

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

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

4 ENGROSSED SENATE
5 BILL NO. 987

By: Thompson of the Senate

and

Osburn and **Blancett** of the
House

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8
9 An Act relating to the Oklahoma Department of
Commerce; amending 74 O.S. 2021, Section 5003.4, as
10 amended by Section 3, Chapter 377, O.S.L. 2024 (74
O.S. Supp. 2024, Section 5003.4), which relates to
11 definitions; defining terms; amending 74 O.S. 2021,
Section 5003.5, as last amended by Section 4, Chapter
12 377, O.S.L. 2024 (74 O.S. Supp. 2024, Section
5003.5), which relates to the Chief Executive Officer
13 of the Oklahoma Department of Commerce; modifying
appointment procedures; amending 74 O.S. 2021,
14 Section 5003.7, as amended by Section 5, Chapter 377,
O.S.L. 2024 (74 O.S. Supp. 2024, Section 5003.7),
15 which relates to the five-year economic development
plan; designating who approves strategic plan;
16 updating statutory reference; creating the Oklahoma
Department of Commerce Board; providing for
17 membership; stating quorum; providing for
qualifications for Board members; stating appointment
18 terms; establishing Board procedures for election of
chair and vice chair and presiding of meetings;
19 allowing for certain reimbursement; permitting
members to serve on other boards and commissions;
20 subjecting Board to the provisions of the Oklahoma
Open Meeting Act and Oklahoma Open Records Act;
21 providing for use of executive sessions by Board;
22 stating other duties of the Board; providing for
codification; and providing an effective date.

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

2 SECTION 1. AMENDATORY 74 O.S. 2021, Section 5003.4, as
3 amended by Section 3, Chapter 377, O.S.L. 2024 (74 O.S. Supp. 2024,
4 Section 5003.4), is amended to read as follows:

5 Section 5003.4. As used in the Oklahoma Department of Commerce
6 Act:

7 1. ~~"Department" means the Oklahoma Department of Commerce~~
8 "Board" means the Oklahoma Department of Commerce Board created in
9 Section 4 of this act;

10 2. "Chief Executive Officer" means the Chief Executive Officer
11 of the Oklahoma Department of Commerce;

12 3. "Committee" means the Legislative Evaluation and Development
13 Committee as created in Section 5090.1 of this title;

14 4. "Department" means the Oklahoma Department of Commerce;

15 ~~3.~~ 5. "Enterprise" means a firm with its principal place of
16 business in Oklahoma;

17 ~~4.~~ 6. "Economic Information System" means a comprehensive
18 statewide data collection, analysis and distribution system which
19 makes available current and thorough information on Oklahoma
20 economic trends and future Oklahoma economic opportunities to
21 communities, firms, farms and individuals in the state; firms and
22 individuals outside the state considering location in Oklahoma; and
23 Oklahoma Futures, the Governor, the Legislature and all other state
24 agencies and institutions; and

1 ~~5.~~ 7. "Economic Innovation System" means a decentralized
2 statewide system that responsively and innovatively coordinates
3 technical assistance, grant and loan programs with local, state,
4 federal and private sector activities into a single statewide
5 Economic Innovation System.

6 SECTION 2. AMENDATORY 74 O.S. 2021, Section 5003.5, as
7 last amended by Section 4, Chapter 377, O.S.L. 2024 (74 O.S. Supp.
8 2024, Section 5003.5), is amended to read as follows:

9 Section 5003.5. A. The Chief Executive Officer of the Oklahoma
10 Department of Commerce shall be appointed by the ~~Governor with the~~
11 ~~advice and consent of the Senate~~ Oklahoma Department of Commerce
12 Board created in Section 4 of this act. The Chief Executive Officer
13 shall serve at the pleasure of the ~~Governor~~ Board and shall continue
14 to serve until a successor is duly appointed and qualified. The
15 salary of the Chief Executive Officer shall be compensated in a
16 manner that compares equally to similar positions in the private
17 sector. The salary of the Chief Executive Officer shall not be set
18 pursuant to the standards provided in Section 3601.2 of this title.

19 B. The Chief Executive Officer shall be qualified for such
20 position by character, personality, ability, education, training and
21 successful administrative experience in the public or private
22 sector. The Chief Executive Officer shall have experience that
23 includes, but is not limited to:

24 1. Economic development program leadership;

2. Business development leadership;
3. Senior-level board management and leadership;
4. Senior-level business and political engagement;
5. Leading business development or business recruitment teams;
6. Creating and implementing sector development strategies;
7. Branding and marketing leadership experience; and
8. Experience in recruiting companies to a state or community.

C. The Chief Executive Officer shall employ such persons as are necessary to implement the powers and duties of the Department.

Because many of the powers and duties of the Department involve working closely with the private sector, certain employee positions of the Department shall be employed and compensated in a manner that compares equally to similar positions in the private sector and shall be exempt from the provisions of the Civil Service and Human Capital Modernization Act. All other employees and positions shall be subject to the provisions of the Civil Service and Human Capital Modernization Act. Provided, nothing in this section shall be construed to limit the authority of the Legislature to specify the status of positions otherwise by law. Neither shall the Chief Executive Officer have the authority to circumvent, disregard or otherwise disobey specific provisions of law regarding positions in the Department.

D. The Chief Executive Officer shall serve on the board of:

1. The Oklahoma Industrial Finance Authority;

1 2. The Oklahoma Development Finance Authority; and

2 3. The Oklahoma Ordnance Works Authority.

3 E. The Chief Executive Officer may serve as administrator of
4 any interlocal agreement or compact to pursue economic development
5 and to assign any employees of the Department or employee personnel
6 to carry out duties or obligations pursuant to any interlocal
7 agreement or compact for economic development.

8 F. The Chief Executive Officer, at his or her discretion, may
9 approve payment for affiliations or memberships of the Department
10 or, if necessary, associate memberships for individual employees in
11 international, national, or state economic development councils,
12 professional organizations, or governmental associations.

13 SECTION 3. AMENDATORY 74 O.S. 2021, Section 5003.7, as
14 amended by Section 5, Chapter 377, O.S.L. 2024 (74 O.S. Supp. 2024,
15 Section 5003.7), is amended to read as follows:

16 Section 5003.7. A. The Oklahoma Department of Commerce shall
17 prepare, with the cooperation of the Oklahoma business community,
18 agricultural community, financial community, universities, labor,
19 the state executive and legislative branches, and the Oklahoma
20 Workforce Commission, a five-year economic development plan and
21 annual updates for this state.

22 1. The purpose of the plan shall be to identify significant
23 economic, social, and demographic trends which may have both short-
24 term and long-term impacts on the state and local economy and to

1 present strategies and recommendations that the state and local
2 political subdivisions might adopt to improve or stabilize the
3 economy.

4 2. The goals of the plan shall include the development of a
5 diversified state economy; the increase of employment; the maximum
6 use of federal, state and local funds to achieve the goals or
7 recommendations included in the plan; the maximum investment of
8 capital in the economy of the state; and the improvement of the
9 quality of life in the state.

10 3. The plan wherever possible shall make recommendations to
11 encourage intergovernmental cooperation and public and private
12 cooperation.

13 4. The plan shall include an economic development strategy for
14 the state that addresses target industries, site development, and
15 workforce needs to meet the state goals.

16 5. Copies of the plan and the annual updates shall be submitted
17 electronically to the Oklahoma Advisory Committee on
18 Intergovernmental Relations, the Governor, the Speaker of the House
19 of Representatives, the President Pro Tempore of the Senate and the
20 members of the Legislative Evaluation and Development Committee, as
21 created in ~~Section 8 of this act~~ 5090.1 of this title, and be made
22 available to the public on the Department's website on the first day
23 of each legislative session.

1 6. The Department shall develop and manage a complete economic
2 information system which will support the five-year planning
3 process, and which will make available complete and timely
4 information on the state economy. The economic information system
5 shall be operated by public or private Oklahoma universities or an
6 Oklahoma enterprise capable of providing such services in a cost-
7 effective manner.

8 B. The Chief Executive Officer of the Oklahoma Department of
9 Commerce shall present the strategic plan to the ~~Legislative~~
10 ~~Evaluation and Development Committee~~ Oklahoma Department of Commerce
11 Board, as created in Section ~~3~~ 4 of this act, for approval.

12 C. The Department, in conjunction with the Oklahoma Development
13 Finance Authority, is authorized to develop an infrastructure
14 program which will enable political subdivisions of this state to
15 finance public works projects in order to modify or improve existing
16 public facilities for purposes of bringing such facilities, and the
17 operation thereof, into compliance with and maintaining compliance
18 with federal, state and local laws and regulations pertaining to the
19 protection of the public health and the environment.

20 D. The Chief Executive Officer shall develop an annual business
21 plan for the Department. The business plan shall include the need
22 and mission of each division of the Department created by law or the
23 Chief Executive Officer and an analysis of past costs and benefits
24 and future projected costs and benefits to the state of the programs

1 of each division of the Department. The business plan shall be
2 consistent with the goals of the recurring five-year plan specified
3 in this section. The Chief Executive Officer shall distribute
4 copies of the business plan by such means that will make it widely
5 available to communities, firms and local economic development
6 managers throughout this state.

7 SECTION 4. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 5090.2 of Title 74, unless there
9 is created a duplication in numbering, reads as follows:

10 A. There is hereby created the Oklahoma Department of Commerce
11 Board. The Board shall constitute an advisory oversight board and
12 shall consist of nine (9) voting members, as follows:

13 1. Two members to be appointed by the President Pro Tempore of
14 the Senate; provided, at least one appointed member shall be from a
15 municipality with a population of fifty thousand (50,000) people or
16 less according to the latest Federal Decennial Census;

17 2. Two members to be appointed by the Speaker of the House of
18 Representatives; provided, at least one appointed member shall be
19 from a municipality with a population of fifty thousand (50,000)
20 people or less according to the latest Federal Decennial Census;

21 3. Four members to be appointed by the Governor; provided, at
22 least one appointed member shall be:

- 23 a. an economic development practitioner from this state,
24 and

b. from a municipality with a population of fifty thousand (50,000) people or less according to the latest Federal Decennial Census; and

4. The Secretary of Commerce, or his or her designee, who shall serve as chair.

B. Five members of the Board shall constitute a quorum, and the vote of the majority of members present shall be necessary for any action to be taken by the Board. No vacancy in the membership of the Board shall impair the rights of a quorum to exercise and perform all the rights and duties of the Board. The members of the Board shall:

1. Have at least a minimum of five (5) years of experience working in the private sector; and

2. Possess expertise in at least one of the following areas:

- a. marketing,
- b. international commerce,
- c. finance or grant administration,
- d. state, regional, or local economic development,
- e. incentive evaluation programs,
- f. law,
- g. information technologies,
- h. transportation,
- i. workforce development,
- j. manufacturing,

- k. biotechnology,
- l. cybersecurity,
- m. defense,
- n. energy,
- o. aviation,
- p. entrepreneurship, or
- q. any other critical industry in this state.

C. The initial terms for members of the Board:

1. Appointments of the President Pro Tempore of the Senate, one appointee shall serve a one-year term and one appointee shall serve a two-year term;

2. Appointments of the Speaker of the House of Representatives, one appointee shall serve a one-year term and one appointee shall serve a two-year term; and

3. Appointments of the Governor, two appointees shall serve one-year terms and two appointees shall serve two-year terms.

Thereafter, the terms of members of the Board shall be for three (3) years.

D. A vacancy on the Board shall be filled for the unexpired term of office in the same manner as the original appointment. Each appointed member shall serve at the pleasure of his or her appointing authority and may be removed or replaced with cause.

E. The Board shall elect a vice chair and such other officers deemed necessary to conduct the business of the Board from among its

1 members. The chair shall preside over meetings of the Board, and
2 officers shall perform duties as may be required by the Board. The
3 initial appointments of the Board shall be made within thirty (30)
4 days after the effective date of this act. The first meeting of the
5 Board shall be called no later than sixty (60) days after the
6 effective date of this act.

7 F. No member of the Board shall receive a salary or
8 reimbursement for duties performed as a member of the Board;
9 however, members are eligible to receive travel reimbursement as
10 provided in the State Travel Reimbursement Act.

11 G. A member serving on the Board shall be eligible to serve on
12 any other state board or commission if such member is otherwise
13 qualified to hold such appointed office, notwithstanding the
14 provisions of Section 6 of Title 51 of the Oklahoma Statutes.

15 H. The meetings of the Board shall be subject to the Oklahoma
16 Open Meeting Act and the Oklahoma Open Records Act. The Board may
17 keep confidential:

18 1. Business plans, feasibility studies, financing proposals,
19 marketing plans, financial statements, or trade secrets submitted by
20 a person or entity seeking economic advice, business development, or
21 customized training from such departments or school districts;

22 2. Proprietary information of the business submitted to the
23 departments or school districts for the purpose of business
24 development or customized training, and any related confidentiality

1 agreements detailing the information or records designated as
2 confidential; and

3 3. Information compiled by such departments or school districts
4 in response to those submissions.

5 Executive sessions may be held to discuss such materials if
6 deemed necessary by the Board.

7 I. The Board may create working groups from time to time to
8 assist the Board in carrying out the provisions of this act. The
9 working groups may consist of members from governmental agencies and
10 members of the private sector of this state as appointed by the
11 members of the Board including, but not limited to, the Chief
12 Executive Officer of the Oklahoma Department of Commerce, Chief
13 Executive Officer of the Oklahoma Workforce Commission, and the
14 Secretary of Transportation.

15 J. The Board may solicit, accept, raise, and manage funds,
16 gifts, grants, sponsorships, and donations from private, federal,
17 and non-government sources.

18 SECTION 5. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 5090.3 of Title 74, unless there
20 is created a duplication in numbering, reads as follows:

21 In addition to the other powers and duties prescribed by law,
22 the Oklahoma Department of Commerce Board, as created in Section 4
23 of this act, shall:

24

1 1. Prescribe rules and policies for the transaction of its
2 business and the control of the Oklahoma Department of Commerce;

3 2. Review and approve the strategic plan and the budget, and
4 amend such to make supplemental appropriations;

5 3. Advise in the appointment and compensation of the Chief
6 Executive Officer;

7 4. Review and endorse any proposed economic projects with the
8 Legislative Evaluation and Development Committee; and

9 5. Annually report to the Governor and the Legislature
10 electronically on the operation, activities, and plans of the
11 Department, together with any recommendations for future activities
12 as the Board may deem to be in the best interest of the state.

13 SECTION 6. This act shall become effective January 1, 2026.

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15 COMMITTEE REPORT BY: COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT
16 OVERSIGHT, dated 04/23/2025 - DO PASS, As Coauthored.