

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 SENATE BILL 1319

By: Pemberton

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5
6 AS INTRODUCED

7 An Act relating to local development incentives;
8 amending 62 O.S. 2021, Sections 851, 852, and 855,
9 which relate to the Local Development Act; modifying
10 legislative finding; expanding legislative intent;
11 requiring certain percent of certain members of the
review committee for approval of proposed district,
plan, or project; updating statutory reference; and
providing an effective date.

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

14 SECTION 1. AMENDATORY 62 O.S. 2021, Section 851, is
15 amended to read as follows:

16 Section 851. The Local Development Act shall serve to implement
17 and execute Section 6C of Article X of the Oklahoma Constitution as
18 approved by the voters of the State of Oklahoma on November 6, 1990,
19 by:

20 1. Providing for the granting of incentives and exemptions from
21 taxation within certain areas, placing restrictions thereon, and
22 limiting the time period for the exemptions, as authorized by
23 subsection A thereof;

1 2. Providing for apportionment of an increment of local taxes
2 and fees, placing restrictions thereon, and limiting the time period
3 for the apportionment, as authorized by subsection B thereof; and

4 3. Providing for the planning, financing, and carrying out of
5 development and redevelopment within certain areas, as authorized by
6 subsection C thereof.

7 Nothing in the Local Development Act shall be construed in a
8 manner contrary to or inconsistent with the provisions of said
9 constitutional provision.

10 The Legislature hereby finds that historic preservation,
11 reinvestment, or enterprise areas as defined under this act ~~are~~ may
12 be unproductive, undeveloped, underdeveloped, or blighted areas
13 pursuant to subsection C of ~~Section 6~~ Section 6C of Article X of the
14 Oklahoma Constitution.

15 SECTION 2. AMENDATORY 62 O.S. 2021, Section 852, is
16 amended to read as follows:

17 Section 852. It is the intent of the Legislature that the
18 provisions of this act be used in accordance with the following
19 guidelines:

20 1. That the tools of this act be used in those cases where
21 investment, development and economic growth is difficult, but is
22 possible if the provisions of this act are available;

23 2. That the tools of this act not be used in areas where
24 investment, development, and economic growth is occurring at a rate

1 consistent with, or greater than, the governing body's jurisdiction
2 as a whole or would have occurred anyway and that the governing body
3 take care to exclude areas that do not meet this criteria;

4 3. That the tools of this act be used to supplement and not
5 supplant or replace normal public functions and services;

6 4. That the tools of this act work in conjunction with existing
7 programs and efforts such as the Oklahoma Main Street Program,
8 Oklahoma Enterprise Zone Act, historic preservation, and other
9 locally implemented economic development efforts;

10 5. That any proposed districts be delineated with particular
11 emphasis not to have boundaries that dissect a similar area or
12 create unfair competitive advantage;

13 6. That the governing body recognizes the need for residential
14 and neighborhood treatment, capital improvements to neighborhood
15 public schools, as well as commercial/industrial development;

16 7. That where possible partial credits or credits that do not
17 utilize the full time frame allowed be pursued;

18 8. That maximum effort be made to allow full public knowledge
19 and participation in the local use of this act;

20 9. That conservation, preservation, and rehabilitation be
21 emphasized while demolition, clearance, and relocation be minimized
22 where possible; and

23 10. That the governing bodies develop and apply clear
24 standards, criteria, and threshold limits that are applicable to all

1 similar property and areas and that the governing bodies enact
2 protection against nearby relocations to utilize incentives.

3 SECTION 3. AMENDATORY 62 O.S. 2021, Section 855, is
4 amended to read as follows:

5 Section 855. A. Prior to the adoption and approval of a
6 project plan and the ordinance or resolution required under Section
7 856 of this title and prior to the public hearing required under
8 Section 859 of this title, the governing body shall appoint a review
9 committee to review and make a recommendation concerning the
10 proposed district, plan, or project. The membership of the review
11 committee shall consist of the following: a representative of the
12 governing body who shall serve as chairperson; a representative of
13 the planning commission having jurisdiction over the proposed
14 district; a representative designated by each taxing jurisdiction
15 within the proposed district whose ad valorem taxes might be
16 impacted according to the plan; and three members representing the
17 public at large and selected by the other committee members from a
18 list of seven names submitted by the chairperson of the review
19 committee; provided, at least one of the members representing the
20 public at large shall be a representative of the business community
21 in the city, town, or county considering the proposed plan and
22 project, and if a proposed plan objective is development of
23 principally commercial retail, such representative shall be either a
24 retailer or a representative of a retail organization.

1 B. The review committee shall consider and make its findings
2 and recommendations to the governing body with respect to the
3 conditions establishing the eligibility of the proposed district.
4 The review committee recommendations shall include the analysis used
5 to project revenues over the life of the project plan, the effect on
6 the taxing entities and the appropriateness of the approval of the
7 proposed plan and project. The review committee may recommend that
8 the project plan be approved, denied, or approved subject to
9 conditions set forth by the committee.

10 C. Prior to approval by the governing body, the review
11 committee shall consider and determine whether the proposed plan and
12 project will have a financial impact on any taxing jurisdiction and
13 business activities within the proposed district and shall report
14 its findings to the governing body. Such considerations shall be
15 concurrent with or subsequent to the review and consideration of the
16 committee provided for in subsection B of this section. The
17 approval of any district plan or project by the governing body shall
18 address any findings of such impact by the review committee.

19 D. In the event of any changes in the area to be included in
20 the proposed district or any substantial changes in the proposed
21 plan and project or for any other reason deemed appropriate by the
22 governing body, the review committee shall consider and may modify
23 its findings and recommendations made pursuant to the provisions of
24 subsection B of this section.

1 E. Approval of the proposed district or the proposed plan or
2 project by the governing body ~~which is in accord with the~~
3 ~~recommendation of the review committee~~ shall be by a majority vote
4 of the governing body. ~~Such approval which is not in accord with~~
5 ~~the recommendations and/or conditions set forth by the review~~
6 ~~committee shall be by a two thirds (2/3) majority vote and shall~~
7 require the assent of sixty percent (60%) of the representatives
8 designated by each taxing jurisdiction within the proposed district
9 on the review committee created pursuant to subsection A of this
10 section or their authorized successor.

11 F. Meetings of the review committee shall be subject to the
12 Oklahoma Open Meeting Act. Any information relating to the
13 marketing plans, financial statements, trade secrets or any other
14 proprietary information submitted to the review committee by a
15 person or entity seeking adoption and approval of a proposed
16 district, plan or project shall be confidential, except to the
17 extent that the person or entity which provided the information
18 consents to disclosure. Executive sessions may be held to discuss
19 such information if deemed necessary by the review committee.

20 SECTION 4. This act shall become effective November 1, 2022.

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