

1 ENGROSSED HOUSE
2 BILL NO. 1293

By: McCall of the House

3 and

4 Dahm of the Senate

5
6 An Act relating to public finance; enacting the
7 Allied Investments in Oklahoma Act of 2024; stating
8 purpose of act; defining terms; prescribing
9 conditions for eligibility for tax credits or other
10 benefits; providing procedures for reporting
11 violations; imposing duties on Oklahoma Department of
Commerce; providing for exclusions from scope of act;
12 providing for agreements related to recovery of
13 benefits; authorizing imposition of penalty amount;
14 providing for codification; providing an effective
15 date; and declaring an emergency.

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

17 SECTION 1. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 10001 of Title 62, unless there
19 is created a duplication in numbering, reads as follows:

20 This act shall be known and may be cited as the "Allied
21 Investments in Oklahoma Act of 2024".

22 SECTION 2. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 10002 of Title 62, unless there
24 is created a duplication in numbering, reads as follows:

1 The purpose of this act is to prohibit tax credits and other
2 economic or financial incentives for companies domiciled within
3 countries of concern.

4 SECTION 3. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 10003 of Title 62, unless there
6 is created a duplication in numbering, reads as follows:

7 As used in this act:

8 1. "Contracts" shall mean agreements between an employer and
9 the state, a state agency, a political subdivision of the state, or
10 an agency of a political subdivision of the state;

11 2. "Country of concern" shall mean any country designated by
12 the United States Secretary of State as hostile or a Country of
13 Particular Concern (CPC);

14 3. "Domicile" shall mean either the country in which a company
15 is registered, or where the company's affairs are primarily
16 completed, or where the plurality of ownership share is held;

17 4. "Employer" shall mean a business entity that voluntarily
18 pursues tax credits or other financial or economic incentives
19 covered under this act or enters into an agreement with the state or
20 a political subdivision thereof for the purpose of receiving tax
21 credits or other financial or economic incentives;

22 5. "Financial or economic incentive" shall mean anything of
23 financial or economic value that is offered by the state government
24 or a political subdivision thereof for the purpose of incentivizing

1 an employer to invest, expand, locate facilities, locate employees,
2 or otherwise deepen its economic engagement within Oklahoma;

3 6. "Subcontractor" shall mean an individual or entity that has
4 contracted with an employer to perform work or provide services; and

5 7. "Tax credit" shall mean any amount authorized, through a
6 contract, program, or agreement between an employer and the state,
7 that subtracts directly from an entity's total tax liability.

8 SECTION 4. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 10004 of Title 62, unless there
10 is created a duplication in numbering, reads as follows:

11 A. To be eligible to receive a tax credit or other economic or
12 financial benefit from Oklahoma or one of its political
13 subdivisions, an employer must not:

14 1. Be domiciled within a country of concern;

15 2. Be owned by the government of a country of concern;

16 3. Be owned by a company domiciled within a country of concern;

17 or

18 4. Contract with employers or subcontractors domiciled within a
19 country of concern.

20 B. The prohibitions set out in subsection A of this section
21 shall apply to any work or service for the employer on the project
22 for which the tax credit is provided.

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1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 10005 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 A. A person or entity may report, based upon a reasonable
5 belief, a suspected violation of subsection A of Section 4 of this
6 act to the Oklahoma Department of Commerce, provided that such
7 report must be made within one (1) year of the end of the term of
8 the agreement entered into by the Department of Commerce and the
9 employer. Upon receiving a report pursuant to this subsection, the
10 Department of Commerce shall obtain, in writing, a statement from
11 the employer on whether a violation has occurred, and shall
12 independently determine whether such a violation occurred.

13 B. It is a breach of the relevant agreement entered into
14 between the Department of Commerce and the employer for the employer
15 to refuse to provide the written statement.

16 C. If the Department of Commerce finds that an employer has
17 violated subsection A of Section 4 of this act, then the Department
18 shall deliver written notice of the Department's findings to the
19 employer informing the employer and the Office of the Attorney
20 General in order to initiate proceedings to recover any funds and
21 penalties pursuant to subsection B of Section 6 of this act.

22 SECTION 6. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 10006 of Title 62, unless there
24 is created a duplication in numbering, reads as follows:

1 A. This act applies prospectively and excludes:

2 1. An agreement between this state and an employer executed
3 prior to the effective date of this act; or

4 2. An agreement between an employer and a country of concern
5 executed prior to the effective date of this act.

6 B. Notwithstanding any law to the contrary, prior to
7 contracting to award a tax credit or other economic or financial
8 incentive, as defined in subsection A of Section 4 of this act and
9 limited by subsection B of Section 4 of this act, the Oklahoma
10 Department of Commerce and any other state agency or political
11 subdivision of the state must execute a separate agreement with the
12 recipient of the credit that reserves the right of the Department to
13 recover the amount of money, grants, funds, or other incentives
14 disbursed by the Department if the recipient benefiting from such
15 money, grants, funds, or other incentives fails to comply with
16 subsection B of Section 4 of this act.

17 SECTION 7. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 10007 of Title 62, unless there
19 is created a duplication in numbering, reads as follows:

20 The Attorney General may impose a penalty equal to fifty percent
21 (50%) of the total value of any tax credit or other financial or
22 economic incentive upon any employer found in violation of this act.

23 SECTION 8. This act shall become effective July 1, 2024.
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