

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 294

By: Pugh

AS INTRODUCED

An Act relating to state fiscal affairs; amending 62 O.S. 2021, Section 48.2, as amended by Section 1, Chapter 313, O.S.L. 2019, which relates to the Oklahoma Quick Action Closing Fund; excluding certain industry from eligibility to receive funds; updating statutory language; updating statutory references; and providing an effective date.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 48.2, as amended by Section 1, Chapter 313, O.S.L. 2019, is amended to read as follows:

Section 48.2. A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Commerce to be designated the Oklahoma Quick Action Closing Fund. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of:

1. All monies apportioned or allocated to the fund pursuant to law;
2. Any amounts appropriated by the Legislature to the fund;
3. Interest earned on the investment of money in the fund;

1 4. Gifts, grants, and other donations received for the fund;
2 and

3 5. Five percent (5%) of all funds paid by the Oklahoma Tax
4 Commission to establishments that execute contracts for payment of
5 incentives pursuant to the Oklahoma Quality Jobs Program Act and the
6 21st Century Quality Jobs Incentive Act if the contract is executed
7 on or after ~~the~~ August 2, 2018.

8 B. All monies accruing to the credit of the fund are hereby
9 appropriated and may be budgeted and expended by the Governor for
10 the purposes of economic development and related infrastructure
11 development in instances in which expenditure of such funds would
12 likely be a determining factor in locating a high-impact business
13 project or facility in Oklahoma, in retaining such project or
14 facility within the state, or for payment of rebates to a ~~high~~
15 ~~impact~~ high-impact production pursuant to the Oklahoma Film
16 Enhancement Rebate Program. Expenditures from the fund shall be
17 made upon warrants issued by the State Treasurer against claims
18 filed as prescribed by law with the Director of the Office of
19 Management and Enterprise Services for approval and payment.

20 C. In order to qualify for any funds from the Oklahoma Quick
21 Action Closing Fund, the establishment making application shall be
22 engaged in a business activity described by a North American
23 Industry Classification System (NAICS) ~~Code~~ code used to define
24 eligibility for incentive payments from the Oklahoma Quality Jobs

1 Program Act as defined in Section 3603 of Title 68 of the Oklahoma
2 Statutes or a business activity described by Section 3603 of Title
3 68 of the Oklahoma Statutes or be engaged in a ~~"basic industry"~~
4 basic industry used to define eligibility for incentive payments
5 from the 21st Century Quality Jobs Incentive Act as prescribed by
6 Section 3913 of Title 68 of the Oklahoma Statutes or a ~~high-impact~~
7 high-impact production company which has been approved for a rebate
8 pursuant to the provisions of Section 3624 of Title 68 of the
9 Oklahoma Statutes; provided, establishments engaged in electric
10 automobiles for highway use manufacturing activities defined or
11 classified in the 2022 NAICS Manual under U.S. Industry Group No.
12 336110 shall not qualify for any funds from the Oklahoma Quick
13 Action Closing Fund.

14 D. Except in the case of a ~~high-impact~~ high-impact production
15 company which has been approved for a rebate pursuant to the
16 provisions of Section 3624 of Title 68 of the Oklahoma Statutes, the
17 Governor shall not approve payments from the Oklahoma Quick Action
18 Closing Fund unless the Oklahoma Department of Commerce has
19 conducted a complete analysis of the potential impact of the
20 applicant's business activity which shall include, but not be
21 limited to:

22 1. The number of jobs to be created by a new business
23 establishment;

1 2. The number of jobs to be retained by an existing business
2 establishment;

3 3. The average salary of jobs to be created by a new
4 establishment;

5 4. The average salary of jobs to be retained by an existing
6 business establishment;

7 5. The total capital investment to be made by the business
8 establishment;

9 6. The likelihood of other business establishments locating
10 within the same vicinity or within the state as a result of the
11 business activity to be conducted by the entity to receive payments
12 from the Oklahoma Quick Action Closing Fund;

13 7. The impact on the economy of the area or community in which
14 the business activity of the applicant is or will be conducted; and

15 8. Such other factors as the Governor and the Oklahoma
16 Department of Commerce determine to be relevant.

17 E. The Oklahoma Department of Commerce shall administer the
18 Oklahoma Quick Action Closing Fund, and expenditures from the fund
19 shall be recommended by the Director of the Oklahoma Department of
20 Commerce to the Governor after a thorough evaluation of selected
21 projects or facilities or after a rebate is approved for payment to
22 a ~~high-impact~~ high-impact production company pursuant to the
23 provisions of Section 3624 of Title 68 of the Oklahoma Statutes.
24 Except for rebates approved pursuant to the provisions of Section

1 3624 of Title 68 of the Oklahoma Statutes, the Director of the
2 Oklahoma Department of Commerce shall only recommend expenditures
3 that the Director determines are expected to result in a net
4 economic benefit to the state through the following:

5 1. The creation of new jobs which offer a basic health benefit
6 plan, as defined in the Oklahoma Quality Jobs Program Act;

7 2. The maintenance of existing jobs which are at a risk for
8 termination;

9 3. Investment in new real property, ~~plant~~ plants, or equipment
10 or in the improvement or retooling of existing ~~plant~~ plants or
11 equipment; or

12 4. Additional revenues in either ad valorem, income, or sales
13 and use taxes.

14 F. The Oklahoma Department of Commerce shall develop rules for
15 the process of reviewing proposed expenditures from the Oklahoma
16 Quick Action Closing Fund and for the determination of whether or
17 not proposed expenditures meet the criteria identified in subsection
18 E of this section. Criteria shall include, but not be limited to,
19 requirements for economic impact, local participation in the
20 project, capital investment, and average wage thresholds.

21 G. Upon receipt of an evaluation that recommends an expenditure
22 from the Oklahoma Quick Action Closing Fund from the Director of the
23 Oklahoma Department of Commerce, the Governor shall provide the
24 evaluation and recommendation to the President Pro Tempore of the

1 ~~State~~ Senate and the Speaker of the ~~Oklahoma~~ House of
2 Representatives before giving final approval for the expenditure on
3 the project. The ~~Executive~~ Office of the Governor shall recommend
4 final approval of an expenditure on a project pursuant to
5 consultation with the President Pro Tempore of the ~~State~~ Senate and
6 the Speaker of the ~~Oklahoma~~ House of Representatives.

7 H. Upon approval by the Governor, the Oklahoma Department of
8 Commerce shall enter into an agreement that sets forth the
9 conditions for payment of monies from the Oklahoma Quick Action
10 Closing Fund. The agreement must include:

- 11 1. The total amount of funds awarded;
- 12 2. Except in the case of a rebate approved for payment to a
13 ~~high-impact~~ high-impact production company pursuant to the
14 provisions of Section 3624 of Title 68 of the Oklahoma Statutes, the
15 performance conditions that must be met to obtain the award
16 including, but not limited to, net new employment in the state,
17 average salary, and total capital investment;
- 18 3. If appropriate, a baseline of current service and measure of
19 enhanced capability;
- 20 4. The methodology of validating performance;
- 21 5. The schedule of payments from the fund, and claw-back
22 provisions for failure to meet performance conditions; and
- 23 6. A requirement that no monies paid from the Oklahoma Quick
24 Action Closing Fund shall be used by a recipient or any other person

1 or entity for purposes of any political contribution to or on behalf
2 of any candidate or for the support of or opposition to any measure
3 including, but not limited to, an initiative petition or referendum.

4 I. The Oklahoma Department of Commerce shall make available on
5 its website or other website dedicated for this purpose a complete
6 disclosure of all payments made from the Oklahoma Quick Action
7 Closing Fund. The disclosure shall include a description of the
8 expenditures made by the business establishment with the payments
9 made from the fund. No proprietary information of the business
10 establishment shall be subject to the requirements of this
11 subsection.

12 J. If any or all of the amount to be awarded is used to build a
13 capital improvement, except in the case of an amount approved for
14 payment to a ~~high-impact~~ high-impact production company pursuant to
15 the provisions of Section 3624 of Title 68 of the Oklahoma Statutes:

16 1. The funds used for the capital improvement shall be deemed
17 to be held in trust for the benefit of the state and shall be
18 considered as a priority claim for purposes of federal bankruptcy
19 law; and

20 2. If the capital improvement is sold, the recipient of the
21 award shall:

22 a. repay the state the money awarded to pay for the
23 capital improvement, with interest at the rate and
24

1 according to the other terms provided by the
2 agreement, and

3 b. share with the state a proportionate amount of any
4 profit realized from the sale.

5 K. If, as of the date certain provided in the agreement, the
6 award recipient has not used monies awarded for the intended
7 purposes, the recipient shall repay that amount and any related
8 interest to the state at the agreed rate and on the agreed terms and
9 any such amounts shall be deemed to be held in trust for the benefit
10 of the state and shall be considered as a priority claim for
11 purposes of federal bankruptcy law.

12 SECTION 2. This act shall become effective November 1, 2025.

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