

OKLAHOMA TAX COMMISSION

**REVENUE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: March 5, 2021

BILL NUMBER: SB 573 **STATUS AND DATE OF BILL:** Committee Substitute 3/3/2021

AUTHORS: House N/A Senate Montgomery

TAX TYPE (S): Electric Public Utility **SUBJECT:** Other

PROPOSAL: New Law

SB 573 proposes to create the Oklahoma Electrical Access and Resiliency (“OEAR”) Task Force, outlines the 13 members it shall consist of, and states that the OEAR Task Force shall study nationally recognized best practices to provide additional revenues and local control for communities by having a choice in electric energy suppliers. Specifically, the task force will make recommendations regarding: (1) the removal of the moratorium on the use of municipal condemnation to acquire electric facilities of an incumbent investor-owned utility as defined under 11 O.S. § 21-222, (2) the authority to give municipal utilities the ability to use the power of eminent domain to allow for community choice of electric energy suppliers, (3) the imposition of new growth taxation of 2% tax on gross sales beginning tax year 2022 on any provider of wholesale sale of electric power to municipal corporations if the providers were not in operation prior to the effective date of this act¹, (4) strategies to enable community choice of electric energy suppliers, whether legislatively or otherwise, and (5) whether a need exists to provide for ongoing evaluation of the implementation of these rights.

EFFECTIVE DATE: Emergency - July 1, 2021

REVENUE IMPACT:

FY 22: -0-
FY 23: -0-

Mar. 8, 2021
DATE

Rick Miller
DIVISION DIRECTOR

KLS

3/9/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

3/9/21
DATE

JTD
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.

¹ SB 573 does not state which agency shall collect the growth tax nor where these monies shall be apportioned if the OEAR Task Force does recommend to impose such a tax.