

1 ENGROSSED HOUSE
2 BILL NO. 3801

By: Burns and Deck of the House

3 and

4 Kidd of the Senate
5

6 An Act relating to agricultural economic development;
7 enacting the Oklahoma Certified Meat Processing
8 Facility Incentive Act of 2024; providing for
9 creation of the Oklahoma Certified Meat Processing
10 Facility Incentive Approval Board; prescribing
11 membership; providing for eligibility of entity for
12 incentive payments; imposing requirements and
13 restrictions with respect to equity ownership;
14 providing for repayment of incentives under certain
15 circumstances; authorizing State Auditor and
16 Inspector to conduct audit of books and records;
17 authorizing audit by third party; requiring certain
18 characterization of incentive payments for purposes
19 of repayment requirements; providing for enforcement
20 and collection of incentive repayment by Oklahoma Tax
21 Commission; imposing requirements with respect to
22 processing facility inputs; creating the Oklahoma
23 Certified Meat Processing Facility Incentive
24 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.

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

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

22 This act shall be known and may be cited as the "Oklahoma
23 Certified Meat Processing Facility Incentive Act of 2024".
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1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2121 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

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

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

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

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

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

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

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

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

3 2. Not allow the majority of its equity interest to be owned
4 by:

5 a. a natural person who is not a citizen of the United
6 States,

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

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

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

19 e. a legal entity, regardless of the state of its
20 formation, the majority equity interest of which is
21 owned by any combination of natural persons who are
22 not United States citizens and other legal entities if
23 the majority equity interest of any one or more of
24 such entities is owned either by a natural person or

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

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

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

17 D. If an entity receives funds pursuant to the provisions of
18 this act and pursuant to an audit of the books and records of the
19 entity it is determined that the restrictions regarding alien
20 ownership of the voting equity interest have been violated, the
21 amount of incentives paid to the entity shall become the equivalent
22 of a state tax owed by the entity and the Oklahoma Tax Commission
23 shall have all of the same procedures and remedies to enforce the
24 repayment of the incentive amount in the same manner as with respect

1 to any other state tax liability, including, but not limited to, the
2 provisions of the Uniform Tax Procedure Code.

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

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

16 There is hereby created in the State Treasury a revolving fund
17 for the Oklahoma Department of Agriculture, Food and Forestry to be
18 designated the "Oklahoma Certified Meat Processing Facility
19 Incentive Revolving Fund". The fund shall be a continuing fund, not
20 subject to fiscal year limitations, and shall consist of all monies
21 received by the Oklahoma Department of Agriculture, Food and
22 Forestry from such sources as may be provided by law. All monies
23 accruing to the credit of said fund are hereby appropriated and may
24 be budgeted and expended by the Oklahoma Department of Agriculture,

1 Food and Forestry for the purpose of providing incentives to
2 qualified entities to acquire and operate or to operate facilities
3 for the processing of certified meat produced within the state.
4 Expenditures from said fund shall be made upon warrants issued by
5 the State Treasurer against claims filed as prescribed by law with
6 the Director of the Office of Management and Enterprise Services for
7 approval and payment.

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

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

13 Passed the House of Representatives the 12th day of March, 2024.

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Presiding Officer of the House
of Representatives

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18 Passed the Senate the ____ day of _____, 2024.

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Presiding Officer of the Senate

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