

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 HOUSE BILL 2838

By: Grego and **Burns** of the
House

5 and

6 **Murdock** of the Senate

7

8

9 AS INTRODUCED

10 An Act relating to agricultural economic development;
11 enacting the Oklahoma Certified Meat Processing
12 Facility Incentive Act of 2025; providing for
13 creation of the Oklahoma Certified Meat Processing
14 Facility Incentive Approval Board; prescribing
15 membership; providing for eligibility of entity for
16 incentive payments; imposing requirements and
17 restrictions with respect to equity ownership;
18 providing for repayment of incentives under certain
19 circumstances; authorizing State Auditor and
20 Inspector to conduct audit of books and records;
21 authorizing audit by third party; requiring certain
22 characterization of incentive payments for purposes
23 of repayment requirements; providing for enforcement
24 and collection of incentive repayment by Oklahoma Tax
25 Commission; imposing requirements with respect to
26 processing facility inputs; creating the Oklahoma
27 Certified Meat Processing Facility Incentive
28 Revolving Fund; providing for sources of revenue;
29 prescribing purpose of fund; providing for
30 expenditures from fund; providing for
31 noncodification; providing for codification;
32 providing an effective date; and declaring an
33 emergency.

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

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

3 This act shall be known and may be cited as the "Oklahoma
4 Certified Meat Processing Facility Incentive Act of 2025".

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

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

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

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

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

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

22 5. One person to be selected by the Chair of the standing
23 committee of the Oklahoma State Senate having primary jurisdiction

1 with respect to legislation affecting agriculture or agricultural
2 products.

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

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

8 2. Not allow the majority of its equity interest to be owned
9 by:

10 a. a natural person who is not a citizen of the United
11 States,

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

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

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

1 e. a legal entity, regardless of the state of its
2 formation, the majority equity interest of which is
3 owned by any combination of natural persons who are
4 not United States citizens and other legal entities if
5 the majority equity interest of any one or more of
6 such entities is owned either by a natural person or
7 persons who are not United States citizens or if the
8 majority equity interest of any one or more of such
9 other legal entities is controlled, directly or
10 indirectly, by natural persons who are not United
11 States citizens; and

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

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

23 D. If an entity receives funds pursuant to the provisions of
24 this act and pursuant to an audit of the books and records of the

1 entity it is determined that the restrictions regarding alien
2 ownership of the voting equity interest have been violated, the
3 amount of incentives paid to the entity shall become the equivalent
4 of a state tax owed by the entity and the Oklahoma Tax Commission
5 shall have all of the same procedures and remedies to enforce the
6 repayment of the incentive amount in the same manner as with respect
7 to any other state tax liability, including, but not limited to, the
8 provisions of the Uniform Tax Procedure Code.

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

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

22 There is hereby created in the State Treasury a revolving fund
23 for the Oklahoma Department of Agriculture, Food, and Forestry to be
24 designated the "Oklahoma Certified Meat Processing Facility

1 Incentive Revolving Fund". The fund shall be a continuing fund, not
2 subject to fiscal year limitations, and shall consist of all monies
3 received by the Oklahoma Department of Agriculture, Food, and
4 Forestry from such sources as may be provided by law. All monies
5 accruing to the credit of said fund are hereby appropriated and may
6 be budgeted and expended by the Oklahoma Department of Agriculture,
7 Food, and Forestry for the purpose of providing incentives to
8 qualified entities to acquire and operate or to operate facilities
9 for the processing of certified meat produced within the state.
10 Expenditures from said fund shall be made upon warrants issued by
11 the State Treasurer against claims filed as prescribed by law with
12 the Director of the Office of Management and Enterprise Services for
13 approval and payment.

14 SECTION 4. This act shall become effective July 1, 2025.

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

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20 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
03/06/2025 - DO PASS, As Coauthored.
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