

COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3724

Page _____ Section _____ Lines _____ Of the printed Bill

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

Amendment submitted by: Jim Shaw

Adopted: _____

Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 PROPOSED POLICY
4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 3724

By: Shaw

7 PROPOSED POLICY COMMITTEE SUBSTITUTE

8 An Act relating to public utilities; defining terms;
9 stating applicability to high-demand facilities with
10 certain electricity requirements; prohibiting
11 taxpayer-funded subsidies for high-demand facilities;
12 detailing prohibited subsidies; prohibiting certain
13 public infrastructure investments; prohibiting
14 certain agreements; authorizing certain entities to
15 prohibit certain facilities; stating authority shall
16 not be preempted by state law or zoning
17 classification; requiring facilities fully fund
18 certain electric infrastructure upgrades; prohibiting
19 cost be passed to other retail ratepayers; requiring
20 certain monthly payments; requiring completion of
21 water impact assessment; requiring certain recycling
22 and reuse of water; prohibiting a water provider from
23 acquiring additional water rights for certain uses;
24 limiting daily water usage; prohibiting construction
by certain entities and on certain lands; prohibiting
attempts to evade provisions; requiring compliance
with ordinances; providing for enforcement; requiring
certain financial assurance; detailing requirements
for financial assurance; requiring certain
decommissioning plan; providing certain details of
plan contents; requiring successor owner assume
certain decommissioning liabilities; authorizing
citizens to undertake initiative and referendum
petition; stating requirements for petitions;
providing for counting of signatures; providing
procedure for protests; outlining procedure for
ballot title; providing for appeals to the wording of
ballot title; requiring certain notification for
ballot title; requiring question be presented to
voters at next general election; requiring certain

1 notices be given before general election; providing
2 final outcome of vote be binding; providing for
codification; and declaring an emergency.

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4

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

6 SECTION 1. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 180.14 of Title 17, unless there
8 is created a duplication in numbering, reads as follows:

9 A. As used in this section:

10 1. "Agricultural land" means land classified for ad valorem
11 taxation as agricultural land;

12 2. "Contract capacity" means the maximum electric demand
13 capacity reserved or contracted for by a high-demand facility;

14 3. "Electric utility" means any investor-owned, cooperative, or
15 municipally owned electric utility or independent power producer
16 subject to regulation by the Oklahoma Corporation Commission,
17 Federal Energy Regulatory Commission, or the Southwest Power Pool;

18 4. "Foreign principal" means any individual, entity, or
19 government defined as a foreign principal under 22 U.S.C., Section
20 611, including any entity owned or controlled directly or indirectly
21 by such principal; and

22 5. "High-demand facility" means any data center, cryptocurrency
23 mining operations, artificial intelligence computing facilities and
24 battery energy storage system that:

1 a. has a monthly minimum electric demand of fifty (50)
2 megawatts or greater per facility or in aggregate
3 behind a single point of interconnection to an
4 electric utility's load after July 1, 2026, or
5 b. is an existing facility proposing an expansion
6 reasonably expected to increase electric demand to a
7 total equal to or greater than fifty (50) megawatts
8 for said facility or in aggregate behind a single
9 point of interconnection to an electric utility's load
10 after July 1, 2026.

11 B. This section shall apply to any high-demand facility
12 initiating electric or water service after July 1, 2026, and to any
13 existing facility that expands or modifies operations after July 1,
14 2026, in a manner that increases electric demand to a total equal to
15 or greater than fifty (50) megawatts.

16 C. No high-demand facility shall be eligible for any taxpayer-
17 funded subsidy, including, but not limited to:

18 1. State or local tax credits;
19 2. Rebates, refunds, or abatements;
20 3. Grants or forgivable loans;
21 4. Tax increment financing;
22 5. Sales, use, ad valorem, or income tax exemptions; or
23 6. Any incentive funded in whole or in part by public funds.

1 Public infrastructure investments made primarily or exclusively to
2 serve a high-demand facility shall constitute a prohibited subsidy
3 unless fully reimbursed by the facility. Any agreement entered into
4 in violation of this subsection shall be void and unenforceable.

5 D. A county, municipality, or other political subdivision may,
6 by ordinance or resolution, prohibit the construction, siting,
7 expansion, or operation of high-demand facilities within its
8 jurisdiction. Such authority shall not be preempted by state law
9 and shall apply regardless of zoning classification unless otherwise
10 expressly authorized by the political subdivision.

11 E. A high-demand facility shall fully fund all electric
12 infrastructure upgrades required to serve the facility, including
13 those required now or in the future due to operational needs. No
14 costs associated with serving a high-demand facility shall be
15 allocated to or recovered from other retail ratepayers. A high-
16 demand facility shall pay monthly for:

- 17 1. Actual metered energy usage; or
- 18 2. Not less than eighty percent (80%) of contract capacity, if
19 usage is less than contracted capacity.

20 F. A high-demand facility shall complete a water impact
21 assessment prior to approval of any water service contract,
22 including projected use, sources, conservation measures, and
23 sustainability impacts. Facilities shall utilize water recycling,
24 reuse, or closed-loop cooling systems to the maximum extent

1 practicable. Any entity providing water to a high-demand facility
2 shall not acquire additional water rights for the sole or partial
3 purpose of serving a high-demand facility. Contracted withdrawal
4 amounts shall be included in all future water availability
5 determinations. Requested daily withdrawals shall not exceed:

- 6 1. Twenty-five percent (25%) of the provider's current
7 withdrawal rate; and
- 8 2. Five percent (5%) of the provider's total water rights that
9 are currently under contract.

10 G. A high-demand facility shall not be constructed, sited, or
11 operated by a foreign principal or on land classified as
12 agricultural land. Any attempt to evade this subsection through the
13 use of shell entities, lease arrangements, or reclassification after
14 the effective date of this act shall be prohibited.

15 H. All high-demand facilities shall be fully compliant with all
16 applicable local noise ordinances, including operational,
17 construction, and emergency operations, without exception or
18 variance unless expressly granted by the local governing authority.

19 I. 1. Prior to commencing construction of any new data center
20 in this state, the owner of a data center shall provide financial
21 assurance in the form acceptable to the Corporation Commission,
22 which may include:

- 23 a. surety bond,
- 24 b. irrevocable letter of credit,

c. cash escrow, or

d. other form approved by the Commission.

2. Financial assurance shall be in an amount sufficient to

4 cover the full cost of decommissioning, environmental remediation,

5 and site restoration. Financial assurance shall be maintained for

6 the life of the data center and shall not be canceled, reduced, or

7 allowed to lapse without prior approval of the Commission.

3. Financial assurance required by this section shall:

a. be noncancelable and nonrevocable in the event of

bankruptcy or insolvency,

b. be payable directly to the State of Oklahoma for the

sole purpose of completing decommissioning and

remediation, and

c. not be subject to claims of owner's creditors or

bankruptcy estate.

J. All new high-demand facilities shall submit, prior to

17 construction or operation, a decommissioning plan for approval by

18 the applicable permitting authority. The decommissioning plan shall

19 provide for the complete decommissioning, dismantling, and removal

20 of all buildings, structures, equipment, foundations, and

21 improvements associated with the facility, as well as restoration of

22 the site to a condition reasonably comparable to its predevelopment

use. The plan shall include a timeline for decommissioning, site

24 remediation measures, and an estimate of decommissioning costs. The

1 facility owner or operator shall remain responsible for full
2 compliance with the decommissioning plan upon cessation of
3 operations, expiration of permits, or abandonment of the facility.

4 In the event of a transfer of ownership or operational control
5 of a high-demand facility, the successor owner or operator shall
6 assume all obligations under the approved decommissioning plan and
7 financial assurance requirements.

8 K. The Oklahoma Corporation Commission shall enforce the
9 electric utility and ratepayer protection provisions of this
10 section. Water use provisions shall be enforced by the local or
11 state entity with jurisdiction over the water resource to be
12 utilized. The Oklahoma Corporation Commission is authorized to
13 promulgate rules to effectuate the provisions of this section.

14 SECTION 2. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 180.15 of Title 17, unless there
16 is created a duplication in numbering, reads as follows:

17 A. Citizens of a county or municipality that are opposed to the
18 construction, siting, expansion, or operation of a high-demand
19 facility, as defined in Section 1 of this act, or are in
20 disagreement with the outcome of the vote of a board of county
21 commissioners or city council pursuant to subsection D of Section 1
22 of this act shall have the powers of initiative and referendum
23 petition as provided for by the Oklahoma Constitution and as
24 provided in this section.

1 B. 1. For purposes of this section, the form of the petition
2 for either initiative or referendum shall be substantially as
3 provided in Sections 1 and 2 of Title 34 of the Oklahoma Statutes.
4 A true copy of each measure proposed by initiative and referendum
5 shall be filed with the clerk of the city or town or with the
6 secretary of the county election board before it is circulated and
7 signed by the registered voters.

8 2. Every petition for either the initiative or referendum shall
9 be signed by a number of the registered voters residing in the city
10 or town equal to at least twenty-five percent (25%) of the total
11 number of votes cast at the preceding general municipal election or
12 for counties, equal to at least ten percent (10%) of the registered
13 voters residing in the county. The signatures to each petition
14 shall be verified in the manner provided by law.

15 3. Signed copies of an initiative petition shall be submitted
16 to the clerk or secretary within ninety (90) days after the initial
17 filing of the measure with the clerk or secretary. Signed copies of
18 a petition invoking a referendum upon any ordinance or resolution
19 shall be submitted to the clerk or secretary within thirty (30) days
20 after the passage or adoption of the ordinance or resolution.

21 C. When signed copies of a petition are timely filed with the
22 clerk or secretary, the clerk or secretary shall make a physical
23 count of the number of signatures appearing on the petitions. He or
24 she shall then publish, in at least one newspaper of general

1 circulation in the municipality or the county and on any available
2 social media channels, a notice of the filing and the apparent
3 sufficiency or insufficiency of the petition. The notice shall also
4 state that any qualified elector of the municipality or the county
5 may file a protest to the petition or an objection to the count made
6 by the clerk or secretary.

7 A protest to the petition or the count of signatures shall be
8 filed in the district court in the county in which the situs of the
9 city, town, or county is located within ten (10) days after the
10 publication. Written notice of the protest shall be served upon the
11 clerk or secretary and the parties who filed the petition. In the
12 case of the filing of an objection to the count, notice shall also
13 be served upon any party filing a protest. The district court shall
14 fix a day, not less than ten (10) days after the filing of a
15 protest, to hear testimony and arguments for and against the
16 sufficiency of the petition. A protest filed by anyone, if
17 abandoned by the party filing it, may be revived within five (5)
18 days by any other qualified elector. After the hearing, the
19 district court shall decide whether such petition is in form
20 required by law.

21 D. 1. The parties submitting a petition for either initiative
22 or referendum shall also prepare and file a ballot title for the
23 measure. The ballot title may be filed with the clerk or secretary
24 prior to circulating the petition, but it must be submitted no later

1 than the time that the signed copies of the petition are filed with
2 the clerk or secretary. The ballot title shall contain the gist of
3 the proposition couched in language that may be readily understood
4 by persons not engaged in the practice of law. The ballot title
5 shall contain language which clearly states that a "yes" vote is a
6 vote in favor of the proposition, and a "no" vote is a vote against
7 the proposition. The ballot title may not:

- 8 a. exceed one hundred fifty (150) words,
- 9 b. reflect partiality in its composition or contain any
10 argument for or against the measure, or
- 11 c. contain language whereby a "yes" vote is, in fact, a
12 vote against the proposition and a "no" vote is, in
13 fact, a vote in favor of the proposition.

14 2. The clerk or secretary shall immediately forward a copy of

15 the proposition and ballot title to the municipal attorney or
16 district attorney. Within three (3) days after the filing of the
17 ballot title, the attorney shall notify the clerk or secretary in
18 writing whether or not the proposed ballot title is in legal form
19 and in harmony with the law. If the ballot title is not in proper
20 form, in the opinion of the attorney, he or she shall prepare and
21 file a ballot title which does conform to the law within the three-
22 day period.

23 E. A qualified elector who is dissatisfied with the wording of
24 a ballot title may appeal, within ten (10) days after the ballot

1 title is filed with the clerk or secretary, to the district court in
2 the county in which the situs of the city, town, or county is
3 located. The petition for appeal shall offer a substitute ballot
4 title for the one from which the appeal is taken. Written notice of
5 the appeal shall be served upon the clerk or secretary and upon the
6 parties who filed the ballot title at least five (5) days before
7 such appeal is heard by the court. The municipal attorney or the
8 district attorney shall, and any interested citizen may, defend the
9 ballot title from which the appeal is taken. After the hearing of
10 the appeal, the district court may correct or amend the ballot
11 title, or accept the substitute suggested, or may draft a new one
12 which will conform with the law.

13 F. When a ballot title has been decided upon, either as
14 approved by the municipal attorney or district attorney or by the
15 district court, the clerk or secretary shall notify the mayor or the
16 chair of the board of county commissioners in writing, and attach a
17 copy of the petition and ballot title.

18 G. When an initiative petition demands the enactment of an
19 ordinance or resolution, the mayor or the chair of the board of
20 county commissioners shall present the petition to the governing
21 body at its next meeting. If the petition is not granted more than
22 thirty (30) days before the next general municipal or county
23 election, the mayor or the board of county commissioners shall
24 submit the ordinance or act so petitioned to the registered voters

1 of the city, town, or county at the next general municipal or county
2 election.

3 H. Whenever a referendum is demanded against any measure passed
4 by the city, town, or county governing body, the question shall be
5 submitted to the registered voters of the city, town, or county for
6 their approval or rejection at the next general municipal or county
7 election.

8 I. In addition to the procedural requirements of this section,
9 if signatures are successfully gathered and the ballot measure is
10 approved, notice of said ballot shall be provided by the
11 municipality or board of county commissioners in local newspapers
12 and on any available social media channels for two (2) weeks before
13 the general county election. The company proposing the high-demand
14 facility shall provide notice by United States mail of the ballot
15 measure to all landowners within the project boundary and all
16 landowners within a radius of five (5) miles of the perimeter of the
17 project at least thirty (30) days before the general county
18 election.

19 J. If the initiative or referendum petition is sufficient and
20 the measure is submitted to and decided by a vote of the registered
21 voters of the municipality or county, the final outcome of such
22 election shall be binding upon the municipality or the board of
23 county commissioners and upon any company proposing, constructing,
24 or operating a high-demand facility project that is the subject of

1 the initiative or referendum. No such company shall proceed with,
2 resume, or continue development, construction, or operation of the
3 project in a manner inconsistent with the result approved by the
4 voters.

5 SECTION 3. 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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