

<DateSubmitted>

HOUSE OF REPRESENTATIVES  
CONFERENCE COMMITTEE REPORT

Mr. President:  
Mr. Speaker:

The Conference Committee, to which was referred

**HB3252**

By: Osburn of the House and Thompson (Kristen) of the Senate

Title: State government; Oklahoma Department of Commerce; statement of needs; mission statement; reports; effective date; emergency.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its amendments; and
2. That the attached Conference Committee Substitute be adopted.

Respectfully submitted,

**SENATE CONFEREES**

Thompson \_\_\_\_\_  
(Kristen)  
Coleman \_\_\_\_\_  
Haste \_\_\_\_\_  
Pugh \_\_\_\_\_  
Seifried \_\_\_\_\_  
Brooks \_\_\_\_\_

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 CONFERENCE COMMITTEE  
4 SUBSTITUTE  
5 FOR ENGROSSED  
6 HOUSE BILL NO. 3252

By: Osburn, Bashore, Sims, and  
Hill of the House

7 and

Thompson (Kristen) and  
Woods of the Senate

8  
9  
10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to state government; amending 15 O.S.  
12 2021, Section 681, which relates to definitions;  
13 amending 62 O.S. 2021, Sections 2401 and 2403, which  
14 relate to certain investment program; amending 68  
15 O.S. 2021, Section 2358.110, which relates to certain  
16 income tax deduction; amending 74 O.S. 2021, Section  
17 5017.7, which relates to the International Protocol  
18 Office; amending 74 O.S. 2021, Sections 5028 and 5029  
19 which relate to county jails; amending 74 O.S. 2021,  
20 Section 5040.4, which relates to medically indigent  
21 persons; eliminating references to the Oklahoma  
22 Department of Commerce; creating references to  
23 various state governmental entities; and declaring an  
24 emergency.

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

SECTION 1. AMENDATORY 15 O.S. 2021, Section 681, is  
amended to read as follows:

Section 681. As used in the Invention Development Services Act:

1        1. "Contract for invention development services" includes a  
2 contract by which an invention developer undertakes to develop or  
3 promote an invention for a customer;

4        2. "Customer" means any natural person who is solicited by,  
5 inquires about, seeks the services of or enters into a contract with  
6 an invention developer for invention development services;

7        3. "Invention" includes a process, design, asexually reproduced  
8 plant, machine, manufacture, composition of matter, improvement upon  
9 the foregoing, or a concept;

10       4. "Invention developer" means any person, firm, corporation or  
11 association and the agents, employees or representatives of the  
12 person, firm, corporation or association which develops or promotes  
13 or offers to develop or promote an invention of a customer in order  
14 that the invention of the customer may be patented, licensed or sold  
15 for manufacture or manufactured in large quantities. The term  
16 "invention developer" does not include:

- 17        a. a partnership or corporation when all of its partners,  
18                stockholders or members are licensed by a state or the  
19                United States to render legal advice concerning  
20                patents and trademarks, or a person so licensed,
- 21        b. a department or agency of the federal, state or local  
22                government, including the inventor's assistance  
23                program ~~established~~ administered by the Oklahoma  
24

1 ~~Department of Commerce~~ Center for the Advancement of  
2 Science and Technology,

- 3 c. a charitable, scientific, education, religious or  
4 other organization registered pursuant to state law,  
5 d. a person, firm, corporation, association or other  
6 entity that does not charge a fee for invention  
7 development services, or  
8 e. any person, firm, corporation, association or other  
9 entity whose gross receipts from contracts for  
10 invention development services do not exceed ten  
11 percent (10%) of its gross receipts from all sources  
12 during the fiscal year preceding the year in which any  
13 contract for invention development services is signed.

14 For the purposes of this paragraph, "fee" shall include any  
15 payment made by the customer to the entity, including reimbursements  
16 for expenditures made or costs incurred by such entity, but shall  
17 not include a payment made from a portion of the income received by  
18 a customer by virtue of invention development services performed by  
19 the entity;

20 5. "Invention development services" includes any act required  
21 or promised to be performed, or actually performed by an invention  
22 developer for a customer.

23 SECTION 2. AMENDATORY 62 O.S. 2021, Section 2401, is  
24 amended to read as follows:

1       Section 2401. A. ~~The Oklahoma Department of Commerce~~ Center  
2 for the Advancement of Science and Technology (OCAST) shall create  
3 an "Invest In Oklahoma" program to provide entities in this state  
4 with funds for opportunities to invest in Oklahoma-based private  
5 equity funds, venture capital funds and growth funds. Opportunities  
6 for investment shall also include private equity funds, venture  
7 capital funds and growth funds that make substantial investments in  
8 this state.

9       B. ~~The Department~~ OCAST shall select venture capital and growth  
10 funds to qualify for investments within the Invest In Oklahoma  
11 Program based on factors including but not limited to:

- 12       1. Rate of return;
- 13       2. Years of operation;
- 14       3. Sufficiency of capitalization;
- 15       4. Investment performance track record;
- 16       5. Differentiation and sustainability of investment strategy;
- 17       6. Fee structure;
- 18       7. Background of limited partners; and
- 19       8. Ratio of capital invested in this state.

20       C. ~~The Department~~ OCAST shall exercise judgement and care,  
21 under circumstances then prevailing, which persons of prudence,  
22 discretion and intelligence exercise in the management of their own  
23 affairs, for investment, considering the probable safety of their  
24 capital as well as the probable income to be derived when

1 determining qualifying venture capital and growth funds to ensure  
2 the funds are being appropriately managed and invested.

3 D. ~~The Department~~ OCAST shall develop a request for proposal  
4 that includes the factors provided in subsection B of this section.

5 ~~The Department~~ OCAST shall maintain a list of available venture  
6 capital and growth funds which are participating in the Invest ~~in~~ In  
7 Oklahoma Program in which public entities are encouraged to invest.

8 SECTION 3. AMENDATORY 62 O.S. 2021, Section 2403, is  
9 amended to read as follows:

10 Section 2403. The Oklahoma ~~Department of Commerce~~ Center for  
11 the Advancement of Science and Technology shall promulgate rules to  
12 enforce the provisions of the Invest In Oklahoma Act.

13 SECTION 4. AMENDATORY 68 O.S. 2021, Section 2358.110, is  
14 amended to read as follows:

15 Section 2358.110 A. As used in this section:

16 1. "Accredited investor" means a person or entity as defined  
17 pursuant to Section 230.501 of Title 17 of the Code of Federal  
18 Regulations;

19 2. "Eligible Oklahoma business venture" means a lawful business  
20 entity that is determined by the Oklahoma ~~Department of Commerce~~  
21 Center for the Advancement of Science and Technology (OCAST) for  
22 receipt of an equity investment by an eligible Oklahoma venture  
23 capital company. In determining whether an investment is a  
24 qualified equity investment, ~~the Department~~ OCAST shall consider the

1 potential impact the investment would have on the local and state  
2 economy and shall consider the following factors:

- 3 a. the primary location of the entity,
- 4 b. the number of employees located or to be located in  
5 this state,
- 6 c. state and local revenues generated from the  
7 investment,
- 8 d. the economic benefits to the state,
- 9 e. the type and amount of the investment,
- 10 f. the current capitalization level and strategy, and
- 11 g. the industry classification of the entity;

12 3. "Eligible Oklahoma venture capital company" means a lawfully  
13 recognized business entity the primary business purpose of which is  
14 to accumulate funds for making investments in lawful for profit  
15 business entities and which is organized in any of the following  
16 forms:

- 17 a. general partnership,
- 18 b. limited partnership,
- 19 c. limited liability partnership,
- 20 d. limited liability company,
- 21 e. corporation, or
- 22 f. other lawfully recognized business entity;

23 4. "Lawful business entity" means the following:

- 24 a. a person,



- b. a general partnership,
- c. a limited partnership,
- d. a limited liability partnership,
- e. a limited liability company, or
- f. a corporation; and

5. "Qualified equity investment" means a transfer of cash or its equivalent by an accredited investor to an eligible Oklahoma venture capital company and for purposes of the deduction authorized by this section in an amount not in excess of Twenty-five Million Dollars (\$25,000,000.00) by an accredited investor during a taxable year.

B. For tax years 2022 through 2026, there shall be allowed a deduction from Oklahoma taxable income or Oklahoma adjusted gross income as determined pursuant to Section 2358 of ~~Title 68 of the Oklahoma Statutes~~ this title equal to the amount of qualified equity investment in an eligible Oklahoma venture capital entity made by an accredited investor.

C. The maximum amount of qualified equity investment made by an accredited investor for purposes of the deduction authorized by this section shall not exceed Twenty-five Million Dollars (\$25,000,000.00) for any taxable year of the investor.

D. Any qualified equity investment made for purposes of the deduction authorized by this section shall be documented by the issuance of shares of stock, membership interest or other evidence

1 of the equity interest acquired by the accredited investor. Such  
2 evidence may take the form of physical shares or the electronic  
3 equivalent of physical shares.

4 E. Records of the equity interest acquired by an accredited  
5 investor shall be maintained by the accredited investor and the  
6 eligible Oklahoma venture capital company for a period of at least  
7 five (5) years from the date the equity investment is made by an  
8 accredited investor.

9 F. A qualified equity investment made by an accredited investor  
10 for purposes of the deduction authorized by this section shall not  
11 be returned by the eligible Oklahoma venture capital company to the  
12 accredited investor, if the accredited investor is a natural person,  
13 or to any person related to such natural person within the third  
14 degree of consanguinity or affinity, for a period of three (3) years  
15 from the date of the qualified equity investment unless the return  
16 is in the form of a dividend or other payment agreed to prior to or  
17 simultaneously with the equity investment transfer from the  
18 accredited investor to the eligible Oklahoma venture capital company  
19 and only if the return of some part of the qualified equity  
20 investment is based on the financial performance of either the  
21 eligible Oklahoma venture capital company or the financial  
22 performance of one or more for profit business entities in which the  
23 accumulated equity funds of the eligible Oklahoma venture capital  
24

1 company are further invested or both such measures of financial  
2 performance.

3 G. A qualified equity investment made by an accredited investor  
4 for purposes of the deduction authorized by this section shall not  
5 be returned by the eligible Oklahoma venture capital company to the  
6 accredited investor if the accredited investor is a lawful business  
7 entity, or to any entity which owns fifty-one percent (51%) or more  
8 of the voting equity interest of the accredited investor or to any  
9 lawful business entity with respect to which the accredited investor  
10 owns fifty-one percent (51%) or more of the voting equity interest,  
11 within a period of five (5) years from the date of the equity  
12 investment unless the return is in the form of a dividend or other  
13 payment agreed to prior to or simultaneously with the equity  
14 investment transfer from the accredited investor to the eligible  
15 Oklahoma venture capital company and only if the return of some part  
16 of the qualified equity investment is based on the financial  
17 performance of either the eligible Oklahoma venture capital company  
18 or the financial performance of one or more for profit business  
19 entities in which the accumulated equity funds of the eligible  
20 Oklahoma venture capital company are further invested or both such  
21 measures of financial performance.

22 H. The deduction authorized by the provisions of this section  
23 shall not be used to reduce the Oklahoma taxable income amount or  
24 the Oklahoma adjusted gross income amount to less than zero (0).

1 There shall not be any carryover with respect to a deduction  
2 authorized by the provisions of this section.

3 I. If the Oklahoma Tax Commission determines, either from  
4 information accompanying any applicable income tax return or  
5 schedule, form or supporting documentation filed in order to claim  
6 the deduction authorized by this section, that the requirements of  
7 this section were not fulfilled, the Oklahoma Tax Commission shall  
8 notify the taxpayer claiming the deduction that the deduction has  
9 been disallowed and the income tax liability for the taxpayer shall  
10 be recalculated. The taxpayer shall retain all rights authorized  
11 pursuant to the provisions of the Uniform Tax Procedure Code and the  
12 Oklahoma Income Tax Code in order to contest the disallowance of  
13 part or all of such deductions.

14 J. ~~The Department~~ OCAST may promulgate rules to enforce the  
15 provisions of this act. ~~The Department~~ OCAST shall annually publish  
16 a report on the program created in this section.

17 SECTION 5. AMENDATORY 74 O.S. 2021, Section 5017.7, is  
18 amended to read as follows:

19 Section 5017.7 The Oklahoma ~~Department of Commerce~~ Lieutenant  
20 Governor shall serve as the Oklahoma Chief International Protocol  
21 Office and provide a resource for information concerning proper  
22 protocol with regard to international diplomats and officials and  
23 shall cooperate with other state agencies already engaged in  
24 international relations to facilitate and coordinate government

1 resources for optimal leveraging in achieving the common goal of  
2 advancing Oklahoma to the forefront of the global community. ~~An~~  
3 ~~associate with the Oklahoma Department of Commerce~~ A representative  
4 of the Lieutenant Governor may also serve as the official  
5 representative of the Governor to ensure that the growing numbers of  
6 international officials traveling to Oklahoma are warmly received  
7 and enjoy productive visits to the state. When dealing with  
8 international visitors of foreign governments, the associate may  
9 greet chiefs of state, heads of government and other appropriate  
10 functionaries, and may provide support to coordinate, arrange and  
11 facilitate meetings and other engagements between the Governor and  
12 international leaders.

13 The ~~Oklahoma Department of Commerce~~ Office of the Lieutenant  
14 Governor shall, for the encouragement of international trade  
15 opportunities for Oklahoma businesses, encourage and assist private  
16 efforts toward the development of interpersonal relationships  
17 between citizens of this state and citizens of other nations.

18 SECTION 6. AMENDATORY 74 O.S. 2021, Section 5028, is  
19 amended to read as follows:

20 Section 5028. ~~A.~~ There is hereby created in the State Treasury  
21 a special fund for the ~~Oklahoma~~ State Department of ~~Commerce~~ Health  
22 to be designated the "County Jail Improvement Fund". The fund shall  
23 be a continuing fund, not subject to fiscal year limitations. All  
24 monies appropriated to the fund may be budgeted and expended by the

1 ~~Oklahoma~~ State Department of ~~Commerce~~ Health for the purpose of  
2 providing matching funds to counties to renovate existing or to  
3 construct new jail facilities in accordance with state-approved jail  
4 standards. Expenditures from said fund shall be made upon warrants  
5 issued by the State Treasurer against claims filed as prescribed by  
6 law with the Director of the Office of Management and Enterprise  
7 Services for approval and payment.

8 ~~B. On July 1, 1986, any unallotted cash balance in the County~~  
9 ~~Jail Improvement Fund created in Section 66 of Title 57 of the~~  
10 ~~Oklahoma Statutes shall be transferred to the County Jail~~  
11 ~~Improvement Fund created in this section. All outstanding financial~~  
12 ~~obligations and encumbrances of the County Jail Improvement Fund~~  
13 ~~created in Section 66 of Title 57 of the Oklahoma Statutes are~~  
14 ~~hereby transferred to the Oklahoma Department of Commerce. After~~  
15 ~~November 15, 1986, any unexpended balance in the County Jail~~  
16 ~~Improvement Fund created in Section 66 of Title 57 of the Oklahoma~~  
17 ~~Statutes shall be transferred to the County Jail Improvement Fund~~  
18 ~~created in this section.~~

19 SECTION 7. AMENDATORY 74 O.S. 2021, Section 5029, is  
20 amended to read as follows:

21 Section 5029. The ~~Oklahoma~~ State Department of ~~Commerce~~ Health  
22 shall approve only those applications for funds to renovate an  
23 existing county jail facility or to construct a new county jail  
24 facility which contain proposed plans that are in compliance with

1 state-approved jail standards as determined by the Jail Inspection  
2 Division, ~~Oklahoma~~ State Department of Health. Any jail facility  
3 which serves as a combined city and county jail facility shall be  
4 eligible to apply for a grant under the provisions of this act.

5 For each grant of funds by the ~~Oklahoma~~ State Department of  
6 ~~Commerce~~ Health to a county, the requesting county must legally bind  
7 itself to expend on said property funds equal to the amount of funds  
8 being applied for from the County Jail Improvement Fund.

9 No application for funds available under the provisions of this  
10 act may be filed where the construction of new facilities or the  
11 renovation of existing facilities has begun by July 1, 1981.

12 No applicant may receive more than a total of Two Hundred  
13 Thousand Dollars (\$200,000.00) from the "County Jail Improvement  
14 Fund" in any one fiscal year.

15 SECTION 8. AMENDATORY 74 O.S. 2021, Section 5040.4, is  
16 amended to read as follows:

17 Section 5040.4 A. ~~Beginning November 1, 2005, the Oklahoma~~ The  
18 State Department of ~~Commerce~~ Health shall establish, through a  
19 competitive bid process, a statewide program to assist medically  
20 indigent residents of Oklahoma to receive prescriptions from drug  
21 manufacturer assistance programs.

22 B. Agencies including, but not limited to, the following shall  
23 be encouraged by the Department to submit bids:

24 1. County offices of the Department of Human Services;

1        2. County health departments;

2        3. Community action agencies designated by the Oklahoma  
3 Department of Commerce pursuant to Section 5038 of ~~Title 74 of the~~  
4 ~~Oklahoma Statutes~~ this title;

5        4. Community mental health centers;

6        5. Private nonprofit agencies; and

7        6. Public entities engaged in the delivery of social services.

8        C. Agencies selected by the Department to provide services  
9 pursuant to the Rx for Oklahoma Act shall, at a minimum, demonstrate  
10 their ability to:

11        1. Deliver services in a community or geographic area of the  
12 state that is not currently receiving services pursuant to the Rx  
13 for Oklahoma Act;

14        2. Maintain a dedicated telephone line and computer with  
15 Internet access with appropriate software during normal business  
16 hours; and

17        3. Have staff or volunteers available who can:

18            a. develop and implement community awareness initiatives  
19            about the prescription assistance services offered by  
20            the agency,

21            b. determine whether a pharmaceutical program is offered  
22            for the drug or drugs a person needs,

23            c. determine whether a person is eligible for assistance  
24            through a pharmaceutical program,



- 1 d. assist a person to make application to and enroll in a  
2 pharmaceutical assistance program,  
3 e. keep accurate records of the number of clients served,  
4 f. maintain the confidentiality of all client information  
5 including, but not limited to, the client's identity,  
6 application information and other records, and  
7 g. estimate the value of prescriptions provided to  
8 clients under the program.

9 D. Eligibility for the Rx for Oklahoma Act shall be residents  
10 of Oklahoma who:

- 11 1. Are medically indigent; or  
12 2. Are not medically indigent but cannot reasonably afford to  
13 pay for prescription medications.

14 E. The ~~Oklahoma~~ State Department of ~~Commerce~~ Health shall  
15 promulgate rules or establish procedures necessary to implement the  
16 program established by the Rx for Oklahoma Act and shall submit an  
17 annual report to the Legislature and the Governor no later than  
18 January 1 of each year. The report shall include, but not be  
19 limited to, the following:

- 20 1. A listing of entities awarded grants and the amount of each  
21 award;  
22 2. The number of residents served who were eligible for a drug  
23 manufacturer assistance program and the average amount of savings  
24 per resident;

1           3. The number of residents who sought assistance pursuant to  
2 the Rx for Oklahoma Act, but were determined not to be eligible for  
3 a drug manufacturer assistance program; and

4           4. A report by the Department of total expenditures. Included  
5 within the report shall be a summary of each grantee's  
6 administrative, personnel, and direct services expenditures by  
7 category relative to the grantee's administration of the program.

8           SECTION 9. It being immediately necessary for the preservation  
9 of the public peace, health or safety, an emergency is hereby  
10 declared to exist, by reason whereof this act shall take effect and  
11 be in full force from and after its passage and approval.

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13           59-2-11100           MAH           05/09/24

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