ENGROSSED SENATE
BILL NO. 1990 By: Hall of the Senate

and

Kane of the House

An Act relating to the Incentive Evaluation Commission; amending 62 O.S. 2021, Section 7005, as amended by Section 3, Chapter 125, O.S.L. 2023 (62 O.S. Supp. 2025, Section 7005), which relates to the evaluation process; requiring the Commission to submit report to the Secretary of State; modifying required considerations for estimate of economic and fiscal impact; updating statutory language; and updating statutory references.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 7005, as amended by Section 3, Chapter 125, O.S.L. 2023 (62 O.S. Supp. 2025, Section 7005), is amended to read as follows:

Section 7005. A. The Incentive Evaluation Commission may contract with a private company, nonprofit, or academic institution to assist with evaluation of each incentive. The Commission shall develop a scope of services for a request for proposals issued pursuant to the Oklahoma Central Purchasing Act, Section 85.1 et seq. of Title 74 of the Oklahoma Statutes, for professional services necessary to complete incentive evaluations pursuant to the Incentive Evaluation Act. The scope of services shall include a

provision requiring the contractor to provide at least one draft report for each incentive prior to the issuance of the final report; provided, the contractor may determine the timing and frequency of draft reports based on the availability of information and the potential for draft reports to assist the Commission in making a final recommendation. The cost of such contract shall be paid by the Office of Management and Enterprise Services. No recipient or potential recipient of an incentive or representative of a recipient or potential recipient shall contact the entity or individual with whom the Commission contracts pursuant to this subsection unless the entity or individual specifically requests information or documentation for purposes of the incentive evaluation process; provided, this shall not be construed to prevent participation in a public hearing conducted pursuant to subsection B of this section.

B. By October 1 of each year beginning in calendar year 2023, the Commission or the Commission's chosen contractor shall evaluate each incentive scheduled for review that year. The Commission or the Commission's chosen contractor shall conduct each incentive evaluation in consultation with the Oklahoma Department of Commerce ~~division of~~ Policy, Research and Economic Analysis ~~Services~~ Division using criteria developed pursuant to subsection D of this section. Between October 1 and November 30 of each year beginning in 2017, the Commission shall hold at least one public meeting to review, allow for public comment, and vote to approve, disapprove, or modify

each incentive evaluation conducted that year. By December 15 of each year beginning in 2016, the Commission shall provide the results of each incentive evaluation, a review of prior Commission recommendations, and changes to statute or incentive administration related to incentive evaluation recommendations in a ~~written~~ report submitted electronically to the Governor, President Pro Tempore of the Senate, ~~and~~ Speaker of the House of Representatives, and the Secretary of State. If the Commission votes to modify an incentive evaluation as provided in this subsection, such modification and the original evaluation shall be documented in the annual ~~written~~ report submitted electronically. The report shall be made publicly available on the Oklahoma Department of Commerce website, the Commission website, and documents.ok.gov.

C. Each evaluation shall include the following:

1. An estimate of the economic and fiscal impact of the incentive. This estimate shall take into account the following considerations in addition to other relevant factors:

a. the extent to which the incentive changes business behavior, including whether a business receiving the incentive would likely have taken any action required to receive the incentive in the absence of such incentive,

b. the results of the incentive for the economy of Oklahoma as a whole. This consideration includes both

positive direct and indirect impacts and any negative effects on other Oklahoma businesses, and

c. a comparison to the results of other incentives or other economic development strategies with similar goals both within this state and other states;

2. An assessment of whether adequate protections are in place to ensure the fiscal impact of the incentive does not increase substantially beyond the state's expectations in future years;

3. An assessment of whether the incentive is being administered effectively;

4. An assessment of whether the incentive is achieving its goals;

5. Recommendations for how the state can most effectively achieve the incentive's goals, including recommendations on whether the incentive should be retained, reconfigured, or repealed; ~~and~~

6. Recommendations for any changes to state policy, rules, or statutes that would allow the incentive to be more easily or conclusively evaluated in the future. These recommendations may include changes to collection, reporting, and sharing of data, and revisions or clarifications to the goal of the incentive;

7. An assessment of whether the incentive furthers a strategic economic goal or an industry within this state; and

8. An assessment of whether the incentive creates a competitive advantage for this state by evaluating the overall effectiveness of the incentive at a macroeconomic level.

D. Evaluation criteria shall be developed for each incentive evaluated by the Commission. Each incentive shall be evaluated using criteria specific to the individual incentive. The criteria shall be developed by the Commission through the administrative rulemaking process pursuant to the Administrative Procedures Act, Section 250 et seq. of Title 75 of the Oklahoma Statutes, and codified in the administrative code of the Oklahoma Department of Commerce.

E. At the request of the Incentive Evaluation Commission, unless prohibited by the Oklahoma Constitution, Oklahoma Statutes, or federal law, state agencies shall provide any records, information, data, or data analysis necessary for the Commission or contractors to effectively evaluate incentives. The Commission and contractors shall not disclose or release any data received from other state agencies, except as permitted under law.

Passed the Senate the 10th day of March, 2026.

_____
Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____, 2026.

_____
Presiding Officer of the House of Representatives