen-hole golf course, located within twenty-five (25) linear miles of the state boundary on a lake containing at least forty-five thousand (45,000) surface acres of water, that is estimated to generate at least Fifty Million Dollars ($50,000,000.00) in capital investment;

13. "Military growth impacts" means the increases in investment, employment, and residents resulting from military growth activities;

14. "Military growth impact community" means a city, town, or county experiencing and reasonably projected to experience a population growth of at least one thousand (1,000) persons and increased payrolls of at least Ten Million Dollars ($10,000,000.00) within a five-year period directly resulting from federal military base activities;

15. "Military growth impact project" means a project pursuant to the Local Development Act which the governing body determines to be in support of the needs and quality of life issues resulting from the military growth impacts;

16. "Net benefit rate" means the estimated net direct state benefits computed as a percentage of gross taxable sales derived from the project during the period of apportionment of local sales taxes by the local governmental entity;

~~14.~~ 17. "Public entity" means those entities described in the Local Development Act;

~~15.~~ 18. "Retail purposes" means the objectives of selling tangible personal property, other than art, on the physical premises of an establishment. Retail purposes shall not mean a hotel, motel, entertainment facility, museum, cultural facility, art gallery, restaurant supporting another establishment excluded herein, military growth impact project located within a military growth impact community, or a major tourism destination project;

~~16.~~ 19. "State local enterprise matching payment" means the payment authorized by subsection A of Section 844 of this title; and

~~17.~~ 20. "State local government matching payment" means the payment authorized by subsection D of Section 844 of this title.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 10th day of May, 2010.

Presiding Officer of the House of Representatives

Passed the Senate the 20th day of May, 2010.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Governor this 21st

day of May, 20 10,

at 1:14 **o'clock** P **M.**

By:

Approved by the Governor of the State of Oklahoma the 26th **day of** May, 20 10, **at** 6:19 **o'clock** P **M.**

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this

27th **day of** May, 20 10,

at 2:56 **o'clock** P **M.**

By: M. Susan Savage