

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3114

By: Gann

AS INTRODUCED

An Act relating to public finance; enacting the Oklahoma Welfare for Corporations Act; providing for applicability of act; defining terms; prescribing procedures with respect to introduction of certain measures; requiring identification on measure; requiring analysis by Incentive Evaluation Committee; prescribing required content of analysis; requiring report; prescribing procedures related to availability of report; providing for codification; and providing an 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 4101 of Title 62, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Welfare for Corporations Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4102 of Title 62, unless there is created a duplication in numbering, reads as follows:

1 The provisions of the Oklahoma Welfare for Corporations Act
2 shall be applicable to legislation establishing a tax incentive.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 4103 of Title 62, unless there
5 is created a duplication in numbering, reads as follows:

6 As used in the Oklahoma Welfare for Corporations Act:

7 1. "Corporate welfare bill" means any bill or joint resolution
8 introduced or any bill or joint resolution amended by a member of
9 the Oklahoma Legislature which establishes a new tax incentive;

10 2. "Incentive Evaluation Commission" shall mean the Commission
11 established in Section 7001 of Title 62 of the Oklahoma Statutes;
12 and

13 3. "Tax incentive" means a financial incentive, whose
14 beneficiary's eligibility is statutorily determined through the use
15 of a North American Industry Classification System (NAICS) code.

16 SECTION 4. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 4104 of Title 62, unless there
18 is created a duplication in numbering, reads as follows:

19 A. No corporate welfare bill may be introduced by any member of
20 the Legislature unless, at the time of its introduction, the bill
21 has printed thereon in the upper right portion of each page of the
22 bill a CWB number. Once a corporate welfare bill is presented to
23 the Incentive Evaluation Commission, unless as otherwise provided by
24 this subsection, neither the applicable staff nor any person shall
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1 make any change in the corporate welfare bill prior to its
2 introduction into the Legislature unless the bill is returned to the
3 applicable staff office and that office assigns a new CWB number to
4 the bill. A change in a corporate welfare bill by the applicable
5 legislative staff to correct nonsubstantive errors shall not require
6 the assignment of a new CWB number.

7 B. A measure that is not a corporate welfare bill when
8 introduced, but becomes amended to become a corporate welfare bill
9 shall have printed thereon in the upper right corner of each page of
10 the bill a CWB number at the time the measure is deemed to be a
11 corporate welfare bill and shall be submitted to the Incentive
12 Evaluation Commission for review pursuant to Section 5 of this act.

13 SECTION 5. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 4105 of Title 62, unless there
15 is created a duplication in numbering, reads as follows:

16 A. Prior to considering a corporate welfare bill, a
17 comprehensive cost analysis and risk analysis shall be conducted by
18 the Incentive Evaluation Commission to assess the potential impact
19 on public finances and evaluate associated risks including the
20 corporation's participation in Diversity, Equity and Inclusion,
21 (DEI), Environmental, Social, Governance, (ESG), of corporate
22 governance.

23 B. The cost analysis shall involve a thorough examination of
24 the projected financial implications of the proposed tax incentive.

1 This assessment shall consider factors such as tax revenue loss,
2 potential budgetary constraints, and the long-term fiscal impact on
3 the government.

4 C. The risk analysis shall evaluate the potential risks and
5 uncertainties associated with granting the tax incentive. This
6 assessment shall include an examination of the economic viability of
7 the corporation, potential job creation or retention, market
8 conditions, and any potential negative consequences for other
9 industries or taxpayers.

10 D. The report generated from the cost and risk analyses shall
11 be submitted publicly to the appropriate legislative committee.
12 This committee shall review the report and consider its
13 recommendations when making decisions regarding the awarding of tax
14 incentives.

15 E. The decision to award a tax incentive shall be made in a
16 transparent, public manner, with the legislative committee or
17 governing body after not less than ten (10) weekdays shall have
18 passed following the time of the public posting of the report.

19 SECTION 6. This act shall become effective November 1, 2024.

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