

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2781

By: Caldwell (Trey) and Kane of
the House

and

Hall and Haste of the
Senate

11 COMMITTEE SUBSTITUTE

12 An Act relating to economic development; creating the
13 Reindustrialize Oklahoma Act of 2025; providing for
14 alternative reference; declaring legislative
15 findings; defining terms; providing for certain
16 interpretations under certain conditions; creating
17 certain investment rebate program until certain date;
18 establishing qualifying criteria; providing capital
19 expenditure and job creation thresholds for
20 qualification; assigning administrative
21 responsibilities for rebate program; requiring
22 certain annual reporting of certain information;
23 authorizing the promulgation of rules for
24 implementation of program; establishing eligibility
 criteria; requiring certain application submissions
 and evaluations; disqualifying participation in
 certain program if participating in rebate program;
 providing methodology for certain calculations;
 authorizing issuances of ROA-25 investment rebate
 payments under certain conditions for certain period
 of years; limiting authorization to award payments;
 providing for ongoing review of eligibility;
 authorizing and limiting certain budgeting procedures
 related to encumbering funds; creating the ROA-25
 Revolving Fund and the ROA-25 Beneficiary Revolving
 Fund; establishing fund characteristics; deeming

1 funds appropriated; requiring and limiting certain
2 budgetary procedures related to utilization of funds;
3 providing for transfer of unencumbered funds after
4 certain date; providing for codification; and
5 declaring an emergency.

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

7 SECTION 1. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 3647.1 of Title 68, unless there
9 is created a duplication in numbering, reads as follows:

10 A. This act shall be known and may be cited as the
11 "Reindustrialize Oklahoma Act of 2025" and shall be known and may be
12 cited as the "ROA-25 Act".

13 B. The Legislature hereby finds that it is beneficial to the
14 state and its citizens to provide large-scale enhanced economic
15 development incentives to certain establishments, including, but
16 not limited to, those associated with an onshoring of
17 industrialization that creates a substantial number of jobs, as such
18 economic activity results in a greater benefit to the state.

19 SECTION 2. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 3647.2 of Title 68, unless there
21 is created a duplication in numbering, reads as follows:

22 As used in the Reindustrialize Oklahoma Act of 2025:

23 1. "Application" means a submission of detailed information by
24 an establishment that complies with all procedures established by

1 the Oklahoma Department of Commerce related to the format, content,
2 means, and timing of submission. Such submissions shall include,
3 but not be limited to, a capital expenditure plan outlining
4 anticipated annual placements-in-service of qualified property and a
5 job creation plan outlining anticipated annual totals of new direct
6 jobs created;

7 2. "Available funds" means the total amount of monies
8 identified for deposit in the ROA-25 Beneficiary Revolving Fund by
9 law, less the cumulative total of all ROA-25 investment rebate
10 payments, pre-qualified ROA-25 investment rebate payments,
11 encumbrances, and pre-encumbrances of the ROA-25 Beneficiary
12 Revolving Fund;

13 3. "Establishment" means any business, no matter the legal
14 form, including, but not limited to, a sole proprietorship,
15 partnership, corporation, or limited liability corporation;

16 4. "New direct job" means full-time employment, employed by the
17 establishment, which did not exist in this state prior to the date
18 of approval, by the Oklahoma Department of Commerce, of an
19 application made pursuant to this act. A job shall be deemed to
20 exist in this state prior to approval of an application if the
21 activities and functions for which the particular job exists have
22 been ongoing at any time within six (6) months prior to such
23 approval; and
24

1 5. "Qualified capital expenditure" means an expenditure on
2 property in this state after May 1, 2025, depreciable under Internal
3 Revenue Code, 26 U.S.C., Section 168, that has been verified by the
4 Oklahoma Department of Commerce. The cost of property placed in
5 service and expenditures made on behalf of or for the benefit of an
6 establishment by a separate business entity shall be considered an
7 "expenditure" of the establishment for purposes of this definition.

8 SECTION 3. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 3647.3 of Title 68, unless there
10 is created a duplication in numbering, reads as follows:

11 A. 1. There is hereby created until July 1, 2045, an ROA-25
12 investment rebate program for the cost of qualified capital
13 expenditures by establishments which create not less than a
14 threshold number of new direct jobs as provided in this section.

15 2. The threshold number of new direct jobs required for
16 establishments to qualify and remain qualified for investment rebate
17 payments created in paragraph 1 of this subsection shall be seven
18 hundred (700) new direct jobs in year one of the rebate payment
19 period, with a threshold number of one thousand (1,000) beginning in
20 year two and throughout the remainder of the rebate payment period.

21 B. The ROA-25 investment rebate program shall be administered
22 by the Oklahoma Department of Commerce.

23 C. No later than October 1 of each year, the Oklahoma
24 Department of Commerce shall submit electronically an annual report

1 to the Speaker of the Oklahoma House of Representatives, the
2 President Pro Tempore of the Oklahoma State Senate, the Chair of the
3 Appropriations and Budget Committee of the Oklahoma House of
4 Representatives, the Chair of the Appropriations Committee of the
5 Oklahoma State Senate, and the Executive Director of the Legislative
6 Office of Fiscal Transparency detailing the program and ROA-25
7 investment rebate payments.

8 D. The Oklahoma Department of Commerce and the State Treasurer
9 may promulgate rules to implement the provisions of this act.

10 E. To be eligible for consideration for an ROA-25 investment
11 rebate payment awarded under the provisions of this act, a primary
12 establishment shall:

13 1. a. Submit an application and documentation to the
14 Oklahoma Department of Commerce, as required by the
15 Department:

16 (1) outlining a capital expenditure plan in this
17 state associated with qualified capital
18 expenditures totaling no less than Two Billion
19 Dollars (\$2,000,000,000.00), and

20 (2) outlining new job creation levels no less than
21 seven hundred (700) new jobs, and

22 b. Establishment primarily engaged under Industry Sector
23 Nos. 31 through 33 of the NAICS Manual, latest
24 revision;

1 2. Be otherwise qualified to receive payments pursuant to the
2 provisions of the Oklahoma Quality Jobs Program Act created pursuant
3 to Section 3601 of Title 68 of the Oklahoma Statutes; and

4 3. Have filed all Oklahoma tax returns and tax documents
5 required by law.

6 F. 1. Notwithstanding any other provision of law, if a primary
7 establishment receives an ROA-25 investment rebate payment pursuant
8 to the provisions of this act, neither the qualified establishment
9 nor its subsidiaries shall be eligible to receive quarterly
10 incentive payments provided for in Section 3601 et seq. of Title 68
11 of the Oklahoma Statutes, in connection with the project or
12 development for which the investment rebate payment was based.

13 2. Notwithstanding any other provision of law, no investment
14 expenditure shall be utilized for calculation purposes in a way that
15 results in the qualification of more than one establishment under
16 the provisions of this act, for ROA-25 investment rebate payments
17 based on the same expenditure.

18 G. 1. Except as limited by paragraph 2 of this subsection, the
19 Oklahoma Department of Commerce shall approve or disapprove claims
20 for rebates and issue ROA-25 investment rebate payments for all
21 approved claims from funds held in the ROA-25 Beneficiary Revolving
22 Fund created pursuant to Section 5 of this act and subject to the
23 limitations set forth in Section 4 of this act.

1 2. The Department shall disapprove all applications and claims,
2 as well as portions of applications and claims, for rebates that
3 would exceed the anticipated accumulation of available funds in the
4 ROA-25 Beneficiary Revolving Fund.

5 SECTION 4. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 3647.4 of Title 68, unless there
7 is created a duplication in numbering, reads as follows:

8 A. Subject to the approval and ongoing review of the
9 eligibility application by the Oklahoma Department of Commerce, the
10 ROA-25 investment rebate payment authorized by this act shall be
11 equal to one-fifteenth (1/15) of the payout value of the financial
12 instrument purchased or acquired pursuant to Section 5 of this act;
13 ROA-25 investment rebate payments in the same amount shall be
14 allowed in each of the fifteen (15) subsequent years, provided the
15 Department has verified that the establishment remains eligible for
16 such payment in each successive year based on the eligibility
17 criteria of this act.

18 B. The Oklahoma Department of Commerce is authorized to
19 conditionally pre-qualify and account for anticipated future ROA-25
20 investment rebate payments. The Oklahoma Department of Commerce
21 shall not pre-qualify ROA-25 investment rebate payments, encumber
22 funds, pre-encumber funds, or otherwise allocate resources in any
23 way that would result in the allocation of ROA-25 investment rebate
24

1 payments in excess of the anticipated accumulation of available
2 funds in the ROA-25 Beneficiary Revolving Fund.

3 SECTION 5. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 3647.5 of Title 68, unless there
5 is created a duplication in numbering, reads as follows:

6 A. There is hereby created in the State Treasury a revolving
7 fund for the State Treasurer to be designated the "ROA-25 Revolving
8 Fund". The fund shall be a continuing fund, not subject to fiscal
9 year limitations, and shall consist of all monies lawfully directed
10 for deposit to the fund. All monies accruing to the credit of said
11 fund are hereby appropriated and upon communication from the
12 Department of Commerce of a satisfactory feasibility study of such
13 project participating in the Reindustrialize Oklahoma Act of 2025,
14 shall be budgeted and expended by the State Treasurer for the
15 purpose of purchasing or acquiring an annuity or materially similar
16 financial instrument which shall provide to the ROA-25 Beneficiary
17 Revolving Fund created by subsection B of this section equal annual
18 distributions of monies over a fifteen-year period. Expenditures,
19 transfers, and distributions from said fund shall be made upon
20 warrants issued by the State Treasurer against claims filed as
21 prescribed by law with the Director of the Office of Management and
22 Enterprise Services for approval and payment, or as otherwise
23 required to satisfy the requirements of this section.

1 B. There is hereby created in the State Treasury a beneficiary
2 revolving fund for the Oklahoma Department of Commerce to be
3 designated the "ROA-25 Beneficiary Revolving Fund". The fund shall
4 be a continuing fund, not subject to fiscal year limitations, and
5 shall consist of all distributions of the financial instrument
6 financed through subsection A of this section. All monies accruing
7 to the credit of said beneficiary revolving fund are hereby
8 appropriated and shall be budgeted, expended, and distributed by the
9 Oklahoma Department of Commerce in accordance with the provisions of
10 the Reindustrialize Oklahoma Act of 2025. Expenditures, transfers,
11 and distributions from said fund shall be made upon warrants issued
12 by the State Treasurer against claims filed as prescribed by law
13 with the Director of the Office of Management and Enterprise
14 Services for approval and payment.

15 C. The State Treasurer is authorized to establish a custodial
16 account within the Treasury, and enter a contractual relationship
17 for custodial account services with a private institution as needed,
18 to administer the provisions of this section.

19 D. All unencumbered funds remaining in the Funds created in
20 subsections A and B of this section on or after the expiration of
21 the Reindustrialize Oklahoma Act of 2025 shall be transferred to the
22 State Treasurer for deposit in the General Revenue Fund.

23 SECTION 6. 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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4 COMMITTEE REPORT BY: COMMITTEE ON JOINT COMMITTEE ON APPROPRIATIONS
5 AND BUDGET, dated 05/19/2025 - DO PASS, As Amended.
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