

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB3724</b>
<b>Version:</b>	<b>POLPCS2</b>
<b>Request Number:</b>	<b>16348</b>
<b>Author:</b>	<b>Rep. Shaw</b>
<b>Date:</b>	<b>2/17/2026</b>
<b>Impact:</b>	<b>\$0</b>

**Research Analysis**

The proposed policy committee substitute 2 to HB 3724 provides definitions for the following terms:

- Agricultural land means land classified for ad valorem taxation as agricultural land;
- Contract capacity means the maximum electric demand capacity reserved or contracted by a high-demand facility;
- Electric utility means any investor-owned, cooperative, or municipally owned electric utility or independent power producer subject to regulation by the Oklahoma Corporation Commission;
- Foreign principal means any individual, entity, or government defined as a foreign principal under federal law; and
- High-demand facility means any data center, cryptocurrency mining operations, artificial intelligence computing facilities an battery energy storage that:
  - Has a monthly minimum electric demand of fifty (50) megawatts or greater per facility or in aggregate behind a single point of interconnection to an electric utility's load after July 1, 2026; or
  - Is an existing facility proposing an expansion reasonably expected to increase electric demand to a total equal to or greater than fifty (50) megawatts for said facility or in aggregate behind a single point of interconnection to an electric utility's load after July 1, 2026.

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.

This measure also adds language pertaining to financial assurance. Prior to construction of any new data center, the owner of the data center must provide financial assurance in a form acceptable to the Corporation Commission. These forms include:

- Surety bond;
- Irrevocable letter of credit;
- Cash escrow; or
- Other form approved by the Commission

The required financial assurance must:

- Be noncancelable and nonrevocable in the event of bankruptcy or insolvency;
- Be payable directly to the State of Oklahoma for the sole purpose of completing decommissioning and remediation;
- Not be subject to the claims of owner's creditors or bankruptcy estate.

Financial assurance must be enough to cover the entire cost of decommissioning, environmental remediation, or site restoration. Financial assurance must be maintained for the life of the data center and may not be cancelled without the prior approval of the Corporation Commission.

If ownership or operational control of a high-demand facility is transferred, the successor owner must assume all obligations under the approved decommissioning plan and financial assurance requirements.

Prepared By: Douglas Amos, House Research Staff

**Fiscal Analysis**

The second proposed policy committee substitute to HB 3724 establishes certain prohibitions and requirements on high-demand facilities. The measure authorizes the Oklahoma Corporation Commission (OCC) to promulgate rules and enforce the protection provisions of this measure. The measure also requires high-demand facilities to obtain financial assurance that is reported to the OCC. Upon review, the OCC confirms that this measure would have no fiscal impact on current agency budgetary resources.

Prepared By: Jay St Clair, House Fiscal Staff

**Other Considerations**

None.