

BILL SUMMARY
2nd Session of the 60th Legislature

Bill No.:	HB 3724
Version:	INT
Request Number:	14694
Author:	Rep. Shaw
Date:	2/7/2026
Impact:	Please see previous summary of this measure

Research Analysis

HB 3724, as introduced, provides definitions for the following terms:

- Agricultural land;
- Contract capacity;
- Electric utility;
- Foreign principal;
- And High-demand facility.

This measure forbids high-demand facilities from receiving any taxpayer-funded subsidy including:

- State or local tax credits;
- Rebates, refunds, or abatements;
- Grants or forgivable loans;
- Tax increment financing;
- Sales, use, ad valorem, or income tax exemptions;
- And any incentive funded in whole or in part by public funds.

This measure prohibits public infrastructure investments made primarily to serve a high-demand facility. Counties, municipalities, or other political subdivisions may prohibit by ordinance or resolution the construction, siting, expansion, or operation of high-demand facilities within its jurisdiction. Actions taken by political subdivisions shall not preempt state authority.

High demand facilities shall fully fund all electric infrastructure upgrades. No costs associated with serving a high-demand facility shall be allocated or recovered from other retail ratepayers. High-demand facilities shall pay monthly for:

- Actual metered energy usage;
- Or not less than eighty percent of contract capacity, unless contracted.

High-demand facilities must complete a water impact assessment prior to approval of any water services contract. These facilities shall utilize water recycling, reuse, or closed-loop cooling system to the maximum extent practicable.

This measure forbids the construction of high-demand facilities on land classified as agricultural land. High-demand facilities must fully comply with all applicable noise ordinances. Prior to construction or operation, high-demand facilities must submit a decommissioning plan for approval by the applicable permitting authority.

The Corporation Commission shall enforce the electric utility and ratepayer protection provisions of this section and is authorized to promulgate rules to effectuate the provisions of this section.

This measure allows citizens opposed to a high-demand facility in their municipality or county to use the powers of the initiative and referendum petition process to overrule the vote of a board of county commissioners or city council. This measure also provides procedures for the initiative and referendum process authorized under this section.

Prepared By: Douglas Amos, House Research Staff

Fiscal Analysis

The measure is currently under review and impact information will be completed.

Prepared By: House Fiscal Staff

Other Considerations

None.