

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 2785

By: Maddux (Elmer)

COMMITTEE SUBSTITUTE

An Act relating to corporations; amending 18 O.S. 1991, Sections 953 and 954, which relate to farming and ranching corporations; clarifying language; adding to exemption to act; and declaring an emergency.

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

SECTION 1. AMENDATORY 18 O.S. 1991, Section 953, is amended to read as follows:

Section 953. A. No corporation organized for a purpose other than farming or ranching shall own, lease or hold, directly or indirectly, agricultural lands in excess of that amount reasonably necessary to carry out its business purpose.

B. Any resident of the county in which the land is situated, who is of legal age, may initiate an action for the divestment of an interest in land held by a corporation in violation of the provisions of Sections 951 through 954 of this title, in the county in which the land is situated. If such action is successful all costs of the action shall be assessed against the defendant corporation, and a reasonable attorney's fee shall be allowed the plaintiff, ~~and should.~~ Should judgment be rendered for the defendant, such costs and a reasonable attorney's fee for the defendant shall be paid by the plaintiff.

C. In the event an action for the divestment of an interest in land held by a corporation in violation of the provisions of Sections 951 through 954 of this title, ~~is~~ successful against said corporation, said corporation shall be required to dispose of said land within such reasonable period of time as may be ordered by

the court, subject to the corporation's right of appeal. ~~The~~
Except as otherwise provided by Section 954 of this title, the
provisions of Sections 951 through 954 of this title, shall not
apply to corporations engaging in food canning operations, food
processing or frozen food processing insofar as such corporations
engage in the raising of food products for aforesaid purposes.

D. Upon the petition to a court of competent jurisdiction by
shareholders holding twenty-five percent (25%) or more of the
shares in a farming or ranching business corporation the court in
its discretion, for good cause shown, may order the corporation
dissolved and the assets of such corporation divided in kind pro
rata to the shareholders or liquidated and the proceeds of such
liquidation divided pro rata to the shareholders all according to
the procedures ~~set out~~ specified for the dissolution and
liquidation of business corporations under the Oklahoma General
Corporation Act.

SECTION 2. AMENDATORY 18 O.S. 1991, Section 954, is
amended to read as follows:

Section 954. The provisions of this act, Section 951 et seq.
of this title, shall not apply where a corporation, either
domestic or foreign:

1. Engages in research and/or feeding arrangements or
operations concerned with the feeding of livestock or poultry, but
only to the extent of such research and/or feeding arrangements or
such livestock or poultry operations; or

2. Engages in operations concerned with the production and
raising of livestock or poultry for sale or use as breeding stock
and including only directly related operations, such as breeding
or feeding livestock or poultry which are not selected or sold as
breeding stock; or

3. Engages in poultry and/or swine operations, including only
directly related operations, such as operating hatcheries,
facilities for the production of breeding stock, feed mills,
processing facilities, and providing supervisory, technical and
other assistance to any other persons performing such services on
behalf of the corporation; or

4. Engages in forestry as defined by Section 1-4 of Title 2 of the Oklahoma Statutes; or

5. Whose corporate purpose is charitable or eleemosynary; or

6. Presently engages in fluid milk processing within the State of Oklahoma or leases to a fluid milk processor so engaged; provided, this exception is limited to such dairy operations as are necessary to meet such processors needs.

SECTION 3. 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.

44-2-8981

KSM