

ENGROSSED HOUSE
BILL NO. 2163

By: Settle of the House

and

Robinson of the Senate

(banks and trust companies - County and Regional
Industrial Development Corporation Act - file proposed
articles of incorporation - codification - effective
date)

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 4001 of Title 6, unless there is
created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "County and
Regional Industrial Development Corporation Act".

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 4002 of Title 6, unless there is
created a duplication in numbering, reads as follows:

As used in this act, unless the context clearly requires
otherwise:

1. "Board" means the State Banking Board;
2. "Commissioner" means the State Banking Commissioner of this
state;
3. "Corporation" means a county or regional industrial
development corporation authorized to be organized under the
provisions of this act;

4. "Financial institution" means any banking corporation or institution, trust company, savings bank, savings and loan association, insurance company or related corporation, partnership, foundation, or other institution, engaged in lending or investing funds;

5. "Loan limit" means, for any member, the maximum amount permitted to be outstanding at any one time on loans made by such member to the corporation, as determined in paragraph 3 of subsection B of Section 15 of this act;

6. "Member" means any financial institution authorized to do business in this state which shall undertake to lend money to a corporation upon its call and in accordance with the provisions of Section 15 of this act;

7. "Person" includes all natural persons and legal entities; and

8. "Region" means any compact area comprised of three or more continuous counties within this state.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4003 of Title 6, unless there is created a duplication in numbering, reads as follows:

Any five or more qualified natural persons, who shall be bona fide residents of the same county or region in this state to be served by the proposed corporation and who desire to associate themselves for the purpose of establishing and operating a corporation, may subscribe, acknowledge, and file with the Commissioner for preliminary approval proposed articles of incorporation, in duplicate, as authorized by Section 9 of this act.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4004 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. If the Commissioner be satisfied that the applicants are bona fide residents of the county or region to be served by the

proposed corporation, that the applicants have the confidence of their respective communities, that, in the case of a regional corporation, the proposed region constituted a reasonably compact area with similar economic development needs, that public convenience and necessity require a corporation, and that the proposed articles of incorporation conform to the provisions of Section 9 of this act, the Commissioner shall issue a certificate approving the articles of incorporation and authorizing the applicants to proceed with the organization of the corporation.

B. The Commissioner shall not refuse a certificate to a regional corporation solely because one or more county corporations have been approved for the counties comprising the region. However, only one county industrial development corporation may be organized to serve in each individual county.

C. Upon receipt of such certificate of preliminary approval, the applicants may proceed to complete the organization of the corporation, to obtain subscriptions for and payment of its stock, and to do all other things necessarily incidental to its transacting business.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4005 of Title 6, unless there is created a duplication in numbering, reads as follows:

The directors and officers of a corporation organized under the provisions of this act shall not be responsible for losses of assets of the corporation unless the losses shall have been occasioned by the willful misconduct of such directors or officers.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4006 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. When the applicants shall have completed the organization of the proposed corporation, they shall file with the Commissioner a certificate of organization executed by the president of the

corporation, attested by its secretary, and with its seal affixed thereto, certifying:

1. The names and addresses of all of its subscribers of stock, the number of shares subscribed, and the number of shares fully paid for by each;

2. The total number of shares of stock subscribed, but not fully paid for;

3. The total number of shares of stock paid in full;

4. The name and address of the depository, or the names and addresses of the depositories, if more than one, holding on deposit the funds of the corporation; and

5. The names and addresses of the officers, directors, and members of the executive committee, if any, of the corporation.

B. The certificate or organization of the applicant shall be accompanied by the certificate of the named depository, or by the certificates of the named depositories, if more than one, certifying the amount of the funds on deposit to the credit of the corporation.

C. The certificate of organization shall also be accompanied by any bylaws or by any regulations which may have been adopted by the directors of the corporation.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4007 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. Immediately upon the filing of the certificate of organization by the applicants, the Commissioner shall submit to the Board the proposed articles of incorporation and the certificate of organization of the applicants. As soon as practicable thereafter, if the Board shall, from the best sources of information at its command, determine that:

1. Public convenience and necessity continue to require the corporation;

2. The holders of the fully paid common stock of the corporation are at least twenty in number;

3. Not less than One Hundred Thousand Dollars (\$100,000.00) of common stock has been subscribed and fully paid for;

4. No single stockholder nor related group of stockholders owns more than ten percent (10%) of the voting stock; and

5. The bylaws or regulations submitted, if any, are in conformity with the articles of incorporation and the provisions of this act, and not contrary to the laws of the state, and are otherwise satisfactory,

it shall direct the Commissioner to issue to the applicants a certificate of incorporation in such form as it may prescribe.

B. 1. The Commissioner shall also return to the applicants one of the copies of articles of incorporation submitted to the Commissioner by the applicants, upon which copy the Commissioner shall have endorsed the fact of the issuance of the certificate of incorporation.

2. If bylaws or regulations are submitted and are found satisfactory by the Board, the Commissioner shall issue a certificate of approval thereof.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4008 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. Upon the issuance of the certificate of incorporation by the Commissioner, the corporate existence of the corporation shall begin.

B. The certificate of incorporation shall be conclusive evidence, except as against the state, that all conditions precedent required to be performed by the applicants have been complied with, and that the corporation has been incorporated under this act.

C. A copy of the articles of incorporation so endorsed by the Commissioner, as prescribed in Section 7 of this act, shall be filed

for recordation in the office of the county clerk in the county in which the principal office of the corporation is located.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4009 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. The articles of incorporation for any corporation organized under the provisions of this act shall state:

1. The name of the corporation, which shall include the words "County Industrial Development Corporation" if the proposed corporation is to serve a single county, or "Regional Industrial Development Corporation" if the proposed corporation is to serve a region larger than a single county, and such designation as may be appropriate to distinguish it from any subsequent corporation which may be organized under the provisions of this state, and the name shall be such as to distinguish it from any other corporation organized and existing under the laws of this state;

2. The purpose for which the corporation is formed;

3. The period of duration of the corporation, which may be perpetual or limited;

4. The address of its principal office and the name and address of its agent upon whom process may be served;

5. The total number of shares of common stock which the corporation is authorized to issue, which number shall be not less than one hundred shares of common stock, having a par value of One Hundred Dollars (\$100.00) each;

6. The total number of shares of stock of any other class or distinction which the corporation is authorized to issue and the par value, if any, of the stock;

7. A provision stating that no stockholder shall be entitled as of right to purchase or subscribe for any unissued or treasury stock of the corporation, whether now or hereafter authorized, or whether of a class now existing or of a class hereafter created, and no

stockholder shall be entitled as of right to purchase or subscribe for any bonds, notes, or other obligations convertible into stock of the corporation;

8. A provision stating that no stockholder shall be entitled to own more than ten percent (10%) of the total number of shares of voting stock issued at any time;

9. The number of directors, not less than six nor more than fifteen, to be elected at the annual meeting of the holders of stock entitled to vote for the election of directors, the requirement, in the case of a regional corporation, that at least one director shall be a resident of each county comprising the region and a prohibition of more than one-third (1/3) of the directors being residents of any single county, the terms of office of the directors, and any provisions desirable for staggering their terms of office, except that the terms of office of directors and other matters pertaining to the directors may be provided in the bylaws of the corporation;

10. The names and addresses of the incorporators, who shall constitute the board of directors and manage the affairs of the corporation until the first meeting of the holders of the common stock; and

11. Any provisions, not inconsistent with law, which the incorporators may choose to insert, for the regulation of the business and the conduct of the affairs of the corporation. It shall not be necessary to set forth in the articles of incorporation any of the corporation powers enumerated in this act.

B. 1. A corporation organized under the provisions of this act may amend its articles of incorporation by a majority vote of the common stock, represented in person or by proxy at any regular meeting, or at any special meeting of the holders of the common stock called for that purpose.

2. The power to amend shall include the power to accomplish any desired change in the provisions of the articles of incorporation

and to include any purpose, power, or provision authorized to be included in the original articles of incorporation or by later amendment to this act.

3. Articles of amendment signed by the president or a vice-president and attested by the secretary or an assistant secretary, certifying to the amendment and its lawful adoption, shall be executed, acknowledged, and filed with the Commissioner and, when approved by the Board, recorded with the certificate of the Commissioner approving the articles of amendment, in the same manner as the original articles of incorporation. As soon as the Commissioner shall issue the certificate of amendment, the amendment or amendments shall be in effect.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4010 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. Only the holders of common stock, through the board of directors, shall manage the affairs of the corporation. Each holder of common stock shall be entitled to one vote, in person or by proxy, for each share of common stock held by the stockholder and, in voting for the directors of the corporation, shall be entitled to exercise the right of cumulative voting.

B. In the event of the transfer of shares of common stock, whether by act of the holder, or by operation of law, the name or names of the proposed transferees shall be submitted to the directors of the corporation, and the directors may refuse to approve the transfer, in which event the corporation shall have the option to purchase the shares of common stock at par. Shares of common stock so purchased shall be canceled, and shares in lieu thereof may be reissued and sold by the corporation. In the event that the directors do not purchase the shares of common stock subject to transfer, the shares of common stock then may be transferred without the approval of the directors.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4011 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. The purposes of each corporation organized under the provisions of this act shall be:

1. a. to promote, stimulate, develop, and advance the business prosperity and economic welfare of the county or region wherein it is located and its citizens,
- b. to encourage and assist through loans, investments, or other business transactions in the location of new business and industry in that county or region, and to assist the growth and expansion of existing business and industry, and
- c. to stimulate and assist in the expansion of all kinds of business activity which will tend to promote the business development and maintain the economic stability of the county or region, provide maximum opportunities for employment, encourage thrift, and improve the standard of living of the citizens of that county or region;

2. To cooperate and act in conjunction with other organizations, public or private, in the promotion and advancement of industrial, technological, scientific, commercial, agricultural, and recreational development in that county or region; and

3. To provide venture financing for the promotion, development, and conduct of all kinds of business activity in that county or region on terms and conditions that would not otherwise be available from existing financial institutions.

B. Each corporation organized under this act shall have the power:

1. To sue and be sued, complain and defend, in its corporate name;

2. To have perpetual succession, unless a limited period of duration is stated in its articles of incorporation;

3. To adopt a corporate seal, which may be altered at pleasure, and to use it, or a facsimile thereof, as permitted by law;

4. Within the limitations hereinafter imposed, and in the manner hereinafter prescribed, to borrow money and otherwise contract indebtedness, to issue its bonds, notes, debentures, or other obligations therefor with or without security, and, if with security, to secure the payment thereof by mortgage, pledge, or deed of trust, on all or any part of its property, assets, revenues, or income;

5. To purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, sell, exchange, and use any and all real and personal property, or any interest therein;

6. To sell and convey, mortgage, pledge, lease as lessor, and otherwise dispose of all or any part of its property or assets;

7. To make loans to any person and to establish and regulate the terms and conditions with respect to any such loans and the charges for interest and service connected therewith, consistent with the provisions of this act;

8. To purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise to dispose of bonds, securities, or evidences of indebtedness created by any other corporation or corporations of this state, or any other state or government, or created by any individual, unincorporated association, trust estate, improvement district, municipality, or governmental or municipal agency of any character;

9. To purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of the shares of the capital stock of any other corporation or corporations of this or any other state or government, subject to such restrictions and limitations, if any, as may be imposed by the laws of this or any other state in which the

corporation may do business; and, while owner of such stock, to exercise all the rights, powers, and privileges of ownership, including the right to vote thereon;

10. To make any and all contracts necessary or convenient for the exercise of the powers granted in this act;

11. To elect or appoint officers, agents, and employees of the corporation and to define their duties and fix their compensation;

12. To conduct its business and to have officers within or without the state;

13. To accept gifts or grants of money, service, or property, real or personal;

14. With the approval of the Board, by action of the directors of the corporation, to make and alter bylaws and regulations, not inconsistent with the articles of incorporation, or with the laws of this state, for the administration and regulation of the affairs of the corporation;

15. To encourage and promote the cultural, industrial, technological, scientific, economic, and recreational development of the county or region wherein it is located;

16. To assist minority businesses in obtaining loans or other means of financial assistance. The terms and conditions of such loans or financial assistance, including the charges for interest and other services, shall be consistent with the provisions of this act. In order to comply with this requirement, efforts shall be made to solicit for review and analysis proposed minority business ventures. The basic loan underwriting standards shall not be changed to inconsistently favor or disfavor minority persons or businesses, or both, from the intent of the lending practices of the corporation; and

17. To do and perform any and all acts, and to have and exercise any and all powers as may be necessary, convenient, or

appropriate to effectuate the purpose for which the corporation is organized.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4012 of Title 6, unless there is created a duplication in numbering, reads as follows:

The directors of the corporation, subject to such limitations as may be set forth in the articles of incorporation or bylaws thereof, may declare dividends to the holders of its stock and make partial distribution of its capital surplus pursuant to law.

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4013 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. Any corporation organized under the provisions of this act may, from time to time as the conduct of its business requires, issue and sell at such price and on such terms as the board of directors shall determine, its bonds and notes not to exceed, in a total aggregate amount outstanding at any one time, ten times the total amount of its fully paid common stock, its fully paid issued and outstanding preferred stock, if any, and the amount of its earned surplus in excess of a reserve set aside therefrom equal in amount to five percent (5%) of the aggregate total amount of loans of the corporation outstanding at any one time. However, the validity of the bonds and notes of the corporation valued at the time of the issuance and delivery shall not thereafter be affected if in excess of such ratio.

B. The bonds and notes of the corporation shall be in such form and denominations, shall have such dates and maturities, shall bear interest payable at such times and places within or without the state, and shall contain such provisions as to registration of ownership, if registration is deemed desirable, all as the directors of the corporation shall determine in conformity with the provisions of this act, and shall be executed by the president and secretary of

the corporation, and be sealed with the corporate seal. In the event any of the officers whose signatures appear on any such obligation shall cease to be such officers before the delivery thereof, such signatures shall be valid and sufficient for all purposes, the same as if they had remained in office until such delivery.

C. All bonds and notes of a corporation issued under the provisions of this act shall, unless otherwise limited by the express provisions thereof, irrespective of the date of issue, be on a parity as to security and shall be secured by a lien on the entire assets of the corporation, which lien shall be a first lien and superior to all other debts and to all other encumbrances, of whatsoever nature, on all of the assets of the corporation.

D. The earned surplus of the corporation, in whole or in part, in the discretion of the directors of the corporation, may be invested as provided in the bylaws of the corporation, and retained in reserve to meet losses and contingencies of the corporation.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4014 of Title 6, unless there is created a duplication in numbering, reads as follows:

Despite any rule at common law or any provision of law or any provision in their respective articles of incorporation:

1. All domestic corporations, including nonprofit corporations and associations, organized for the purpose of carrying on business within this state, including, without implied limitation, any public utility, and all trusts, are hereby authorized to acquire, purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of any bonds, notes, securities, or other evidences of indebtedness created by, or the shares of the common stock of, a corporation organized under this act, and while owners of the stock, to exercise all the rights, powers, and privileges of ownership, including the

right to vote thereon, all without the approval of any regulatory authority of the state;

2. All financial institutions are hereby authorized to become members of the corporation and to make loans to the corporation as provided herein;

3. A financial institution which does not become a member of the corporation shall not be permitted to acquire any shares of the common stock of the corporation; and

4. Each financial institution which becomes a member of the corporation is hereby authorized to acquire, purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of, any bonds, notes, securities, or other evidences of indebtedness created by, or the shares of the common stock of, the corporation and, while owners of the stock, to exercise all the rights, powers, and privileges of ownership, including the right to vote thereon, all without the approval of any regulatory authority of the state. The amount of the common stock of the corporation which may be acquired by any member pursuant to the authority granted herein shall not exceed ten percent (10%) of the loan limit of each member. The common stock of a corporation organized under this act which any member is authorized to acquire pursuant to the authority granted herein is in addition to the amount of common stock in corporations which such member may otherwise be authorized to acquire.

SECTION 15. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4015 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. Any financial institution may request membership in a corporation by making application to the board of directors on such form and in such manner as the board of directors may require, and membership shall become effective upon acceptance of such application by the board of directors.

B. Each member of the corporation may make loans to the corporation as and when called upon by it to do so on such terms and other conditions as shall be approved from time to time by the board of directors, subject to the following conditions:

1. All loan limits shall be established at the thousand-dollar amount nearest to the amount computed in accordance with the provisions of this section;

2. No loans to a corporation organized under this act shall be made by members pursuant to call made by the corporation if immediately thereafter the total amount of such loans will exceed ten times the amount then paid in on the outstanding stock of the corporation, plus ten times the earned surplus of the corporation less reserves;

3. The total amount outstanding on loans to a corporation made by any member at any one time, when added to the amount of the investment in the capital stock of the corporation then held by such member, shall not exceed the limitation on loans established by law or regulation applicable to the member or, in the absence of any such limitation, the amount approved by the board of directors for such member;

4. Each call made by the corporation shall be prorated among members of a corporation in substantially the same proportion that the adjusted loan limit of each member bears to the aggregate of the adjusted loan limits of all members. The adjusted loan limit of a member shall be the amount of the loan limit of the member, reduced by the balance of outstanding loans made by the member to the corporation and the investment in capital stock of the corporation held by such member at the time of the call. The limit shall be further reduced, in the case of a member which has assumed the obligation of a financial institution withdrawn from membership pursuant to paragraph 2 of subsection A of Section 16 of this act,

by the balance of outstanding loans made to the corporation by such financial institution; and

5. All loans to a corporation by members shall be evidenced by bonds, debentures, notes, or other evidences of indebtedness of the corporation, which shall be freely transferable at all times, and which shall bear interest at a rate which may be adjusted from time to time in a manner determined by the board of directors, which rate shall not be less than one-quarter of one percent (0.25%) in excess of the prime or base rate of interest prevailing at the time of such adjustment for commercial banks in this state on unsecured commercial loans.

SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4016 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. Membership in a corporation shall be for an indeterminate period; provided, that:

1. Upon written notice given to a corporation five (5) years in advance, a member may withdraw from membership in the corporation at the expiration date of such notice; or

2. In the event that a member shall consolidate with, merge into, or sell all or substantially all of its property and assets to another financial institution, the board of directors may, in such manner as it determines, permit the withdrawal of the member from membership in the corporation if the financial institution at the time of such withdrawal is a member and has assumed the obligation of the member to make loans to the corporation. If the financial institution is not a member prior to the consolidation, merger, or sale, the assumed obligation shall be discharged at the time the financial institution becomes a member.

B. A member shall not be obligated to make any loans to the corporation pursuant to calls made subsequent to the withdrawal of the corporation.

SECTION 17. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4017 of Title 6, unless there is created a duplication in numbering, reads as follows:

The stock, notes, debentures, bonds, and all other securities or obligations issued by any corporation organized and existing under the provisions of this act shall be exempt from the provisions of the Oklahoma Securities Act.

SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4018 of Title 6, unless there is created a duplication in numbering, reads as follows:

All bonds, notes, debentures, and other obligations of a corporation authorized under and issued in compliance with the provisions of this act shall be, and shall have, all the qualities and incidents of negotiable instruments under the negotiable instruments law of the state.

SECTION 19. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4019 of Title 6, unless there is created a duplication in numbering, reads as follows:

Any municipality in this state, or any board, commission, or other authority duly established by ordinance of any municipality, or the boards of trustees, respectively, of the firemen's relief and pension fund and the policemen's pension and relief fund of any municipality, may invest any of its funds not immediately needed for its purposes in the bonds and notes of any corporation organized under the provisions of this act.

SECTION 20. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4020 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. County or regional industrial development corporations as well as dividends on stock of any such corporation shall be exempt from the income tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes. Interest on bonds, notes, or other obligations

of any such corporation issued under and in accordance with the provisions of this act shall be exempt from the income tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes.

B. Corporations shall file income tax returns each year at the time provided for the filing of corporate income tax returns.

C. A corporation claiming exemption from income tax under this section shall attach to the return required in subsection B of this section a certification from the Commissioner stating that the corporation has been incorporated and is operating as a corporation in accordance with the provisions of this act.

SECTION 21. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4021 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. A corporation organized under the provisions of this act shall not lend money when credit is readily available on comparable terms elsewhere. Before granting a loan, the directors of the corporation shall endeavor so far as is reasonably possible to ascertain that reasonable opportunity to grant the loan has been given to the financial institutions of the state.

B. No corporation organized under the provisions of this act shall receive money on deposit.

C. The corporation shall not deposit any of its funds in any banking institution unless such institution has been designated as a depository by a vote of a majority of the directors present at an authorized meeting of the directors, exclusive of any director who is an officer or director of the depository so designated.

SECTION 22. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4022 of Title 6, unless there is created a duplication in numbering, reads as follows:

Each corporation organized under the provisions of this act shall be subject to the supervision, examination, and control of the Commissioner in the same manner, so far as applicable, as financial

institutions in this state, and shall make such reports of its condition to the Commissioner as the Commissioner shall prescribe, but such corporation shall not be deemed a banking institution, nor be required to pay any fee or other charge for any such supervision or examination.

SECTION 23. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4023 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. Any corporation organized under this act, after the payment in full and cancellation of all its notes, bonds, and other obligations issued under the provisions of this act, or after the deposit in trust with the respective trustees designated in any deeds of trust given to secure the payment of any such obligations of a sum of money sufficient for the purpose, may dissolve by the vote of a majority of the common stock of the corporation, represented in person or by proxy, at any regular meeting, or at any special meeting of the holders of the common stock of the corporation called for that purpose.

B. A certificate of dissolution shall be signed by the president or vice-president and attested by the secretary, certifying to such dissolution and stating that they have been authorized to execute and file such certificate by a vote cast in person or by proxy by holders of a majority of the common stock of the corporation.

C. The certificate of dissolution shall be executed, acknowledged, filed and recorded in the same manner as the original articles of incorporation, and as soon as the Commissioner shall have accepted and endorsed on the certificate of dissolution approval thereof, the corporation shall be deemed to be dissolved.

D. Such corporation shall, however, be continued for the purpose of paying, satisfying, and discharging any other existing liabilities or obligations, collecting or liquidating its assets,

and doing all other acts required to adjust and conclude its business and affairs and may sue and be sued in its corporate name.

E. Any assets remaining after all liabilities or other obligations of the corporation have been satisfied or discharged shall be distributed pro rata first among the stock holders, if any, of the corporation entitled to a preference. The remaining assets of the corporation shall then be distributed, pro rata, among the holders of the common stock of the corporation.

SECTION 24. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.26 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. The original purchaser of common stock of a corporation organized pursuant to the provisions of the County and Regional Industrial Development Corporation Act shall be entitled to a credit against any income tax liability which may be imposed on such purchaser for any tax year commencing on or after January 1, 1998, for common stock purchased from the corporation and retained during any of the calendar years from 1998 through 2005. The credit shall be determined in the following manner:

1. The credit is limited to an amount not to exceed thirty-three percent (33%) of the actual purchase price paid for the stock to the corporation, which shall include any fees or commissions to underwriters paid by the corporation. If any shares, once purchased from the corporation, are then sold or otherwise disposed of prior to five (5) years elapsing from the date of purchase, the maximum amount of any credit shall be reduced a pro rata amount;

2. In any one tax year, the credit allowed by this section shall not exceed fifty percent (50%) of the net state income tax liability of the taxpayer after all other credits and reductions in tax have been calculated;

3. Any credit in excess of the amount allowed by paragraph 2 of this subsection for any one (1) tax year may be carried forward and

applied against state income tax for the next-succeeding tax year and annually thereafter for a total period of three (3) years next succeeding the year in which the credit arose, subject to the provisions of paragraph 2 of this subsection, or until the credit is exhausted, whichever occurs first. In no event will the credit allowed by this section be allowed for any tax year ending after December 31, 2005; and

4. Any original purchaser of common stock who seeks to qualify for the income tax credit provided in this section shall:

- a. obtain a certified statement from the corporation issuing the common stock stating:
 - (1) the name and address of the original purchaser,
 - (2) the number of shares purchased,
 - (3) the amount paid by the original purchaser for the common stock,
 - (4) the date of purchase of the common stock, and
 - (5) the number of shares of the original purchase still owned by the original purchaser, and
- b. attach a copy of the certificate described in subparagraph a of this paragraph to the income tax return for the years the credit is claimed.

B. For the purpose of ascertaining the gain or loss from the sale or other disposition of common stock in a corporation, the original purchaser of the common stock shall reduce the basis in the stock by the amount of the tax credits previously deducted under this section. The original purchaser's basis in the stock shall be further reduced by ten percent (10%) of the original purchase price for any shares of stock sold or otherwise disposed of before five (5) years has elapsed from the date of purchase. This reduced basis shall be used by the original purchaser when calculating tax due.

SECTION 25. This act shall become effective November 1, 1997.

Passed the House of Representatives the 10th day of March, 1997.

Speaker

of the House of
Representatives

Passed the Senate the ____ day of _____, 1997.

President

of the Senate