State of Oklahoma
Incentive Evaluation Commission
Rural Jobs Act Draft Evaluation

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Contents

Key Findings & Recommendations

Overview

The Rural Jobs Act went into effect on November 1, 2022 and is intended to provide support to the state's rural communities by incentivizing rural development through existing lending agencies. It is scheduled to sunset on November 1, 2032. Based on the Act, the Department of Commerce (Department) has $100 million in capital investment authority to be invested by approved rural funds over a six-year period.[1] Five funds have received $20 million each and have been approved to issue this capital investment to projects or businesses primarily located in rural areas in exchange for a capped tax credit. These tax credits are capped at an aggregate $15 million per calendar year across the entire program. The rural funds can only claim their tax credits in years three through six of the program and are only able to claim 15 percent of the total tax credit each year.

Recommendation: Retain, and allow this program to sunset as scheduled in 2032, with another review of this program in 2028.

Key Findings

- **The Department of Commerce has issued $20 million each in capital investment authority to five rural funds who all demonstrated they met the requirements of the program.** These funds had to demonstrate that they invested at least $100 million in nonpublic companies located in U.S. counties with a population of less than 75,000. They also had to provide a business plan prepared by an independent economic forecasting firm that included a 10-year revenue-impact assessment projecting state and local tax revenue to be generated by the applicant's proposed qualified investments.

- **Between its inception and May 2024, the five rural funds have committed to investing $40.3 million in 15 businesses, although not all of this funding has yet been allocated.** These businesses employ a cumulative 359 full time and 9 part time employees. The funding amounts to each business ranged from $440,000 to $6.5 million.

- **Not all the projects that receive funding from the Rural Funds are required to be located in rural areas, nor do the companies receiving funding have to have all of their employees located in rural areas.** As part of their requirements, projects must be located in a rural area for 70 percent of the funds and have at least 60 percent of its employees or payroll located in Oklahoma. These requirements open the potential for investments that are not in areas that the program was originally intended to support.

- **There are statutory rules to prevent a conflict of interest among investors, but they could be more comprehensive.** Section 6 of HB 4085 prevents recipient businesses from acquiring an ownership interest in a rural fund or loan to or invest in a rural fund. However, there is room for these rules to encompass more scenarios.

- **As long as rural funds follow the statutory rules of the program, they are able to invest in projects without input or authorization from the Department.** Project selection within each fund is completed through an internal process independent of state oversight, although the funds may contact the Department to help determine if a specific project is eligible for funding.

[1] Oklahoma Department of Commerce. "Commerce Announces Rural Fund Participants Bringing $100 Million in Increased Capital to Oklahoma." 28 March 2023. Accessed electronically at: https://www.okcommerce.gov/commerce-announces-rural-fund-participants-bringing-100-million-in-increased-capital-to-oklahoma/

- **Performance reports for these funds are not due to the Department until December 2024, at the second anniversary of the initial funding award.** The metrics provided in the performance report are the same metrics as those listed in the application. Given the timing of the performance reports, in some respects this evaluation is premature. That information was not known by the Commission or the project team when the schedule of evaluations was being developed, and this program fits within the parameters of the types of program under review for 2024.

- **To date, the program has a net negative fiscal impact to the State.** It operated at a loss of $36 million when comparing the amount of funding invested and the state tax revenue generated as a result.

Table 1: Estimated Net Impact of the Rural Jobs Act

Year	Total Project Funding	Estimated Oklahoma Tax Revenue	Net Impact
2023	$20,312,424	$744,072	($19,568,352)
2024	$17,000,000	$448,314	($16,551,687)
Total	**$37,312,424**	**$1,192,385**	**($36,120,039)**

- **Georgia's Agribusiness and Rural Jobs Act, the model for Oklahoma's program, operated at a net loss to the State.** In an evaluation of Georgia's rural jobs incentive program, it was determined that the program generated less tax revenue than the amount of credits issued.

Table 2: **Georgia Estimated Annual New Tax Revenues, 2020 Dollars**

Tax Type	State - Low Estimate	State - High Estimate	Local - Low Estimate	Local - High Estimate
Income	$430,000	$620,000	N/A	N/A
Sales	$150,000	$210,000	$125,000	$175,000
Property	N/A	N/A	$240,000	$335,000
Total	**$580,000**	**$830,000**	**$365,000**	**$510,000**

Source: Georgia Department of Audits and Accounts

- **The Rural Jobs Act meets some of the best practices identified for incentive programs.**[2] For example, it leverages private capital to provide targeted investments to rural areas of the state. It also requires the rural funds to provide summary performance reports after the first two years of the program, creating a level of transparency needed to operate a successful incentive. The program is also capped at $100 million to be distributed over a period of six years, which was distributed equally to five rural funds in 2022. This protects the State's financial health and allows the program to be reviewed before a potential renewal.

Recommendations

- **Allow the program to sunset on schedule and revisit the program evaluation after the rural funds issue their required program reports in December 2024**. Given that the $100 million has been allocated based on the statutory requirements, program changes in mid-stream are probably unwise. While other benchmarks demonstrate this program will likely operate at a net loss to the State, the logical course is to re-examine the program after program performance reports are provided by the five funds in December 2024.

[2] A complete list of these best practices is provided in Appendix C.

Introduction

Incentive Evaluation Commission Overview

In 2015, HB2182 established the Oklahoma Incentive Evaluation Commission (the Commission). It requires the Commission to conduct evaluations of all qualified state incentives over a four-year timeframe. The law also provides that criteria specific to each incentive be used for the evaluation. The Commission has completed two cycles of qualified evaluations, from 2016-2019 and 2020 through 2023. This is now the first year of a new four-year cycle.

In 2023, the Legislature passed and Governor Stitt signed into law SB 745, which made a number of changes to the incentive evaluation process that were recommended by the Commission. Among them was the ability of the Commission to review qualified incentives within the four-year evaluation cycle. In prior cycles, incentives had to be reviewed at least once every four years, which effectively locked in place the order that incentives would be evaluated. As a result, some incentives in this cycle may be reviewed in less or more than four years.

One reason for the change in the evaluation cycle was to allow incentives with similar purposes or that are targeted to specific industries or parts of the state to be evaluated in the same year. This allows for continuity in the discussion and comparisons of effect and effectiveness. This grouping is considered an evaluation best practice.[3] For 2024, there are two broad categories of evaluated incentives:

- Financing/Venture Capital/Early Business related.
- Tourism/Film/Quality of Life related.

This evaluation of the Rural Jobs Act ("the Act") tax credit administered by the Oklahoma Department of Commerce ("the Department") and the Oklahoma Tax Commission (OTC) is one of 12 evaluations being conducted by the Commission in 2024 and fits within the financing/venture capital/early business related incentives. Based on this evaluation and their collective judgment, the Commission will make recommendations to the Governor and the State Legislature related to this program.

Incentive Background

The Oklahoma Rural Jobs Act went into effect on November 1, 2022 through the passage of HB 4085 and is found in Oklahoma State Statutes at §68-3930-8.[4] The Act is intended to allow greater access to capital to qualifying small businesses located in rural areas. The program is scheduled to sunset on November 1, 2032.

Criteria for Evaluation

A key factor in evaluating the effectiveness of incentive programs is to determine whether they are meeting the stated goals as established in state statute or legislation. In the case of this tax credit, the specific goal included in legislation is to allow greater access to capital for qualifying small businesses located in rural areas.

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[3] "Best Practices for Planning Tax Incentive Evaluations: Lessons Learned from Indiana's Evaluation Process," Pew Charitable Trusts, August 2022, p.3. Accessed electronically at www.pewtrusts.org/-/media/assets/2022/08/best-practices_incentiveeval-planning_2022-3-24_final.pdf

[4] The complete statute is provided in Appendix D.

To assist in determining program effectiveness, the Commission has adopted the following criteria:

- Program use
    - Number of businesses who receive investment from the Rural Funds
    - Total amount of investment in businesses from Rural Funds
- State return on investment
- Job creation in recipient businesses
- Business revenue or profit increase after receipt of Rural Fund investment
- Number of businesses who relocate employees due to receipt of investment from Rural Funds

Rural Jobs Act Background

Rural Jobs Act Purpose and Origin

As previously noted, this is a relatively recent program, which went into effect on November 1, 2022. The program is intended to provide support to the state's rural communities by incentivizing rural development through existing lending agencies. The Act provides a capped amount of tax credits to funds that invest in or provide financing to eligible businesses in rural areas of the state. These tax credits can be used to offset state corporate income tax, insurance premium tax, and/or bank privilege tax. These credits can be carried forward for up to five years but are not refundable or transferable.[5]

The Act intends to improve access capital that will provide Oklahoma businesses with the flexibility to invest in equipment, purchase supplies, or hire employees so that they can expand their businesses. It seeks to fill a financing gap for small, rural businesses that may not be able to attract the same level of investment without an incentive for the lender.[6]

As discussed in the benchmarking section of this report, the Rural Jobs Act program is one of many state incentive programs that subsidizes capital fund investments to (in theory) generate economic growth, either in a rural area or in the state in general. These programs report varied levels of success at generating a positive return on investment for the state administering the program.[7]

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[5] 68 OK Stat § 3934

[6] Oklahoma Department of Commerce, "New Tax Credit Available to Rural Oklahoma Businesses Through Oklahoma Rural Jobs Act," 30 November 2022. Accessed electronically at: https://www.okcommerce.gov/new-tax-credit-available-to-rural-oklahoma-businesses-through-oklahoma-rural-jobs-act/#:~:text=During%20the%202022%20legislative%20session,rural%20areas%20of%20the%20state.

[7] Tharpe, Westley. Georgia Budget & Policy Institute. "Tax Break Schemes Aimed at Rural Jobs Offers Georgie a Poor Return on Investment." 18 April 2017. Accessed electronically at: Tax Break Scheme Aimed at Rural Jobs Offers Georgia a Poor Return on Investment - Georgia Budget and Policy Institute (gbpi.org)

Program Usage & Administration

Program Characteristics

Based on the Act, the Department of Commerce (Department) has $100 million in capital investment authority to be invested by approved rural funds over a six-year period.[8] Five funds have received $20 million each and have been approved to issue this capital investment to projects or businesses primarily located in rural areas in exchange for a capped tax credit. These tax credits are capped at an aggregate $15 million per calendar year across the entire program. The rural funds can only claim their tax credits in years three through six of the program and are only able to claim 15 percent of the total tax credit each year.

All five funds in the program applied to the Department at the program's commencement in 2022. They submitted the following materials along with a nonrefundable $5,000 application fee:

1. The amount of capital requested.
2. The applicant's license as a rural business investment company.
3. Evidence that the applicant has invested at least $100 million in nonpublic companies located in U.S. counties with a population of less than 75,000.
4. A business plan that includes a 10-year revenue-impact assessment projecting state and local tax revenue to be generated by the applicant's proposed qualified investments. This assessment should be prepared by a nationally recognized, independent economic forecasting firm.

In addition to these materials, applicants also had to demonstrate that at least 10 percent of the rural investor's capital investment is composed of capital raised by the rural investor directly or indirectly from the managing entity of the fund, including directors, members, employees, officers, and affiliates of the rural investor, other than the amount invested by the allocatee claiming the tax credits in exchange for the allocation of tax credits.

Program Administration

The Department began to receive applications for rural funds in December 2022 and had 30 days to approve or deny the funds. Five rural funds applied at the same time and ultimately received $20 million each to invest. The Department issued each successful fund the same amount of investment regardless of the strength of their applications but denied the applicants who did not demonstrate they met all of the requirements.

The five approved rural funds are:

Fund Name	Funding Entity	Funds Remaining in 2024
Enhanced Capital Oklahoma Rural Fund, LLC	Enhanced Capital Group, LLC	$15,500,000
Midwest Community Development Fund XV, LLC	Advantage Capital Community Development Fund, LLC	$12,000,000
Oklahoma Rural Investment Fund, LLC	Affordable Equity Partners	$3,147,172
Oklahoma Rural Jobs Subsidiary Fund, LLC	Oklahoma Rural Jobs Investment Company, LLC	$20,000,000
Stonehenge Oklahoma Rural Fund I, LLC	Stonehenge Oklahoma Rural Fund Holdings, LLC	$14,000,000

Source: Oklahoma Department of Commerce

[8] Oklahoma Department of Commerce. "Commerce Announces Rural Fund Participants Bringing $100 Million in Increased Capital to Oklahoma." 28 March 2023. Accessed electronically at: https://www.okcommerce.gov/commerce-announces-rural-fund-participants-bringing-100-million-in-increased-capital-to-oklahoma/

These funds must provide evidence to the Department of the cash investment within 95 days of the applicant receiving notice of the certification. These investments must be made in projects that meet the following criteria:

1. The project must be in a rural area for 70 percent of the funds, defined as a municipality with less than 7,000 residents or a county with less than 75,000 as defined by the 2020 decennial census.
2. Be a company with at least 60 percent of its employees or payroll located in Oklahoma.
3. Be a company with less than 250 employees.
4. Provide a preliminary business plan for each investment that includes revenue and job-creation impacts.
5. Provide an annual report on the performance of each investment.

Notably, not all the projects that receive funding from the Rural Funds are required to be located in rural areas, nor do the companies receiving funding have to have all of their employees located in rural areas. Some companies that receive funding have operations in an urban area but have operations throughout the state. This flexibility in the criteria means that funded projects may not align with the legislative intent of the program. Further, there are no specific statutory rules preventing rural funds from investing in projects where they may have a previous connection or relationship.

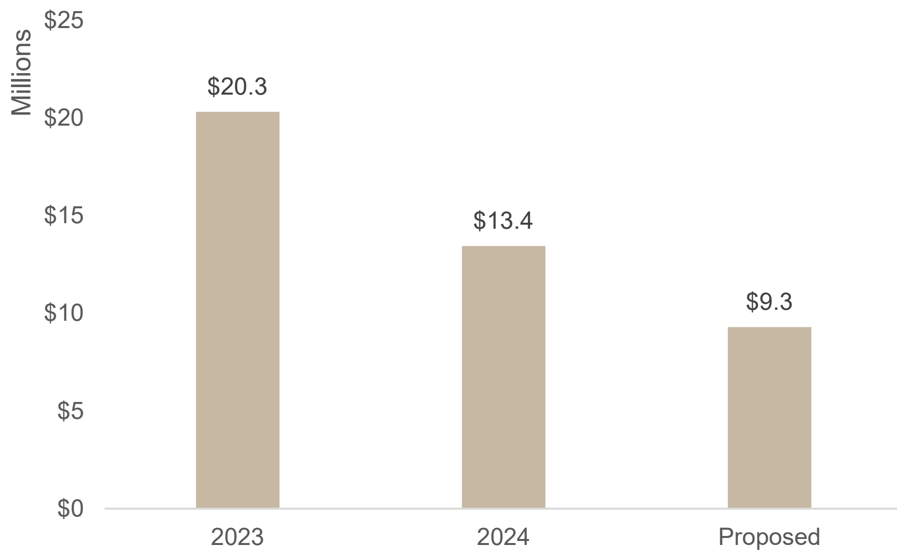
Any business that receives an investment through this act cannot:

1. Own or have the right to acquire an ownership interest in a rural fund or member or affiliate of a rural fund including, but not limited to, a holder of a capital investment issued by a rural fund; or
2. Loan or invest in a rural fund or any member or affiliate of a rural fund including, but not limited to, a holder of capital investment issued by a rural fund, where the proceeds of such loan or investment are directly or indirectly used to fund or refinance the purchase of capital investments under the act.

Historic Program Usage

Between its inception and May 2024, the five funds have invested $40.3 million in 15 businesses. These businesses employ a cumulative 359 full time and 9 part time employees. The funding amounts to the businesses ranged from $0.4 million to $6.5 million.

Figure 1: Rural Jobs Act Historic Funding, May 2024 (in millions)



Source: Oklahoma Department of Commerce

As long as rural funds follow the statutory rules of the program, they are able to invest in projects without input or authorization from the Department. Project selection within each fund is completed through an internal process independent of state oversight, although the funds may contact the Department to help determine if a specific project is eligible for funding.

For example, one of the rural funds, Enhanced Capital, advertises its investment capacity through the program separately from the Department. It states that it makes loans to businesses in the amount of $0.3 million to $2.5 million at market rate interest rates. The duration of the loan can be up to 7 years and can be senior or subordinated to existing loans from banks or other lenders. The fund is flexible on amortization schedules, with typically a 1-year interest-only period.[9]

Performance reports for these funds are not due to the Department until December 2024, at the second anniversary of the initial funding award. The metrics provided in the performance report are the same metrics as those listed in the application. Part of this performance report includes a revenue-impact assessment, which will indicate whether there is a positive fiscal impact to the State over a ten-year period. This report will also forecast state tax revenue that will occur as a result of the program, as well as an economic impact model, using IMPLAN or a similar program, that will determine the funds' return on investment.

Given the timing of the performance reports, in some respects this evaluation is premature. That information was not known by the Commission or the project team when the schedule of evaluations was being developed, and this program fits within the parameters of the types of program under review for 2024.

[9] Enhanced Capital, "Enhanced Capital Oklahoma Rural Fund," accessed electronically at: https://enhancedcapital.com/enhanced-capital-oklahoma-fund/

Economic & Fiscal Impact

Economic and Fiscal Impact

To calculate the total effect of Rural Jobs Act funding, the project team calculated the economic impacts of the funding awarded each small business in 2023 and 2024. A detailed methodology of economic impact analyses through the use of IMPLAN is described in **Appendix A.**

The following table indicates the direct, indirect, and induced effects of the $26 million and $9 million awarded in 2023 and 2024 respectively, as well as the estimated state tax revenue collected as a result. The total effect of these investments results in over 300 jobs across the two years.

Figure 2: Impact of Rural Jobs Act Funding

Year		Output	Value Added	Labor Income	Employment	Estimated Oklahoma Tax Revenue
2023	Direct Effect	$26,384,481	$8,611,862	$6,070,157	90	$261,037
	Indirect Effect	$10,902,236	$4,971,095	$3,059,108	44	$250,245
	Induced Effect	$7,184,483	$3,870,914	$2,050,415	41	$232,790
	Total Effect	**$44,471,199**	**$17,453,871**	**$11,179,680**	**175**	**$744,072**
2024	Direct Effect	$9,180,000	$5,659,709	$5,503,104	101	$208,231
	Indirect Effect	$3,524,107	$1,694,706	$1,073,110	22	$73,170
	Induced Effect	$5,156,302	$2,773,018	$1,467,358	29	$166,913
	Total Effect	**$17,860,409**	**$10,127,433**	**$8,043,572**	**152**	**$448,314**

Source: IMPLAN Analysis, Dept. of Commerce

The estimated tax revenue generated in both 2023 and 2024 is estimated to be lower than the amount provided to small businesses by the rural funds. As a result, for the investments included in this analysis, the program has produced a negative net impact.

Figure 3: Annual Tax Revenue Generated

Year	Total Project Funding	Estimated Oklahoma Tax Revenue	Net Impact
2023	$20,312,424	$744,072	($19,568,352)
2024	$17,000,000	$448,314	($16,551,687)
Total	**$37,312,424**	**$1,192,385**	**($36,120,039)**

Source: IMPLAN Analysis, Dept. of Commerce

Incentive Benchmarking

Program Limitations in Benchmark States

Over the past three decades at least 20 states and Washington, D.C. have created programs that subsidize lending programs from certified capital companies, although not all target rural areas specifically. However, many of these programs have been found to generate a negative return on investment.[10] Fundamentally, rural growth funds that participate in these incentive programs have a strong incentive to invest funds in what will provide the highest financial return for their investors, not necessarily the investments that will provide the greatest benefit to state residents.[11]

These programs are often structured in a way that reduces competition by providing funding to a few small firms;[12] three financial firms are the main participants in multiple states' programs. Further, in order for applicants to participate in the program they must demonstrate there is a positive return on investment to the State. However financial firms report job creation that may have been the direct result of different programs or projects, not necessarily the incentive itself.[13]

Notably, while Oklahoma's Rural Job Act does not have any requirements regarding whether or not affiliate companies can receive funding from the rural funds. One state, Pennsylvania, prohibits any affiliates or business with a pecuniary interest in its Rural Growth Fund from receiving investments. Other benchmark states, like Oklahoma, do not have these explicit limits.

Benchmarking

For evaluation purposes, benchmarking provides information related to how peer states use and evaluate similar incentives. At the outset, it should be understood that no states are 'perfect peers' – there will be multiple differences in economic, demographic and political factors that will have to be considered in any analysis; likewise, it is exceedingly rare that any two state incentive programs will be exactly the same.[14] These benchmarking realities must be taken into consideration when making comparisons – and, for the sake of brevity, the report will not continually re-make this point throughout the discussion.

The process of creating a comparison group for incentives typically begins with bordering states. This is generally the starting point, because proximity often leads states to compete for the same regional businesses or business/industry investments. Second, neighboring states often (but not always) have similar economic, demographic or political structures that lend themselves to comparison.

The following is a sample of states offering similar programs to Oklahoma's Rural Jobs Act.

Georgia

The **Georgia Agribusiness and Rural Jobs Act** was cited as the model for Oklahoma's Rural Jobs Act. It was passed in 2017 to provide access to capital for Georgia businesses located in any county with a population of less than 50,000 people. There are five rural funds that each have $20 million in capital

[10] Tharpe, Westley. Georgia Budget & Policy Institute. "Tax Break Schemes Aimed at Rural Jobs Offers Georgie a Poor Return on Investment." 18 April 2017. Accessed electronically at: Tax Break Scheme Aimed at Rural Jobs Offers Georgia a Poor Return on Investment - Georgia Budget and Policy Institute (gbpi.org)
[11] Commonwealth of Pennsylvania Independent Fiscal Office, "Pennsylvania Rural Jobs and Investment Tax Credit: An Evaluation of Program Performance." January 2023.
[12] Tharpe, Westley. Georgia Budget & Policy Institute. "Tax Break Schemes Aimed at Rural Jobs Offers Georgie a Poor Return on Investment." 18 April 2017. Accessed electronically at: Tax Break Scheme Aimed at Rural Jobs Offers Georgia a Poor Return on Investment - Georgia Budget and Policy Institute (gbpi.org)
[13] Fifiel, Jen. Stateline. "How Savvy Financiers Pitch Complex Investment Programs." 3 April 2017. Accessed electronically at: How Savvy Financiers Pitch Complex Investment Programs • Stateline
[14] The primary instances of exactly alike state incentive programs occur when states choose to 'piggyback' onto federal programs.

investment authority. Funds must be used for loans or equity investments to small businesses by June 30, 2020. Investors receive a tax credit against the state tax liability. Eligible businesses must have less than 250 employees with their principal operations in one or more rural areas. They must also be in one of the following industry sectors: agriculture, manufacturing, health care, technology, or transportation.

Five rural funds were approved in 2018; each received $20 million in capital investment authority. These funds must have been used for loans or equity investments by June 30, 2020 and the rural funds must maintain qualified investments equal to 100 percent of their capital investments until June 30, 2023. At least 50 percent of the capital raised by the rural funds is from sources other than the tax credit investors.

In exchange for investing in the rural funds, investors receive tax credits which can be used against their state premium and income tax liabilities. Their tax credit cannot exceed their annual state tax liability in the year in which the credit is claimed. The program can issue up to $15 million in tax credits per year for a total amount of $60 million over the life of the program; any tax credits not claimed in one year can be carried forward into another.

As of December 2021, the five rural funds had made a total of 44 investments in 24 counties, covering four out of the five eligible industry sectors, totaling $104 million. The investments from the rural funds resulted in the retention of 742 jobs and the creation of 660 jobs.[15]

Between 2018 and 2020, 51 percent of rural funds' funding was provided to businesses in the manufacturing industry; half of the manufacturing funding was directed towards small agribusinesses in ten counties. Conversely, no companies in the technology sector received funding.

Notably, Georgia's Agribusiness and Rural Jobs Act operated at a net loss to the State. Between 2018 and 2020 it is estimated that the program only generated between $3.8 million and $5.4 million in new tax revenue over the four-year period. The program can issue up to $15 million in tax credits per year; however, in 2020 only $7.8 million in tax credits were used. The remaining $7.2 million can be carried forward into future tax years until the full $60 million have been taken. As a result, the cost to the state, both previously and in the future, has been and has the potential to be much larger than the new tax revenue generated from the program.

Figure 4: Georgia Estimated Annual New Tax Revenues, 2020 Dollars

Tax Type	State - Low Estimate	State - High Estimate	Local - Low Estimate	Local - High Estimate
Income	$430,000	$620,000	N/A	N/A
Sales	$150,000	$210,000	$125,000	$175,000
Property	N/A	N/A	$240,000	$335,000
Total	**$580,000**	**$830,000**	**$365,000**	**$510,000**

Source: Georgia Department of Audits and Accounts

On an annual basis, the Georgia Department of Audits and Accounts estimates that the Agribusiness and Rural Jobs Act will generate between $580,000 and $830,000 in state tax revenue and between $365,000 and $510,000 in local tax revenue. This is far below the potential $15 million in annual tax credits issued by the program. Assuming this revenue is stable each year, it will take an estimated 72 years before Georgia will realize a positive return on the $60 million it invested in the program.[16]

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[15] Georgia Department of Community Affairs, 2021 Annual Georgia Agribusiness and Rural Jobs Act Report, accessed electronically at: https://www.dca.ga.gov/sites/default/files/garja_annual_rep_2021_6.pdf

[16] Georgia Department of Audits & Accounts, "Georgia Agribusiness and Rural Jobs Act: Economic Analysis." December 2021.

Missouri

Similar to Oklahoma, Missouri recently created a tax credit program for investing in a rural businesses. SB 675 passed on August 28, 2022 and established the **Missouri Workforce Development Act**. This program provides a tax credit for capital investments made to rural funds, which subsequently invest in businesses located in rural areas of the state. The tax credit is valid for 6 years and is equal to a percentage of the capital investment: it cannot be taken within the first two years of the participation in the program and is equal to 15 percent of the investment annually for years three through six. The credit is capped at $25 million per calendar year.[17]

In addition to the initial $5,000 application fee, the rural funds participating in the program must submit annual reports detailing the names and locations of the businesses who receive investments from these funds, as well as the number of jobs created and retained and the average salary of these jobs. Eligible businesses must have fewer than 250 employees and have its principal business operations in Missouri.[18]

Pennsylvania

Pennsylvania's **Rural Jobs and Investment Tax Credit Program** provides rural business owners access to capital from Rural Growth Funds and has been existence since 2016.[19] These funds can receive up to $50 million in capital contributions from investors. In return, investors can receive up to $6 million in aggregate tax credits that can be used over a five-year period. The program can issue up to $30 million in tax credits. These tax credits can be applied against the Bank and Trust Company Shares Tax, the Title Insurance Company Shares Tax, the Insurance Premiums Tax, the Mutual Thrift Tax, the Surplus Lines Tax, and the Retaliatory Tax.

To be eligible for the program, investors must be a licensed business rural investment company under the Consolidated Farm and Rural Development Act or a small business investment company under the Small Business Investment Act. Investors must have invested at least $100 million in nonpublic companies located in rural areas of the commonwealth or other states and have at least one principal who has been an officer or employee of the Applicant for at least four years prior to the date of the application under this program.

The Rural Growth Funds cannot approve more than $30 million in credit-eligible capital contributions and must maintain accurate records of their receipts from investors and the expenditures of these investments. The funds must be concentrated entirely in rural growth businesses domiciled in Pennsylvania. A minimum of 25 percent of the funds' portfolios must be in manufacturing-oriented companies.

Neither a Rural Growth Fund nor any Business Firm that invested in the Rural Growth Fund can be an affiliate or have a pecuniary interest in a rural business that receives a rural growth investment from the Rural Growth Fund prior to the fund's initial investment.[20]

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[17] Missouri Senate, SB 675 – Establishes the Missouri Rural Workforce Act, accessed electronically at: https://www.senate.mo.gov/22info/BTS_Web/Bill.aspx?SessionType=R&BillID=71259720

[18] Missouri Senate, SB 675 – Establishes the Missouri Rural Workforce Act, accessed electronically at: https://www.senate.mo.gov/22info/BTS_Web/Bill.aspx?SessionType=R&BillID=71259720

[19] Commonwealth of Pennsylvania Independent Fiscal Office, "Pennsylvania Rural Jobs and Investment Tax Credit: An Evaluation of Program Performance." January 2023.

[20] Pennsylvania Department of Community & Economic Development, "Rural Jobs and Investment Tax Credit Program Guidelines." September 2020. Accessed electronically at: https://dced.pa.gov/download/rural-jobs-investment-tax-credit-guidelines/

Similar to Oklahoma, four funds were approved in 2021 to receive $12.5 million each, which they had to invest in approved rural businesses within three years.

Ohio

The **Ohio Rural Business Growth Program** provides tax credits to investors that capitalize companies with principal business in a county with less than 200,000 people. Investors provide cash to Rural Business Investment Companies or Small Business Investment Companies who serve as intermediaries between projects and investors. The investment companies deposit investments into a rural business growth fund. The tax credit can be applied against foreign and domestic insurance premiums.[21] 60 percent of investments received by the funds must qualify as Credit-Eligible Capital Contributions and at least 10 percent of the funds' eligible investment authority must be comprised of equity investments contributed directly or indirectly by employees, officers, or directors of affiliates of the fund.

Tax credits are issued on the third, fourth, fifth, and sixth anniversary of the funds' closing date. Each tax credit certificate is equal to one-fourth the total tax credit allowable to the investor and can only be claimed for the taxable year that includes the applicable anniversary of the closing date.[22]

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[21] Ohio Department of Development, "Ohio Rural Business Growth Program." Accessed electronically at: https://development.ohio.gov/business/state-incentives/ohio-rural-business-growth-program
[22] Ohio Department of Development, "Rural Growth Program Terms and Conditions," 1 October 2021. Accessible at https://development.ohio.gov/business/state-incentives/ohio-rural-business-growth-program

Appendices

Appendix A: IMPLAN Economic Impact Methodology

The economic impact methodology utilized to determine the multiplier effects is IMPLAN (Impact Analysis for PLANning), a proprietary model; PFM has obtained a license for use of the IMPLAN model for these evaluations.

IMPLAN's Social Accounting Matrices (SAMs) capture the actual dollar amounts of all business transactions taking place in a regional economy as reported each year by businesses and governmental agencies. SAM accounts are a better measure of economic flow than traditional input-output accounts because they include "non-market" transactions. Examples of these transactions would be taxes and unemployment benefits.

Multipliers

SAMs can be constructed to show the effects of a given change on the economy of interest. These are called Multiplier Models. Multiplier Models study the impacts of a user-specified change in the chosen economy for 440 different industries. Because the Multiplier Models are built directly from the region-specific SAMs, they will reflect the region's unique structure and trade situation.

Multiplier Models are the framework for building impact analysis questions. Derived mathematically, these models estimate the magnitude and distribution of economic impacts, and measure three types of effects which are displayed in the final report. These are the direct, indirect, and induced changes within the economy.

- **Direct** effects are determined by the Event as defined by the user (i.e., a $10 million order is a $10 million direct effect).
- The **indirect** effects are determined by the amount of the direct effect spent within the study region on supplies, services, labor, and taxes.
- Finally, the **induced** effect measures the money that is re-spent in the study area as a result of spending from the indirect effect.

Each of these steps recognizes an important leakage from the economic study region spent on purchases outside of the defined area. Eventually, these leakages will stop the cycle.

Fiscal Impacts

The IMPLAN tax report captures all tax revenue in the study area, across all levels of government that exist in that study area, for the specific industries and institutions affected by an event or group of events. Tax Impact results are based on the collected and reported taxes within the region for the given data year. IMPLAN taxes shown (and collected) are industry and geographically specific. The IMPLAN tax impact report splits the tax impacts into the various tax categories based on the picture of that region's economy. But, there is no industry-specific profile for taxes paid by tax category, so the distribution across tax categories is an all-industry average. While this is a limitation of the IMPLAN fiscal reporting, the IMPLAN tax report serves as an appropriate measure of jurisdictional tax results in the aggregate. Tax results cannot be added to any summary or detailed results as they are already included as a portion of Output. State taxes do not include taxes or district assessments levied by Federal, county, sub-county, city or township governments.

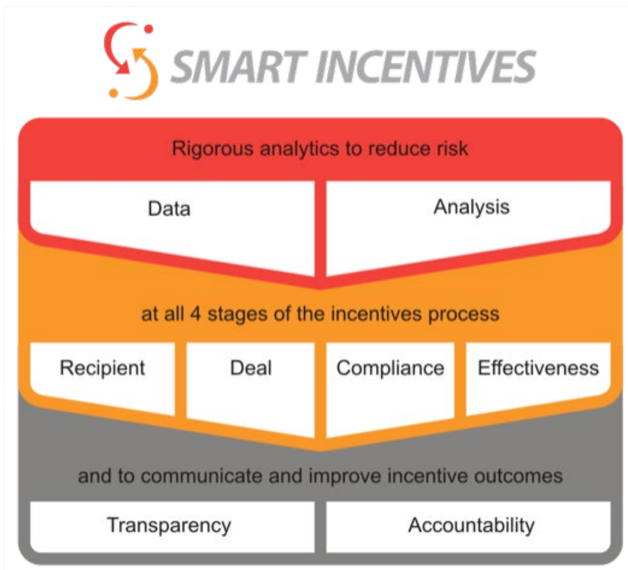
Appendix B: Rural Jobs Act Benchmarks

Name	Amount of Investment Authority Per Rural Fund	Amount of Tax Credit Per Applicant	Total Tax Credit Issued
Oklahoma Rural Jobs Act	$20 million	Cannot exceed the state tax liability and can be carried forward; 15% per year for the third, fourth, fifth, and sixth year of participation	$15 million per year
Georgia Agribusiness and Rural Jobs Act	$20 million	Up to the applicant's state income and premium tax liabilities	$15 million per year not to exceed $60 million
Missouri Workforce Development Act	N/A	15% per year for the third, fourth, fifth, and sixth year of participation	$25 million per year
Pennsylvania Rural Jobs and Investment Tax Credit Program	$50 million	$6 million	$30 million
Ohio Rural Business Growth Program	N/A	Amount of credit-eligible contributions minus $30,000 times the number of new FTEs	$45 million

Appendix C: Business Incentives Best Practices

There has been extensive writing around what constitute business incentives best practices. From the project team's review of many sources,[23] it has identified 10 important best practices and sought to incorporate them into the analysis and discussion of this incentive.

As a starting point, business incentives should be viewed as a process, not an event. The award of an incentive and the incentive features are part of that process, and many of the identified best practices reflect that. The process itself should take into consideration each of these factors, which PFM's subcontractor, Smart Incentives, demonstrates in the following illustration:



While the project team believes this is a strong set of best practices, there may well be others that are as (or more applicable) in specific situations. It is also likely that some of the best practices will come into conflict in some situations. For example, application and reporting requirements may reduce the simplicity of business compliance. As a result, these will always be subject to analysis on a case-by-case basis.

The 10 best practices are:

1. **For maximum impact, incentives should be targeted.** Examples of useful targeting include companies or industries that export their goods or services out-of-state; high economic impact companies or industries – such as those with higher wages and benefits, significant job creation,

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[23] Three resources in particular were relied upon on putting together the list of best practices. They are "What Factors Influence the Effectiveness of Business Incentives?" The Pew Charitable Trusts, April 4, 2019, accessed electronically at https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2019/04/what-factors-influence-the-effectiveness-of-business-incentives; "Improving Economic Development Incentives," Timothy J. Bartik, W.E. Upjohn Institute for Employment Research, 2018, accessed electronically at https://research.upjohn.org/cgi/viewcontent.cgi?article=1000&context=up_policybriefs; "Best Practices for the Design and Evaluation of State Tax Incentives Programs for Economic Development," Matthew N. Murray and Donald J. Bruce, January 2017, included within another evaluation at https://media.al.com/news_mobile_impact/other/AL%20ENTERTAIN%20NEWMKTS%203%209%2017.pdf

or significant capital investment.

2. **Incentives should be discretionary.** In most instances, an application process enables the state government to require company disclosure of information related to eligibility criteria and enables the state to reject applications that do not meet its standards.

3. **Incentives should leverage significant private capital.** Ideally, the incentive should leverage private investment that is at least several multiples of the state investment.

4. **Incentives should provide most of the benefit within 1-3 years and have a limited duration.** Company discount rates are much higher than for the state, and businesses will significantly devalue incentive payments in later years.

5. **Incentives should take into consideration state and/or local as well as industry economic conditions.** Incentives that are provided in high performing areas or for stable and profitable businesses or industries will likely fail the 'but for test' – meaning the activity would likely occur without the state incentive.

6. **'Smart' incentives help businesses overcome practical barriers to growth.** In particular, customized assistance for locally owned, small and medium-sized businesses can have significant impact.

7. **Incentives should be transparent.** The incentive purpose should be clearly articulated, as are eligibility requirements, and regular, detailed reporting should be required from all program recipients.

8. **Incentives should require accountability.** When upfront financial incentives are offered in return for job creation, retention, or capital investment, there should be contract language in place that allows the state to 'claw back' state resources should the company not meet performance requirements.

9. **Incentives should have caps.** To ensure the state's financial health, program dollar caps or limits should be in place. Incentive programs should also have a limited duration, with sunsets in place to require regular review of incentive performance.

10. **Incentives should be simple and understandable.** The state should be able to easily and effectively administer the incentive, and users should be able to readily comply with its requirements.

Appendix D: Oklahoma Rural Jobs Act Statute

68 OK Stat § 3930

This act shall be known and may be cited as the "Oklahoma Rural Jobs Act".

Added by Laws 2022, c. 354, § 1, eff. Nov. 1, 2022.

68 OK Stat § 3931

As used in this act:

1. "Affiliate" means an entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under the common control with another entity. An entity is controlled by another entity if the controlling entity holds, directly or indirectly, the majority of voting or ownership interest in the controlled entity or has control over day-to-day operations of the controlled entity by contract or by law;

2. "Applicable percentage" means zero percent (0%) for the first two credit allowance dates, and fifteen percent (15%) for the next four credit allowance dates;

3. "Capital investment" means any equity investment in a rural fund by a rural investor which:

- a.is acquired after the effective date of this act at its original issuance solely in exchange for cash,
- b.has one hundred percent (100%) of its cash purchase price used by the rural fund to make qualified investments in eligible businesses located in this state by the third anniversary of the initial credit allowance date, and
- c.is designated by the rural fund as a capital investment under this act and is certified by the Department under the provisions of Section 3 of this act. This shall include any capital investment that does not meet the provisions of paragraph 1 of subsection A of Section 3 of this act, if such investment was a capital investment in the hands of a prior holder;

4. "Credit allowance date" means the date on which the Department certifies a rural fund's capital investment and each of the five anniversary dates of such date thereafter;

5. "Department" means the Oklahoma Department of Commerce;

6. "Eligible business" means a business that, at the time of the initial qualified investment in the business:

- a.has fewer than two hundred fifty employees, and
- b.has its principal business operations in the state.

Any business which is classified as an eligible business at the time of the initial investment in such business by a rural fund shall remain classified as an eligible business and may receive follow-on investments from any rural fund, and such follow-on investments shall be qualified investments even though such business may not meet the definition of an eligible business at the time of such follow-on investment;

7. "Principal business operations" means the location where at least sixty percent (60%) of a business's employees work or where employees who are paid at least sixty percent (60%) of such business's payroll

work. A business that has agreed to relocate employees using the proceeds of a qualified investment to establish its principal business operations in a new location shall be deemed to have its principal business operations in such new location if it satisfied the requirements of this paragraph no later than one hundred eighty (180) days after receiving a qualified investment;

8. "Purchase price" means the amount paid to the rural fund that issues a capital investment which shall not exceed the amount of capital investment authority certified under the provisions of Section 3 of this act;

9. "Qualified investment" means any investment in an eligible business or any loan to an eligible business with a stated maturity date of at least one (1) year after the date of issuance, excluding revolving lines of credit and senior-secured debt unless the chief executive or similar officer of the eligible business certifies that the eligible business sought and was denied similar financing from a depository institution, by a rural fund; provided that, with respect to any one eligible business, the maximum amount of investments made in such business by one or more rural funds, on a collective basis with all of the businesses' affiliates, with the proceeds of the capital investments, shall be the greater of twenty percent (20%) of the rural fund's capital investment authority or Six Million Five Hundred Thousand Dollars ($6,500,000.00), exclusive of investments made with repaid or redeemed investments or interest or profits realized thereon;

10. "Rural area" means any county of this state that has a population of less than seventy-five thousand (75,000) or any city or town of this state that has a population not to exceed seven thousand (7,000) according to the 2020 Federal Decennial Census of the United States;

11. "Rural fund" means an entity certified by the Department under the provisions of Section 3 of this act;

12. "Rural investor" means an entity that makes a capital investment in a rural fund;

13. "Senior-secured debt" means any loan that is secured by a first mortgage on real estate with a loan-to-value ratio of less than eighty percent (80%); and

14. "State tax liability" means the tax imposed under Section 2355, 2355.1P-4, or 2370 of Title 68 of the Oklahoma Statutes or Section 624 or 628 of Title 36 of the Oklahoma Statutes. An insurance company claiming a credit against state premium tax or retaliatory tax or any other tax imposed by Section 624 or 628 of Title 36 of the Oklahoma Statutes shall not be required to pay any additional retaliatory tax under Section 628 of Title 36 of the Oklahoma Statutes as a result of claiming the credit. The credit may fully offset any retaliatory tax imposed by Section 628 of Title 36 of the Oklahoma Statutes.

Added by Laws 2022, c. 354, § 2, eff. Nov. 1, 2022.

68 OK Stat § 3932

A. A rural fund that seeks to have an equity investment certified as a capital investment eligible for credits authorized under the provisions of this act shall apply to the Department. The Department shall begin accepting applications within ninety (90) days of the effective date of this act. The application shall include:

1. The amount of capital investment requested;

2. A copy of the applicant's or an affiliate of the applicant's licenses as a rural business investment company under 7 U.S.C., Section 2009cc or as a small business investment company under 15 U.S.C., Section 681, and a certificate executed by an executive officer of the applicant attesting that such license remains in effect and has not been revoked;

3. Evidence that, as of the date the application is submitted, the applicant or affiliates of the applicant have invested at least One Hundred Million Dollars ($100,000,000.00) in nonpublic companies located in counties within the United States with a population of less than seventy-five thousand (75,000) according to the 2010 Federal Decennial Census of the United States;

4. A business plan that includes a revenue-impact assessment projecting state and local tax revenue to be generated by the applicant's proposed qualified investments, prepared by a nationally recognized, third-party, independent economic forecasting firm using a dynamic economic forecasting model that analyzes the applicant's business plan over the ten (10) years following the date the application is submitted to the Department. Such plan shall include an estimate of the number of jobs created and jobs retained in this state as a result of the applicant's qualified investments; and

5. A nonrefundable application fee of Five Thousand Dollars ($5,000.00) payable to the Department.

B. Within thirty (30) days after the receipt of a completed application, the Department shall grant or deny the application in full or in part. The Department shall deny the application if:

1. The applicant does not satisfy all the criteria provided under subsection A of this section;

2. The revenue-impact assessment submitted with the application does not demonstrate that the applicant's business plan will result in a positive fiscal impact on the state over a ten-year period that exceeds the cumulative amount of tax credits that would be issued to the applicant if the application was approved; or

3. The Department has already approved the maximum amount of capital investment authority under Section 4 of this act.

C. If the Department denies any part of the application, it shall inform the applicant of the grounds for such denial. If the applicant provides any additional information required by the Department or otherwise completes its application within fifteen (15) days of the notice of denial, the application shall be considered complete as of the original date of submission. If the applicant fails to provide the information or fails to complete its application within the fifteen-day period, the application shall remain denied and must be resubmitted with a new submission date and a new application fee.

D. Upon approval of an application, the Department shall certify the proposed equity investment as a capital investment eligible for credits under this act, subject to limitations laid out in Section 4 of this act. The Department shall provide written notice of the certification to the applicant which shall include the amount of the applicant's capital investment authority. The Department shall certify capital investments in the order that the application is received by the Department. Applications received on the same day shall be deemed to have been received simultaneously. For applications that are complete and received on the same day, the Department shall certify applications in proportionate percentages based upon the ratio of the amount of capital investment authority requested in all applications.

Added by Laws 2022, c. 354, § 3, eff. Nov. 1, 2022.

68 OK Stat § 3933

A. The Department shall certify capital investment authority under the provisions of this act in amounts that would not authorize more than Fifteen Million Dollars ($15,000,000.00) in state tax credits to be claimed against state tax liability in any calendar year, excluding any credit amounts carried forward as provided under subsection A of Section 5 of this act. Within ninety (90) days of the applicant receiving notice of certification, the rural fund shall issue the capital investment to and receive cash in the amount of the certified amount from a rural investor. At least ten percent (10%) of the rural investor's capital investment shall be composed of capital raised by the rural investor directly or indirectly from sources including directors, members, employees, officers, and affiliates of the rural investor, other than the amount invested by the allocatee claiming the tax credits in exchange for such allocation of tax credits. The rural fund shall provide the Department with evidence of the receipt of the cash investment within ninety-five (95) days of the applicant receiving notice of certification.

B. If the rural fund does not receive the cash investment and issue the capital investment within such time period following receipt of the certificate notice, the certification shall lapse and the rural fund shall not issue the capital investment without reapplying to the Department for certification. Lapsed certifications shall revert to the Department and shall be reissued pro rata to applicants whose capital investment allocations were reduced in accordance with the application process provided under subsection D of Section 3 of this act.

C. A rural fund, before making a qualified investment, may request from the Department a written opinion as to whether the business in which it proposes to invest is an eligible business. The Department, no later than fifteen (15) business days after the date of receipt of such request, shall notify the rural fund of its determination. If the Department fails to notify the rural fund of its determination by the twentieth business day, the business in which the rural fund proposes to invest shall be deemed an eligible business.

Added by Laws 2022, c. 354, § 4, eff. Nov. 1, 2022.

68 OK Stat § 3934

A. Upon making a capital investment in a rural fund, a rural investor shall have a right to a credit against such entity's state tax liability that may be utilized on each credit allowance date of such capital investment in an amount equal to the applicable percentage for such credit allowance date multiplied by the purchase price paid to the rural fund for the capital investment. The amount of the credit claimed by a rural investor shall not exceed the amount of such entity's state tax liability for the tax year for which the credit is claimed. Any amount of credit that a rural investor is prohibited from claiming in a tax year as a result of this section may be carried forward for use in any of the five (5) subsequent tax years, but shall not be carried back to prior tax years. It is the intent of this act that a rural investor claiming a credit under this act is not required to pay any additional tax that may arise as a result of claiming such credit.

B. No credit claimed under the provisions of this act shall be refundable or saleable on the open market. Credits earned by or allocated to a partnership, limited liability company, or S-corporation may be allocated to the partners, members, or shareholders of such entity for their direct use in accordance with the provisions of any agreement among such partners, members, or shareholders, and a rural fund shall notify the Department of the names of the entities that are eligible to utilize transfer of a capital investment upon such allocation, change, or transfer. Such allocation shall not be considered a sale for the purpose of this section.

C. The Department may recapture credits from a taxpayer that claimed a credit authorized under this section if:

1. The rural fund does not invest sixty percent (60%) of its capital investment authority in qualified investments in this state within two (2) years of the credit allowance date, and one hundred percent (100%) of its capital investment authority in qualified investments in this state within three (3) years of the credit

allowance date; provided, that at least seventy percent (70%) of these initial qualified investments must be made in eligible businesses located in rural areas;

2. The rural fund fails to maintain qualified investments equal to ninety percent (90%) of its capital investment authority from the third anniversary until the sixth anniversary of the credit allowance date, with seventy percent (70%) of such investments maintained in eligible businesses located in rural areas. For each year the rural fund fails to maintain such investments, the Department may recapture an amount of such year's allowed credits equal to the percentage difference between ninety percent (90%) of a rural fund's capital investment authority and the actual amount of qualified investments maintained for such year. For the purposes of this subsection, a qualified investment is considered even if the qualified investment was sold or repaid so long as the rural fund reinvests an amount equal to the capital returned or recovered or repaid by the rural fund from the original investment, exclusive of any profits realized, in other qualified investments in this state within twelve (12) months of receipt of such capital. Amounts received periodically by a rural fund shall be treated as continually invested in qualified investments if the amounts are reinvested in one or more qualified investments by the end of the following calendar year. A rural fund shall not be required to reinvest capital returned from qualified investments after the fifth anniversary of the credit allowance date, and such qualified investments shall be considered held continuously by the rural fund through the sixth anniversary of the credit allowance date;

3. Prior to the earlier of exiting the program in accordance with this act or thirty (30) days after the sixth anniversary of the credit allowance date, the rural fund makes a distribution or payment that results in the rural fund having less than one hundred percent (100%) of its capital investment authority invested in qualified investments in the state or held in cash or other marketable securities; or

4. The rural fund violates the provisions of Section 6 of this act, in which case the Department may recapture an amount equal to the amount of the rural fund's capital investment authority found to be in violation of such provisions.

For the purposes of meeting and maintaining the objectives established for investment in paragraphs 1 and 2 of this subsection, a rural fund's qualified investments shall be multiplied by a factor of one and one-quarter (1 1/4) in counties with less than thirty thousand (30,000) in population and more than thirteen thousand (13,000) in population and shall be multiplied by a factor of one and one-half (1 1/2) in counties with a population of thirteen thousand (13,000) or less.

D. Recaptured credits and related capital investment authority shall revert to the Department and shall be reissued pro rata to applicants whose capital investment allocations were reduced in accordance with the application process provided under subsection D of Section 3 of this act.

E. No recapture shall occur until the rural fund has been given notice of noncompliance and afforded six (6) months from the date of such notice to cure the noncompliance.

Added by Laws 2022, c. 354, § 5, eff. Nov. 1, 2022.

68 OK Stat § 3935

No eligible business that receives a qualified investment under the provisions of this act, or any affiliates of such eligible business, shall directly or indirectly:

1. Own or have the right to acquire an ownership interest in a rural fund or member or affiliate of a rural fund including, but not limited to, a holder of a capital investment issued by a rural fund; or

2. Loan to or invest in a rural fund or any member or affiliate of a rural fund including, but not limited to, a holder of capital investment issued by a rural fund, where the proceeds of such loan or investment are directly or indirectly used to fund or refinance the purchase of capital investments under this act.

Added by Laws 2022, c. 354, § 6, eff. Nov. 1, 2022.

68 OK Stat § 3936

A. Rural funds shall submit a report to the Department within the first fifteen (15) business days after the second and third anniversary of the initial credit allowance date. The report following the second anniversary shall provide documentation as to the investment of sixty percent (60%) of the purchase price of such capital investment in qualified investments. The report following the third anniversary shall provide documentation as to the investment of one hundred percent (100%) of the purchase price of such capital investment in qualified investments. Unless previously reported pursuant to this subsection, such reports shall also include:

1. The name and location of each eligible business receiving a qualified investment;

2. Bank statements of such rural fund evidencing each qualified investment;

3. A copy of the written opinion of the Department, as provided in subsection C of Section 4 of this act, or evidence that such business was an eligible business at the time of such qualified investment, as applicable;

4. The number of jobs created and jobs retained as a result of each qualified investment;

5. The average salary of positions described in paragraph 4 of this subsection; and

6. Such other information as required by the Department.

B. For all subsequent years, rural funds shall submit an annual report to the Department within ninety (90) days of the beginning of the calendar year during the compliance period. The report shall include, but is not limited to, the following:

1. The number of jobs created and jobs retained as a result of qualified investments;

2. The average annual salary of positions described in paragraph 1 of this subsection; and

3. Such other information as required by the Department.

C. On or after the sixth anniversary of the credit allowance date, a rural fund may apply to the Department to exit the program and no longer be subject to the regulation hereunder. The Department shall respond to the exit application within fifteen (15) days of receipt. In evaluating the exit application, the fact that no credits have been recaptured and that the rural fund has not received a notice of recapture that has not been cured pursuant to subsection E of Section 5 of this act shall be sufficient evidence to prove that the rural fund is eligible for exit. The Department shall not unreasonably deny an exit application submitted under this section. If an exit application is denied, the notice shall include the reasons for the determination.

Added by Laws 2022, c. 354, § 7, eff. Nov. 1, 2022.

68 OK Stat § 3937

The Department shall accept no new applications for tax credits authorized under this act after December 1, 2032.

Added by Laws 2022, c. 354, § 8, eff. Nov. 1, 2022.