

ENROLLED HOUSE
BILL NO. 2785

By: Holt, Kinnamon, Anthony,
Adair, Hutchison, Kirby,
Maddox (Jim),
Satterfield, Weaver,
Wells and York of the
House

and

Shedrick and Haney of
the Senate

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 processor's 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.

Passed the House of Representatives the 1st day of March, 1994.

Speaker of the House of
Representatives

Passed the Senate the 6th day of April, 1994.

President of the Senate