

# An Act

ENROLLED HOUSE  
BILL NO. 3252

By: Osburn, Bashore, Sims, and  
Hill of the House

and

Thompson (Kristen), and  
Woods of the Senate

An Act relating to state government; amending 15 O.S. 2021, Section 681, which relates to definitions; amending 62 O.S. 2021, Sections 2401 and 2403, which relate to certain investment program; amending 68 O.S. 2021, Section 2358.110, which relates to certain income tax deduction; amending 74 O.S. 2021, Sections 5028 and 5029 which relate to county jails; amending 74 O.S. 2021, Section 5040.4, which relates to medically indigent persons; eliminating references to the Oklahoma Department of Commerce; creating references to various state governmental entities; and declaring an emergency.

SUBJECT: State government

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

SECTION 1. AMENDATORY 15 O.S. 2021, Section 681, is amended to read as follows:

Section 681. As used in the Invention Development Services Act:

1. "Contract for invention development services" includes a contract by which an invention developer undertakes to develop or promote an invention for a customer;

2. "Customer" means any natural person who is solicited by, inquires about, seeks the services of or enters into a contract with an invention developer for invention development services;

3. "Invention" includes a process, design, asexually reproduced plant, machine, manufacture, composition of matter, improvement upon the foregoing, or a concept;

4. "Invention developer" means any person, firm, corporation or association and the agents, employees or representatives of the person, firm, corporation or association which develops or promotes or offers to develop or promote an invention of a customer in order that the invention of the customer may be patented, licensed or sold for manufacture or manufactured in large quantities. The term "invention developer" does not include:

- a. a partnership or corporation when all of its partners, stockholders or members are licensed by a state or the United States to render legal advice concerning patents and trademarks, or a person so licensed,
- b. a department or agency of the federal, state or local government, including the inventor's assistance program ~~established~~ administered by the Oklahoma ~~Department of Commerce~~ Center for the Advancement of Science and Technology,
- c. a charitable, scientific, education, religious or other organization registered pursuant to state law,
- d. a person, firm, corporation, association or other entity that does not charge a fee for invention development services, or
- e. any person, firm, corporation, association or other entity whose gross receipts from contracts for invention development services do not exceed ten percent (10%) of its gross receipts from all sources during the fiscal year preceding the year in which any contract for invention development services is signed.

For the purposes of this paragraph, "fee" shall include any payment made by the customer to the entity, including reimbursements for expenditures made or costs incurred by such entity, but shall not include a payment made from a portion of the income received by a customer by virtue of invention development services performed by the entity;

5. "Invention development services" includes any act required or promised to be performed, or actually performed by an invention developer for a customer.

SECTION 2. AMENDATORY 62 O.S. 2021, Section 2401, is amended to read as follows:

Section 2401. A. ~~The Oklahoma Department of Commerce~~ Center for the Advancement of Science and Technology (OCAST) shall create an "Invest In Oklahoma" program to provide entities in this state with funds for opportunities to invest in Oklahoma-based private equity funds, venture capital funds and growth funds. Opportunities for investment shall also include private equity funds, venture capital funds and growth funds that make substantial investments in this state.

B. ~~The Department~~ OCAST shall select venture capital and growth funds to qualify for investments within the Invest In Oklahoma Program based on factors including but not limited to:

1. Rate of return;
2. Years of operation;
3. Sufficiency of capitalization;
4. Investment performance track record;
5. Differentiation and sustainability of investment strategy;
6. Fee structure;
7. Background of limited partners; and
8. Ratio of capital invested in this state.

C. ~~The Department~~ OCAST shall exercise judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, for investment, considering the probable safety of their capital as well as the probable income to be derived when determining qualifying venture capital and growth funds to ensure the funds are being appropriately managed and invested.

D. ~~The Department~~ OCAST shall develop a request for proposal that includes the factors provided in subsection B of this section. ~~The Department~~ OCAST shall maintain a list of available venture capital and growth funds which are participating in the Invest ~~in~~ In Oklahoma Program in which public entities are encouraged to invest.

SECTION 3. AMENDATORY 62 O.S. 2021, Section 2403, is amended to read as follows:

Section 2403. ~~The Oklahoma Department of Commerce~~ Center for the Advancement of Science and Technology shall promulgate rules to enforce the provisions of the Invest In Oklahoma Act.

SECTION 4. AMENDATORY 68 O.S. 2021, Section 2358.110, is amended to read as follows:

Section 2358.110 A. As used in this section:

1. "Accredited investor" means a person or entity as defined pursuant to Section 230.501 of Title 17 of the Code of Federal Regulations;

2. "Eligible Oklahoma business venture" means a lawful business entity that is determined by the Oklahoma ~~Department of Commerce~~ Center for the Advancement of Science and Technology (OCAST) for receipt of an equity investment by an eligible Oklahoma venture capital company. In determining whether an investment is a qualified equity investment, ~~the Department~~ OCAST shall consider the potential impact the investment would have on the local and state economy and shall consider the following factors:

- a. the primary location of the entity,
- b. the number of employees located or to be located in this state,
- c. state and local revenues generated from the investment,
- d. the economic benefits to the state,
- e. the type and amount of the investment,
- f. the current capitalization level and strategy, and

g. the industry classification of the entity;

3. "Eligible Oklahoma venture capital company" means a lawfully recognized business entity the primary business purpose of which is to accumulate funds for making investments in lawful for profit business entities and which is organized in any of the following forms:

- a. general partnership,
- b. limited partnership,
- c. limited liability partnership,
- d. limited liability company,
- e. corporation, or
- f. other lawfully recognized business entity;

4. "Lawful business entity" means the following:

- a. a person,
- b. a general partnership,
- c. a limited partnership,
- d. a limited liability partnership,
- e. a limited liability company, or
- f. a corporation; and

5. "Qualified equity investment" means a transfer of cash or its equivalent by an accredited investor to an eligible Oklahoma venture capital company and for purposes of the deduction authorized by this section in an amount not in excess of Twenty-five Million Dollars (\$25,000,000.00) by an accredited investor during a taxable year.

B. For tax years 2022 through 2026, there shall be allowed a deduction from Oklahoma taxable income or Oklahoma adjusted gross income as determined pursuant to Section 2358 of ~~Title 68 of the Oklahoma Statutes~~ this title equal to the amount of qualified equity

investment in an eligible Oklahoma venture capital entity made by an accredited investor.

C. The maximum amount of qualified equity investment made by an accredited investor for purposes of the deduction authorized by this section shall not exceed Twenty-five Million Dollars (\$25,000,000.00) for any taxable year of the investor.

D. Any qualified equity investment made for purposes of the deduction authorized by this section shall be documented by the issuance of shares of stock, membership interest or other evidence of the equity interest acquired by the accredited investor. Such evidence may take the form of physical shares or the electronic equivalent of physical shares.

E. Records of the equity interest acquired by an accredited investor shall be maintained by the accredited investor and the eligible Oklahoma venture capital company for a period of at least five (5) years from the date the equity investment is made by an accredited investor.

F. A qualified equity investment made by an accredited investor for purposes of the deduction authorized by this section shall not be returned by the eligible Oklahoma venture capital company to the accredited investor, if the accredited investor is a natural person, or to any person related to such natural person within the third degree of consanguinity or affinity, for a period of three (3) years from the date of the qualified equity investment unless the return is in the form of a dividend or other payment agreed to prior to or simultaneously with the equity investment transfer from the accredited investor to the eligible Oklahoma venture capital company and only if the return of some part of the qualified equity investment is based on the financial performance of either the eligible Oklahoma venture capital company or the financial performance of one or more for profit business entities in which the accumulated equity funds of the eligible Oklahoma venture capital company are further invested or both such measures of financial performance.

G. A qualified equity investment made by an accredited investor for purposes of the deduction authorized by this section shall not be returned by the eligible Oklahoma venture capital company to the accredited investor if the accredited investor is a lawful business entity, or to any entity which owns fifty-one percent (51%) or more of the voting equity interest of the accredited investor or to any

lawful business entity with respect to which the accredited investor owns fifty-one percent (51%) or more of the voting equity interest, within a period of five (5) years from the date of the equity investment unless the return is in the form of a dividend or other payment agreed to prior to or simultaneously with the equity investment transfer from the accredited investor to the eligible Oklahoma venture capital company and only if the return of some part of the qualified equity investment is based on the financial performance of either the eligible Oklahoma venture capital company or the financial performance of one or more for profit business entities in which the accumulated equity funds of the eligible Oklahoma venture capital company are further invested or both such measures of financial performance.

H. The deduction authorized by the provisions of this section shall not be used to reduce the Oklahoma taxable income amount or the Oklahoma adjusted gross income amount to less than zero (0). There shall not be any carryover with respect to a deduction authorized by the provisions of this section.

I. If the Oklahoma Tax Commission determines, either from information accompanying any applicable income tax return or schedule, form or supporting documentation filed in order to claim the deduction authorized by this section, that the requirements of this section were not fulfilled, the Oklahoma Tax Commission shall notify the taxpayer claiming the deduction that the deduction has been disallowed and the income tax ~~liability~~ liability for the taxpayer shall be recalculated. The taxpayer shall retain all rights authorized pursuant to the provisions of the Uniform Tax Procedure Code and the Oklahoma Income Tax Code in order to contest the disallowance of part or all of such deductions.

J. ~~The Department~~ OCAST may promulgate rules to enforce the provisions of this act. ~~The Department~~ OCAST shall annually publish a report on the program created in this section.

SECTION 5. AMENDATORY 74 O.S. 2021, Section 5028, is amended to read as follows:

Section 5028. ~~A.~~ There is hereby created in the State Treasury a special fund for the ~~Oklahoma State~~ Department of ~~Commerce~~ Health to be designated the "County Jail Improvement Fund". The fund shall be a continuing fund, not subject to fiscal year limitations. All monies appropriated to the fund may be budgeted and expended by the ~~Oklahoma State~~ Department of ~~Commerce~~ Health for the purpose of

providing matching funds to counties to renovate existing or to construct new jail facilities in accordance with state-approved jail standards. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

~~B. On July 1, 1986, any unallotted cash balance in the County Jail Improvement Fund created in Section 66 of Title 57 of the Oklahoma Statutes shall be transferred to the County Jail Improvement Fund created in this section. All outstanding financial obligations and encumbrances of the County Jail Improvement Fund created in Section 66 of Title 57 of the Oklahoma Statutes are hereby transferred to the Oklahoma Department of Commerce. After November 15, 1986, any unexpended balance in the County Jail Improvement Fund created in Section 66 of Title 57 of the Oklahoma Statutes shall be transferred to the County Jail Improvement Fund created in this section.~~

SECTION 6. AMENDATORY 74 O.S. 2021, Section 5029, is amended to read as follows:

Section 5029. The ~~Oklahoma State~~ Department of Commerce Health shall approve only those applications for funds to renovate an existing county jail facility or to construct a new county jail facility which contain proposed plans that are in compliance with state-approved jail standards as determined by the Jail Inspection Division, ~~Oklahoma State~~ Department of Health. Any jail facility which serves as a combined city and county jail facility shall be eligible to apply for a grant under the provisions of this act.

For each grant of funds by the ~~Oklahoma State~~ Department of Commerce Health to a county, the requesting county must legally bind itself to expend on said property funds equal to the amount of funds being applied for from the County Jail Improvement Fund.

No application for funds available under the provisions of this act may be filed where the construction of new facilities or the renovation of existing facilities has begun by July 1, 1981.

No applicant may receive more than a total of Two Hundred Thousand Dollars (\$200,000.00) from the "County Jail Improvement Fund" in any one fiscal year.



SECTION 7. AMENDATORY 74 O.S. 2021, Section 5040.4, is amended to read as follows:

Section 5040.4 A. ~~Beginning November 1, 2005, the Oklahoma~~ The State Department of Commerce Health shall establish, through a competitive bid process, a statewide program to assist medically indigent residents of Oklahoma to receive prescriptions from drug manufacturer assistance programs.

B. Agencies including, but not limited to, the following shall be encouraged by the Department to submit bids:

1. County offices of the Department of Human Services;
2. County health departments;
3. Community action agencies designated by the Oklahoma Department of Commerce pursuant to Section 5038 of ~~Title 74 of the Oklahoma Statutes~~ this title;
4. Community mental health centers;
5. Private nonprofit agencies; and
6. Public entities engaged in the delivery of social services.

C. Agencies selected by the Department to provide services pursuant to the Rx for Oklahoma Act shall, at a minimum, demonstrate their ability to:

1. Deliver services in a community or geographic area of the state that is not currently receiving services pursuant to the Rx for Oklahoma Act;

2. Maintain a dedicated telephone line and computer with Internet access with appropriate software during normal business hours; and

3. Have staff or volunteers available who can:

- a. develop and implement community awareness initiatives about the prescription assistance services offered by the agency,

- b. determine whether a pharmaceutical program is offered for the drug or drugs a person needs,
- c. determine whether a person is eligible for assistance through a pharmaceutical program,
- d. assist a person to make application to and enroll in a pharmaceutical assistance program,
- e. keep accurate records of the number of clients served,
- f. maintain the confidentiality of all client information including, but not limited to, the client's identity, application information and other records, and
- g. estimate the value of prescriptions provided to clients under the program.

D. Eligibility for the Rx for Oklahoma Act shall be residents of Oklahoma who:

1. Are medically indigent; or
2. Are not medically indigent but cannot reasonably afford to pay for prescription medications.

E. The ~~Oklahoma~~ State Department of ~~Commerce~~ Health shall promulgate rules or establish procedures necessary to implement the program established by the Rx for Oklahoma Act and shall submit an annual report to the Legislature and the Governor no later than January 1 of each year. The report shall include, but not be limited to, the following:

1. A listing of entities awarded grants and the amount of each award;
2. The number of residents served who were eligible for a drug manufacturer assistance program and the average amount of savings per resident;
3. The number of residents who sought assistance pursuant to the Rx for Oklahoma Act, but were determined not to be eligible for a drug manufacturer assistance program; and

4. A report by the Department of total expenditures. Included within the report shall be a summary of each grantee's administrative, personnel, and direct services expenditures by category relative to the grantee's administration of the program.

SECTION 8. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 29th day of May, 2024.

\_\_\_\_\_  
Presiding Officer of the House  
of Representatives

Passed the Senate the 30th day of May, 2024.

\_\_\_\_\_  
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_