

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SUBCOMMITTEE RECOMMENDATION

FOR

HOUSE BILL NO. 3801

By: Burns

SUBCOMMITTEE RECOMMENDATION

An Act relating to agricultural economic development; enacting the Oklahoma Certified Meat Processing Facility Incentive Act of 2024; providing for creation of the Oklahoma Certified Meat Processing Facility Incentive Approval Board; prescribing membership; providing for eligibility of entity for incentive payments; imposing requirements and restrictions with respect to equity ownership; providing for repayment of incentives under certain circumstances; authorizing State Auditor and Inspector to conduct audit of books and records; authorizing audit by third party; requiring certain characterization of incentive payments for purposes of repayment requirements; providing for enforcement and collection of incentive repayment by Oklahoma Tax Commission; imposing requirements with respect to processing facility inputs; creating the Oklahoma Certified Meat Processing Facility Incentive Revolving Fund; providing for sources of revenue; prescribing purpose of fund; providing for expenditures from fund; providing for codification; providing for noncodification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

1 This act shall be known and may be cited as the "Oklahoma
2 Certified Meat Processing Facility Incentive Act of 2024".

3 SECTION 2. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2121 of Title 62, unless there
5 is created a duplication in numbering, reads as follows:

6 A. There is hereby created the Oklahoma Certified Meat
7 Processing Facility Incentive Approval Board. The Board shall
8 consist of the following persons:

9 1. Three persons to be appointed by the Governor;

10 2. The Chair of the standing committee of the Oklahoma House of
11 Representatives having primary jurisdiction with respect to
12 legislation affecting agriculture or agricultural products;

13 3. The Chair of the standing committee of the Oklahoma State
14 Senate having primary jurisdiction with respect to legislation
15 affecting agriculture or agricultural products;

16 4. One person to be selected by the Chair of the committee of
17 the Oklahoma House of Representatives having primary jurisdiction
18 with respect to legislation affecting agriculture or agricultural
19 products; and

20 5. One person to be selected by the Chair of the standing
21 committee of the Oklahoma State Senate having primary jurisdiction
22 with respect to legislation affecting agriculture or agricultural
23 products.

1 B. In order to be eligible for any payment of funds from the
2 Oklahoma Certified Meat Processing Facility Incentive Revolving
3 Fund, an otherwise eligible business entity shall:

4 1. Be organized pursuant to the laws of any state of the United
5 States of America;

6 2. Not allow the majority of its equity interest to be owned
7 by:

8 a. a natural person who is not a citizen of the United
9 States;

10 b. a legal entity which is not an entity organized under
11 the laws of any of the states of the United States,

12 c. a legal entity, regardless of the state of its
13 formation, the majority equity interest of which is
14 owned by natural persons who are not United States
15 citizens,

16 d. a legal entity, regardless of the state of its
17 formation, the majority equity interest of which is
18 owned by an entity or entities the majority equity
19 interest of which is itself owned by one or more
20 natural persons who are not United States citizens,
21 and

22 e. a legal entity, regardless of the state of its
23 formation, the majority equity interest of which is
24 owned by any combination of natural persons who are

1 not United States citizens and other legal entities if
2 the majority equity interest of any one or more of
3 such entities is owned either by a natural person or
4 persons who are not United States citizens or if the
5 majority equity interest of any one or more of such
6 other legal entities is controlled, directly or
7 indirectly, by natural persons who are not United
8 States citizens; and

9 3. Use at least fifty percent (50%) of inputs in the processing
10 facility acquired from either a resident of the state or a legal
11 entity the majority equity interest of which is owned by one or more
12 residents of the state or a combination of natural persons who are
13 residents of the state and other legal entities the controlling
14 equity interest of which is owned, directly or indirectly, by one
15 or more residents of the state.

16 C. As used in this subsection, "majority equity interest" means
17 the shares or equivalent evidence of equity ownership in the entity
18 with voting rights having the power to select a board of directors
19 or an equivalent governing body for the entity.

20 D. If an entity receives funds pursuant to the provisions of
21 this act and pursuant to an audit of the books and records of the
22 entity it is determined that the restrictions regarding alien
23 ownership of the voting equity interest have been violated, the
24 amount of incentives paid to the entity shall become the equivalent

1 of a state tax owed by the entity and the Oklahoma Tax Commission
2 shall have all of the same procedures and remedies to enforce the
3 repayment of the incentive amount in the same manner as with respect
4 to any other state tax liability, including, but not limited to, the
5 provisions of the Uniform Tax Procedure Code.

6 E. The State Auditor and Inspector shall have the right to
7 examine the books and records of any entity receiving incentive
8 payments pursuant to the provisions of this act in order to enforce
9 the provisions of subsection B of this section and to assist in the
10 enforcement of the liabilities as described in subsection C of this
11 section. Any entity receiving incentive payments pursuant to the
12 provisions of this act shall provide access to its books and records
13 to the State Auditor and Inspector or to any third-party auditor
14 engaged by the State Auditor and Inspector in order to enforce the
15 provisions of subsection B and subsection C of this section.

16 SECTION 3. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 2122 of Title 62, unless there
18 is created a duplication in numbering, reads as follows:

19 There is hereby created in the State Treasury a revolving fund
20 for the Oklahoma Department of Agriculture, Food and Forestry to be
21 designated the "Oklahoma Certified Meat Processing Facility
22 Incentive Revolving Fund". The fund shall be a continuing fund, not
23 subject to fiscal year limitations, and shall consist of all monies
24 received by the Oklahoma Department of Agriculture, Food and

1 Forestry from such sources as may be provided by law. All monies
2 accruing to the credit of said fund are hereby appropriated and may
3 be budgeted and expended by the Oklahoma Department of Agriculture,
4 Food and Forestry for the purpose of providing incentives to
5 qualified entities to acquire and operate or to operate facilities
6 for the processing of certified meat produced within the state.
7 Expenditures from said fund shall be made upon warrants issued by
8 the State Treasurer against claims filed as prescribed by law with
9 the Director of the Office of Management and Enterprise Services for
10 approval and payment.

11 SECTION 4. This act shall become effective July 1, 2024.

12 SECTION 5. It being immediately necessary for the preservation
13 of the public peace, health or safety, an emergency is hereby
14 declared to exist, by reason whereof this act shall take effect and
15 be in full force from and after its passage and approval.

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