

OKLAHOMA STATE SENATE  
CONFERENCE  
COMMITTEE REPORT

May 27, 2024

Mr. President:

Mr. Speaker:

The Conference Committee, to which was referred

SB1447

By: Thompson, K. of the Senate and Osburn and Swope of the House

Title: Economic development; creating Oklahoma's Modern Plan for Economic Transformation and Effectiveness (COMPETE) Act; creating the Division on Economic Development, Growth, and Expansion. Emergency.

\_\_\_\_\_ together with Engrossed House Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the House recede from all Amendments.
2. That the attached second Conference Committee Substitute (Request #3846) be adopted.

Respectfully submitted,

SENATE CONFEREES:

\_\_\_\_\_  
Thompson, K.

\_\_\_\_\_  
Coleman

\_\_\_\_\_  
Pugh

\_\_\_\_\_  
Haste

\_\_\_\_\_  
Weaver

\_\_\_\_\_  
Seifried

\_\_\_\_\_  
Young

HOUSE CONFEREES:

General Conference Committee on Appropriations

1 STATE OF OKLAHOMA

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

3 2ND CONFERENCE COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED

5 SENATE BILL NO. 1447

6 By: Thompson (Kristen) of the  
7 Senate

8 and

9 Osburn and Swope of the  
10 House

11  
12 2ND CONFERENCE COMMITTEE SUBSTITUTE

13 An Act relating to economic development; creating the  
14 Creating Oklahoma's Modern Plan for Economic  
15 Transformation and Effectiveness (COMPETE) Act;  
16 providing short title; amending 74 O.S. 2021, Section  
17 5003.2, which relates to creation of the Oklahoma  
18 Department of Commerce; requiring the Department to  
19 create two separate divisions; creating the Division  
20 on Economic Development, Growth, and Expansion (EDGE)  
21 and the Division on Community Outreach and  
22 Revitalization Enterprise (CORE); specifying purpose  
23 of each division; amending 74 O.S. 2021, Section  
24 5003.4, which relates to definitions; modifying  
definition; amending 74 O.S. 2021, Section 5003.5, as  
amended by Section 25, Chapter 243, O.S.L. 2022 (74  
O.S. Supp. 2023, Section 5003.5), which relates to  
the Director of the Oklahoma Department of Commerce;  
modifying title; establishing method for  
compensation; specifying requirements for position;  
amending 74 O.S. 2021, Section 5003.7, which relates  
to the five-year economic development plan; expanding  
provisions of plan; modifying recipients of notice;  
requiring plan to be posted on Department's website;  
requiring certain presentation; amending 74 O.S.

1 5003.10, which relates to the authority of the  
2 Oklahoma Department of Commerce; modifying reference;  
3 amending 74 O.S. 5003.10a, which relates to procedure  
4 to terminate offices established outside of state;  
5 modifying reference; creating the Legislative  
6 Evaluation and Development Committee; requiring  
7 legislative review on investments over certain  
8 threshold; specifying information for review;  
9 providing for membership; providing for quorum;  
10 allowing for certain reimbursement; requiring members  
11 of committee to submit to certain agreements;  
12 updating statutory language; providing for  
13 codification; and declaring an emergency.

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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 5090 of Title 74, unless there  
is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Creating  
Oklahoma's Modern Plan for Economic Transformation and Effectiveness  
(COMPETE) Act".

SECTION 2. AMENDATORY 74 O.S. 2021, Section 5003.2, is  
amended to read as follows:

Section 5003.2. A. Recognizing the geographic diversity of  
this state, Oklahoma needs one central, primary public-sector  
economic development agency for the state in order to manage or  
coordinate all public sector economic development activity.

1 ~~Oklahoma needs an agency to work at the community and firm level~~  
2 ~~to:~~

3 ~~1. Create new and higher quality jobs for the people of this~~  
4 ~~state through the expansion, creation, restructuring and recruitment~~  
5 ~~of export-oriented Oklahoma firms which produce value-added goods,~~  
6 ~~services and processes;~~

7 ~~2. Encourage statewide economic diversification and stability;~~

8 ~~3. Maintain a two-way flow of information between the central~~  
9 ~~state economic development agency and firms, farms and communities;~~

10 ~~4. Implement the strategic economic development five-year plan;~~

11 ~~and~~

12 ~~5. Carry out policy development and research in support of~~  
13 ~~Oklahoma Futures.~~

14 B. There are hereby created two separate and distinct divisions  
15 within the Oklahoma Department of Commerce to be known as the  
16 Division on Economic Development, Growth, and Expansion (EDGE) and  
17 the Division on Community Outreach and Revitalization Enterprise  
18 (CORE). EDGE and CORE shall collaborate to encourage economic  
19 stability in the state, to improve the economic competitiveness of  
20 this state, and to implement the Oklahoma Department of Commerce's  
21 strategic plan.

22 C. The Division on Economic Development, Growth, and Expansion  
23 (EDGE).

1 The purpose of EDGE shall be to serve as the state's lead  
2 economic development point of contact. EDGE shall exercise the  
3 powers and duties granted to it by this act to perform an essential  
4 governmental function for matters of public necessity for which  
5 public monies may be spent and property acquired. EDGE shall have  
6 duties pertaining to the economic development of the state  
7 including, but not limited to:

8 1. Being empowered to strategically drive opportunities for  
9 economic growth and diversification across the state;

10 2. Collaborating with local, regional, and state entities;

11 3. Coordinating the funding and investment activities of each  
12 element of the state's economic development efforts and marketing  
13 campaigns to achieve better results for the state's recruitment and  
14 retention of businesses; and

15 4. Acting as the principal point of contact regarding  
16 investment in this state for public officials, businesses, and the  
17 public.

18 D. The Division on Community Outreach and Revitalization  
19 Enterprise (CORE).

20 The purpose of CORE shall be to focus on the long-term  
21 development of local communities to increase competitiveness and  
22 enhance economic opportunities. CORE shall have duties pertaining  
23 to local economic opportunities and community development including,  
24 but not limited to:

1        1. Creating new and higher-quality jobs for the people of the  
2 state through long-term development of local communities;

3        2. Maintaining communication of information between the  
4 Department and communities through regional organization and  
5 representation;

6        3. Carrying out policy development and research in support of  
7 the long-term competitiveness of this state;

8        4. Providing technical assistance to local communities in  
9 securing federal funding, incentive availability, and community  
10 development;

11        5. Providing assistance and funding in development of potential  
12 sites for economic development;

13        6. Coordinating with other state agencies deploying federal and  
14 state funds for infrastructure development including, but not  
15 limited to, the Department of Transportation, the Oklahoma Water  
16 Resources Board, and the Oklahoma Broadband Office; and

17        7. Assisting in compliance with the laws and regulations of  
18 economic incentives and economic development initiatives.

19        E. The Oklahoma Department of Commerce is hereby constituted an  
20 agency of state government.

21        ~~C.~~ F. Whenever the terms "Department of Economic Development"  
22 or "Department of Economic and Community Affairs" appear in the  
23 Oklahoma Statutes they shall mean and refer to the Oklahoma  
24 Department of Commerce.

1 SECTION 3. AMENDATORY 74 O.S. 2021, Section 5003.4, is  
2 amended to read as follows:

3 Section 5003.4. As used in the Oklahoma Department of Commerce  
4 Act:

5 1. "Department" means the Oklahoma Department of Commerce;

6 2. ~~"Director" means the director of the Department of Commerce~~

7 "Chief Executive Officer" means the Chief Executive Officer of the  
8 Oklahoma Department of Commerce;

9 3. "Enterprise" means a firm with its principal place of  
10 business in Oklahoma;

11 4. "Economic Information System" means a comprehensive  
12 statewide data collection, analysis and distribution system which  
13 makes available current and thorough information on Oklahoma  
14 economic trends and future Oklahoma economic opportunities to  
15 communities, firms, farms and individuals in the state; firms and  
16 individuals outside the state considering location in Oklahoma; and  
17 Oklahoma Futures, the Governor, the Legislature and all other state  
18 agencies and institutions; and

19 5. "Economic Innovation System" means a decentralized statewide  
20 system that responsively and innovatively coordinates technical  
21 assistance, grant and loan programs with local, state, federal and  
22 private sector activities into a single statewide Economic  
23 Innovation System.

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1 SECTION 4. AMENDATORY 74 O.S. 2021, Section 5003.5, as  
2 amended by Section 25, Chapter 243, O.S.L. 2022 (74 O.S. Supp. 2023,  
3 Section 5003.5), is amended to read as follows:

4 Section 5003.5. A. The ~~Director~~ Chief Executive Officer of the  
5 Oklahoma Department of Commerce shall be appointed by the Governor  
6 with the advice and consent of the Senate. The ~~Director~~ Chief  
7 Executive Officer shall serve at the pleasure of the Governor and  
8 shall continue to serve until a successor is duly appointed and  
9 qualified. The salary of the ~~Director~~ Chief Executive Officer shall  
10 be ~~set by law~~ compensated in a manner that compares equally to  
11 similar positions in the private sector.

12 B. The ~~Director~~ Chief Executive Officer shall be qualified for  
13 such position by character, personality, ability, education,  
14 training and successful administrative experience in the public or  
15 private sector. The Chief Executive Officer shall have experience  
16 that includes, but is not limited to:

- 17 1. Economic development program leadership;
- 18 2. Business development leadership;
- 19 3. Senior-level board management and leadership;
- 20 4. Senior-level business and political engagement;
- 21 5. Leading business development or business recruitment teams;
- 22 6. Creating and implementing sector development strategies;
- 23 7. Branding and marketing leadership experience; and
- 24 8. Experience in recruiting companies to a state or community.



1 C. The ~~Director~~ Chief Executive Officer shall employ such  
2 persons as are necessary to implement the powers and duties of the  
3 Department. Because many of the powers and duties of the Department  
4 involve working closely with the private sector, certain employee  
5 positions of the Department shall be employed and compensated in a  
6 manner that compares equally to similar positions in the private  
7 sector and shall be exempt from the provisions of the Civil Service  
8 and Human Capital Modernization Act. All other employees and  
9 positions shall be subject to the provisions of the Civil Service  
10 and Human Capital Modernization Act. Provided, nothing in this  
11 section shall be construed to limit the authority of the Legislature  
12 to specify the status of positions otherwise by law. Neither shall  
13 the ~~Director~~ Chief Executive Officer have the authority to  
14 circumvent, disregard or otherwise disobey specific provisions of  
15 law regarding positions in the Department.

16 D. The ~~Director~~ Chief Executive Officer shall serve on the  
17 board of:

- 18 1. The Oklahoma Industrial Finance Authority;
- 19 2. ~~The Oklahoma Science and Technology Research and Development~~  
20 ~~Board;~~
- 21 3. The Oklahoma Development Finance Authority;
- 22 4. ~~The Executive Bond Oversight Commission;~~ and
- 23 5. 3. The Oklahoma Ordnance Works Authority.

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1 E. The ~~Director~~ Chief Executive Officer may serve as  
2 administrator of any interlocal agreement or compact to pursue  
3 economic development and to assign any employees of the Department  
4 or employee personnel to carry out duties or obligations pursuant to  
5 any interlocal agreement or compact for economic development.

6 F. The ~~Director~~ Chief Executive Officer, at his or her  
7 discretion, may approve payment for affiliations or memberships of  
8 the Department or, if necessary, associate memberships for  
9 individual employees in international, national, or state economic  
10 development councils, professional organizations, or governmental  
11 associations.

12 SECTION 5. AMENDATORY 74 O.S. 2021, Section 5003.7, is  
13 amended to read as follows:

14 Section 5003.7. A. The Oklahoma Department of Commerce shall  
15 prepare, with the cooperation of the Oklahoma business community,  
16 agricultural community, financial community, universities, labor  
17 ~~and~~, the state executive and legislative branches, and the Oklahoma  
18 Workforce Commission, a five-year economic development plan and  
19 annual updates for ~~the State of Oklahoma~~ this state.

20 1. The purpose of the plan shall be to identify significant  
21 economic, social, and demographic trends which may have both short-  
22 term and long-term impacts on the state and local economy and to  
23 present strategies and recommendations that the state and local  
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1 political subdivisions might adopt to improve or stabilize the  
2 economy.

3 2. The goals of the plan shall include the development of a  
4 diversified state economy, ~~increasing;~~ the increase of employment;  
5 the maximum use of federal, state and local funds to achieve the  
6 goals or recommendations included in the plan; the maximum  
7 investment of capital in the economy of the state; and the  
8 improvement of the quality of life in the state.

9 3. The plan wherever possible shall make recommendations to  
10 encourage intergovernmental cooperation and public and private  
11 cooperation.

12 4. The plan shall include an economic development strategy for  
13 the state that addresses target industries, site development, and  
14 workforce needs to meet the state goals.

15 5. Copies of the plan and the annual updates shall be submitted  
16 electronically to the Oklahoma Advisory Committee on  
17 Intergovernmental Relations, the Governor, the Speaker of the House  
18 of Representatives, the President Pro Tempore of the Senate and the  
19 ~~chairmen of the standing committees on economic development of the~~  
20 ~~Senate and of the House of Representatives~~ members of the  
21 Legislative Evaluation and Development Committee, as created in  
22 Section 8 of this act, and be made available to the public on the  
23 Department's website on the first day of each legislative session.

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1        ~~5.~~ 6. The Department shall develop and manage a complete  
2 economic information system which will support the five-year  
3 planning process, and which will make available complete and timely  
4 information on the state economy. The economic information system  
5 shall be operated by public or private Oklahoma universities or an  
6 Oklahoma enterprise capable of providing such services in a cost-  
7 effective manner.

8        B. The Chief Executive Officer of the Oklahoma Department of  
9 Commerce shall present the strategic plan to the Legislative  
10 Evaluation and Development Committee, as created in Section 8 of  
11 this act, for approval.

12        C. The Department, in conjunction with the Oklahoma Development  
13 Finance Authority, is authorized to develop an infrastructure  
14 program which will enable political subdivisions of this state to  
15 finance public works projects in order to modify or improve existing  
16 public facilities for purposes of bringing ~~said~~ such facilities, and  
17 the operation thereof, into compliance with and maintaining  
18 compliance with federal, state and local laws and regulations  
19 pertaining to the protection of the public health and the  
20 environment.

21        ~~C.~~ D. The ~~Director~~ Chief Executive Officer shall develop an  
22 annual business plan for the Department. The business plan shall  
23 include the need and mission of each division of the Department  
24 created by law or the ~~Director~~ Chief Executive Officer and an

1 analysis of past costs and benefits and future projected costs and  
2 benefits to the state of the programs of each division of the  
3 Department. The business plan shall be consistent with the goals of  
4 the recurring five-year plan specified in this section. The  
5 ~~Director~~ Chief Executive Officer shall distribute copies of the  
6 business plan by such means that will make it widely available to  
7 communities, firms and local economic development managers  
8 throughout this state.

9 SECTION 6. AMENDATORY 74 O.S. 2021, Section 5003.10, is  
10 amended to read as follows:

11 Section 5003.10. The Oklahoma Department of Commerce shall have  
12 the authority to:

13 1. Disseminate information concerning the industrial,  
14 commercial, governmental, educational, cultural, agricultural,  
15 business and other advantages and attractions of the state;

16 2. Assist public and private agencies in the preparation of  
17 informational and publicity programs designed to attract or retain  
18 business and industry for the state;

19 3. Obligate and expend funds for services performed by local  
20 political subdivisions of the state, state agencies, including  
21 universities and colleges within and without the state, and federal  
22 agencies for research and training in conformity with the general  
23 state laws governing such activity; and apply for, accept,  
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1 administer and expend grants from the federal government and any  
2 other public or private sources for research and training purposes;

3 4. Conduct, publish and disseminate or encourage research  
4 designed to further new and more extensive uses of the natural and  
5 other resources of the state and designed to develop and  
6 commercialize new products and commercial processes;

7 5. Study trends and developments in the industries of the state  
8 and analyze the reasons underlying such trends; study costs within  
9 the state; and make recommendations regarding circumstances  
10 promoting or hampering business and industrial development;

11 6. Generally gather, compile and make available economic  
12 analyses and statistical information relating to business, trade,  
13 commerce, industry, transportation, communication, natural  
14 resources, population and other like subjects in this state, with  
15 authority to call upon other agencies, universities and colleges of  
16 the state for statistical data and results obtained by them, and to  
17 arrange and compile such economic analyses and statistical  
18 information in such a manner as it deems advisable;

19 7. Study such other scientific, industrial, financial and  
20 economic issues as, in the judgment of the Department, shall be  
21 deemed of value to the people of the state;

22 8. Support and assist the efforts of state, regional and local  
23 development organizations, industrial committees, chambers of  
24 commerce, agricultural organizations, labor organizations and other

1 similar public and private agencies to obtain new and to foster  
2 expansion of existing service, industrial and manufacturing  
3 facilities, businesses and enterprises; and to foster community  
4 improvements in leadership, expertise, human development,  
5 infrastructure, public facilities and quality of life; and to expand  
6 data availability and utilization opportunities;

7 9. Maintain a continuing evaluation of the sources available  
8 for the financing of the development or expansion of industrial,  
9 agricultural and commercial facilities in this state through both  
10 public and private agencies;

11 10. Assist in obtaining financing for the development and  
12 expansion of industrial, agricultural and commercial facilities in  
13 the state;

14 11. Serve as the state's official liaison agency between  
15 persons interested in locating new economic enterprises in Oklahoma  
16 and state and local groups seeking new enterprises. In this  
17 respect, the Department shall aid communities in organizing for and  
18 obtaining new businesses and expanding existing businesses and shall  
19 process requests which reflect interest in locating economic  
20 enterprises in the state;

21 12. Promote the sale and facilitate the marketing of Oklahoma  
22 products including agricultural and value-added products in the  
23 international market;

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1        13. Encourage the location of foreign manufacturing plants and  
2 other industries in Oklahoma;

3        14. Coordinate the international efforts of the various state  
4 agencies without violating the individual authority given those  
5 agencies by statute;

6        15. Coordinate and serve as liaison to the private sector as  
7 needed;

8        16. Establish, subject to an annual appropriation or private  
9 gifts, offices outside the state boundaries. The offices may be  
10 operated by the state or may be operated pursuant to contract which  
11 shall not be subject to the competitive bid laws of the State of  
12 Oklahoma. The Department shall prepare an annual report concerning  
13 the activities of the offices and submit it to the Governor and the  
14 Legislature. The ~~Director~~ Chief Executive Officer of the Oklahoma  
15 Department of Commerce shall notify in writing the Governor, the  
16 President Pro Tempore of the Senate and the Speaker of the House of  
17 Representatives that the Department intends to establish a new  
18 office pursuant to this paragraph at least thirty (30) days prior to  
19 the establishment of the new office or execution of a contract;

20        17. Establish a system of not less than six geographic regions  
21 for promoting new or existing businesses, assisting in the expansion  
22 of small and medium sized manufacturers through a modernization  
23 program, creating new jobs, and assisting local businesses,  
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1 political subdivisions or other entities to better utilize the  
2 services of the Department;

3 18. Solicit, accept and expend donations and contributions from  
4 any source, whether public or private, in order to advertise,  
5 promote or disseminate information which may assist in the  
6 recruitment of companies, firms or jobs to Oklahoma, including but  
7 not limited to the Oklahoma Quality Jobs Program Act, and any other  
8 acts which the Department administers or which may assist the  
9 Department in the performance of its mission. The Department shall  
10 deposit any funds collected pursuant to this paragraph in the  
11 "Oklahoma Department of Commerce Revolving Fund" created by Section  
12 5012 of this title; and

13 19. Enter into contracts at fair market value for the rental of  
14 office space in any facility under its control to entities engaged  
15 in activities related to the export of goods produced in Oklahoma.  
16 The Department shall deposit any funds collected pursuant to this  
17 paragraph in the "Oklahoma Department of Commerce Revolving Fund"  
18 created by Section 5012 of this title.

19 SECTION 7. AMENDATORY 74 O.S. 2021, Section 5003.10a, is  
20 amended to read as follows:

21 Section 5003.10a. An office established by the Oklahoma  
22 Department of Commerce outside the State of Oklahoma pursuant to  
23 paragraph 16 of Section 5003.10 of this title shall not be  
24 terminated until the ~~Director~~ Chief Executive Officer of the

1 Oklahoma Department of Commerce provides a written report to the  
2 Governor, the Speaker of the House of Representatives, and the  
3 President Pro Tempore of the Senate of the intent of the ~~Director~~  
4 Chief Executive Officer to terminate the office. Termination of the  
5 office pursuant to this section shall not occur earlier than sixty  
6 (60) days following the date the report is filed as provided in this  
7 section. For purposes of this section, "termination" means a  
8 reduction in funding for an office or a change in representation.

9 SECTION 8. NEW LAW A new section of law to be codified  
10 in the Oklahoma Statutes as Section 5090.1 of Title 74, unless there  
11 is created a duplication in numbering, reads as follows:

12 A. There is hereby created within the Legislature the  
13 Legislative Evaluation and Development Committee. The Legislative  
14 Evaluation and Development Committee shall review financing for  
15 individual incentive packages including, but not limited to,  
16 packages offering tax incentives, funds for economic development,  
17 and, when the annual investment exceeds Twenty Million Dollars  
18 (\$20,000,000.00), excluding funding from existing incentives for any  
19 business, new or existing currently in this state, or when one or  
20 more of the incentives in the incentive package is not authorized  
21 under current law or an amendment by the Legislature is being sought  
22 to one or more currently existing incentives included in the  
23 incentive package. In addition to the required review of certain  
24 incentive packages as prescribed by this section, the Committee may,

1 in its discretion, also review potential economic development  
2 projects presented by private sector businesses or state or other  
3 political subdivision authorities which would be financed by public  
4 funds.

5 B. The Legislative Evaluation and Development Committee shall  
6 evaluate and propose economic projects provided by the Division on  
7 Economic Development, Growth, and Expansion within the Oklahoma  
8 Department of Commerce. The Committee shall consist of:

9 1. Four members of the Senate to be appointed by the President  
10 Pro Tempore of the Senate, one of whom shall be from the minority  
11 party; and

12 2. Four members of the House of the Representatives to be  
13 appointed by the Speaker of the House of Representatives, one of  
14 whom shall be from the minority party.

15 The President Pro Tempore of the Senate, or his or her designee,  
16 and the Speaker of the House of Representatives, or his or her  
17 designee, shall serve as co-chairs for the Committee.

18 C. The quorum of the Committee shall consist of at least five  
19 members. Meetings of the Committee shall be governed by joint rules  
20 of the Legislature. Members of the Committee may receive  
21 reimbursement from the Legislative Service Bureau for actual and  
22 necessary expenses incurred in connection with their duties as  
23 members of the Committee in accordance with other provisions of law  
24 relating to travel reimbursement for members of the Legislature.

1 Members serving on this Committee shall submit to nondisclosure  
2 agreements and adhere to the confidentiality of the material  
3 discussed in meetings that affects the economic development of this  
4 state.

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

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