

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 1293

By: McCall

6  
7 COMMITTEE SUBSTITUTE

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

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

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

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

24 SECTION 2. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 10002 of Title 62, unless there  
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 4. Contract with employers or subcontractors domiciled within a  
18 country of concern.

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

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

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

10       B. It is a breach of the relevant agreement entered into  
11 between the Department of Commerce and the employer for the employer  
12 to refuse to provide the written statement.

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

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

22       A. This act applies prospectively and excludes:

23       1. An agreement between this state and an employer executed  
24 prior to the effective date of this act;

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

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

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

17           The Attorney General may impose a penalty equal to fifty percent  
18 (50%) of the total value of any tax credit or other financial or  
19 economic incentive upon any employer found in violation of this act.

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

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

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