

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2402 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By deleting the content of the entire measure, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Scott Fetgatter _____

Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 PROPOSED POLICY
4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2402

By: Fetgatter

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8 PROPOSED POLICY COMMITTEE SUBSTITUTE

9 An Act relating to revenue and taxation; creating the
10 Oklahoma Advanced Manufacturing Incentive Act of
11 2025; providing for tax incentive and direct grant
12 program for manufacturers of low-grade waste heat
13 electrification technology; providing for tiered
14 system of tax abatements; establishing time period
15 and requirements for renewal of tax abatements;
16 providing annual cap for direct grant program;
17 providing tiers and prioritization for grants;
18 establishing annual cap for incentives; providing for
19 carryover; providing eligibility requirements for
20 incentives; providing for submission of application
21 to the Oklahoma Department of Commerce; requiring
22 annual report to be filed with the Oklahoma
23 Department of Commerce; requiring the Oklahoma
24 Department of Commerce to compile a report; requiring
collaboration with certain institutions and agencies;
requiring the Oklahoma Department of Commerce to
develop administrative rules; providing an effective
date; and declaring an emergency.

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

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

1 This act shall be known and may be cited as the "Oklahoma
2 Advanced Manufacturing Incentive Act of 2025".

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

5 The Oklahoma Advanced Manufacturing Incentive Act of 2025 shall
6 establish a tax incentive and direct grant program to attract
7 manufacturers of low-grade waste heat electrification technology to
8 Oklahoma. This program is intended to encourage investment, job
9 creation, and energy sector expansion.

10 SECTION 3. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 4520 of Title 68, unless there
12 is created a duplication in numbering, reads as follows:

13 A. Eligible manufacturers, as defined by subsection D of this
14 section, entering the low-grade waste heat electrification
15 technology market shall qualify for Oklahoma state corporate income
16 tax abatements. The tax abatements shall be tiered as follows:

17 1. Tier 1: Manufacturers who invest Ten Million Dollars
18 (\$10,000,000.00) or more and the creation of at least fifty jobs in
19 Oklahoma shall receive up to thirty percent (30%) abatement on
20 corporate income taxes for five (5) years; and

21 2. Tier 2: Manufacturers who invest Twenty Million Dollars
22 (\$20,000,000.00) or more and the creation of at least one hundred
23 jobs in Oklahoma shall receive up to fifty percent (50%) abatement
24 on corporate income taxes for five (5) years.

1 Both Tier 1 and Tier 2 abatements shall be renewable for an
2 additional five-year period, contingent upon compliance and
3 continued investment.

4 B. The Oklahoma Department of Commerce is authorized to
5 administer a direct grant program which shall be capped at Twenty
6 Million Dollars (\$20,000,000.00) over five (5) years. The grants
7 shall be prioritized as follows:

8 1. Manufacturing facilities located in areas qualifying for the
9 federal New Markets Tax Credit or within existing manufacturing hubs
10 as defined by the United States Department of Commerce; and

11 2. Projects with substantial contributions to Oklahoma's energy
12 sector and the state's economy.

13 C. The total amount of incentives provided under this act in
14 any fiscal year shall not exceed Eight Million Dollars
15 (\$8,000,000.00). Any unused funds in any fiscal year shall roll
16 over to subsequent years within the program's five-year term.

17 D. To qualify for incentives under this act, manufacturers
18 shall meet the following criteria:

19 1. Establish new manufacturing operations in Oklahoma for the
20 production of low-grade waste heat electrification technology,
21 defined as technology recovering waste heat below two hundred (200)
22 degrees Celsius or four hundred (400) degrees Fahrenheit and
23 incorporating advanced heat exchangers (HXs) for OEM applications;
24 and

1 2. Submit an eligibility application to the Oklahoma Department
2 of Commerce, including:

- 3 a. business and operational plans, and
- 4 b. investment and job creation commitments.

5 E. The recipients of any incentive provided under this act
6 shall file an annual report with the Oklahoma Department of Commerce
7 detailing the total dollar amount of investments made, number of
8 jobs created and retained, and progress and contributions to the
9 state's energy and economic development goals. The Oklahoma
10 Department of Commerce shall compile an annual program performance
11 report for submission to the Governor and the Legislature.

12 F. The Oklahoma Department of Commerce shall collaborate with
13 state educational institutions and workforce development agencies to
14 develop training programs tailored to low-grade waste heat
15 electrification technology manufacturing and ensure a skilled labor
16 pool is available to support the sector's growth.

17 G. The Oklahoma Department of Commerce shall promulgate
18 administrative rules within ninety (90) days of this act's effective
19 date to ensure transparent and efficient implementation.

20 H. This act shall cease to have the force and effect of law on
21 July 1, 2030.

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

23 SECTION 5. It being immediately necessary for the preservation
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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