

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

HOUSE BILL NO. 2785

By: Maddux (Elmer)

AS INTRODUCED

An Act relating to corporations; amending 18 O.S. 1991, Section 953, which relates to farming and ranching corporations; clarifying language; and providing an effective date.

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~~7~~ 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 provisions of Sections 951 through 954 of this title~~7~~ 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. This act shall become effective September 1, 1994.

44-2-8676

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