

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 HOUSE BILL 3724

By: Shaw

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5

6 AS INTRODUCED

7 An Act relating to public utilities; defining terms;
8 stating applicability to high-demand facilities with
9 certain electricity requirements; prohibiting
10 taxpayer-funded subsidies for high-demand facilities;
11 detailing prohibited subsidies; prohibiting certain
12 public infrastructure investments; prohibiting
13 certain agreements; authorizing certain entities to
14 prohibit certain facilities; stating authority shall
15 not be preempted by state law or zoning
16 classification; requiring facilities fully fund
17 certain electric infrastructure upgrades; prohibiting
18 cost be passed to other retail ratepayers; requiring
19 certain monthly payments; requiring completion of
20 water impact assessment; requiring certain recycling
21 and reuse of water; prohibiting a water provider from
22 acquiring additional water rights for certain uses;
23 limiting daily water usage; prohibiting construction
24 by certain entities and on certain lands; prohibiting
attempts to evade provisions; requiring compliance
with ordinances; providing for enforcement; requiring
certain decommissioning plan; providing certain
details of plan contents; authorizing Corporation
Commission to promulgate rules; authorizing citizens
to undertake initiative and referendum petition;
stating requirements for petitions; providing for
counting of signatures; providing procedure for
protests; outlining procedure for ballot title;
providing for appeals to the wording of ballot title;
requiring certain notification for ballot title;
requiring question be presented to voters at next
general election; requiring certain notices be given
before general election; providing final outcome of
vote be binding; providing for codification; and
declaring an emergency.

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

2 SECTION 1. NEW LAW A new section of law to be codified
3 in the Oklahoma Statutes as Section 180.14 of Title 17, unless there
4 is created a duplication in numbering, reads as follows:

5 A. As used in this section:

6 1. "Agricultural land" means land classified for ad valorem
7 taxation as agricultural land;

8 2. "Contract capacity" means the maximum electric demand
9 capacity reserved or contracted for by a high-demand facility;

10 3. "Electric utility" means any investor-owned, cooperative, or
11 municipally owned electric utility subject to regulation by the
12 Oklahoma Corporation Commission, Federal Energy Regulatory
13 Commission, or the Southwest Power Pool;

14 4. "Foreign principal" means any individual, entity, or
15 government defined as a foreign principal under 22 U.S.C., Section
16 611, including any entity owned or controlled directly or indirectly
17 by such principal; and

18 5. "High-demand facility" means any commercial, industrial, or
19 institutional facility that:

20 a. has a monthly minimum electric demand of seventy-five
21 megawatts (75 MW) or greater, or

22 b. is an existing facility proposing an expansion
23 reasonably expected to increase electric demand to a

total equal to or greater than seventy-five megawatts (75 MW).

B. This section shall apply to any high-demand facility initiating electric or water service on or after the effective date of this act and to any existing facility that expands or modifies operations after the effective date of this act in a manner that increases electric demand to a total equal to or greater than seventy-five megawatts (75 MW).

C. No high-demand facility shall be eligible for any taxpayer-funded subsidy, including, but not limited to:

1. State or local tax credits;
 2. Rebates, refunds, or abatements;
 3. Grants or forgivable loans;
 4. Tax increment financing;
 5. Sales, use, ad valorem, or income tax exemptions; or
 6. Any incentive funded in whole or in part by public funds.

Public infrastructure investments made primarily or exclusively to serve a high-demand facility shall constitute a prohibited subsidy unless fully reimbursed by the facility. Any agreement entered into in violation of this subsection shall be void and unenforceable.

D. A county, municipality, or other political subdivision may, by ordinance or resolution, prohibit the construction, siting, expansion, or operation of high-demand facilities within its jurisdiction. Such authority shall not be preempted by state law.

1 and shall apply regardless of zoning classification unless otherwise
2 expressly authorized by the political subdivision.

3 E. A high-demand facility shall fully fund all electric
4 infrastructure upgrades required to serve the facility, including
5 those required now or in the future due to operational needs. No
6 costs associated with serving a high-demand facility shall be
7 allocated to or recovered from other retail ratepayers. A high-
8 demand facility shall pay monthly for:

9 1. Actual metered energy usage; or

10 2. Not less than eighty percent (80%) of contract capacity, if
11 usage is less than contracted capacity.

12 F. A high-demand facility shall complete a water impact
13 assessment prior to approval of any water service contract,
14 including projected use, sources, conservation measures, and
15 sustainability impacts. Facilities shall utilize water recycling,
16 reuse, or closed-loop cooling systems to the maximum extent
17 practicable. Any entity providing water to a high-demand facility
18 shall not acquire additional water rights for the sole or partial
19 purpose of serving a high-demand facility. Contracted withdrawal
20 amounts shall be included in all future water availability
21 determinations. Requested daily withdrawals shall not exceed:

22 1. Twenty-five percent (25%) of the provider's current
23 withdrawal rate; and

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1 2. Five percent (5%) of the provider's total water rights that
2 are currently under contract.

3 G. A high-demand facility shall not be constructed, sited, or
4 operated by a foreign principal or on land classified as
5 agricultural land. Any attempt to evade this subsection through the
6 use of shell entities, lease arrangements, or reclassification after
7 the effective date of this act shall be prohibited.

8 H. All high-demand facilities shall be fully compliant with all
9 applicable local noise ordinances, including operational,
10 construction, and emergency operations, without exception or
11 variance unless expressly granted by the local governing authority.

12 I. All new high-demand facilities shall submit, prior to
13 construction or operation, a decommissioning plan for approval by
14 the applicable permitting authority. The decommissioning plan shall
15 provide for the complete decommissioning, dismantling, and removal
16 of all buildings, structures, equipment, foundations, and
17 improvements associated with the facility, as well as restoration of
18 the site to a condition reasonably comparable to its pre-development
19 use. The plan shall include a timeline for decommissioning, site
20 remediation measures, and an estimate of decommissioning costs. The
21 facility owner or operator shall remain responsible for full
22 compliance with the decommissioning plan upon cessation of
23 operations, expiration of permits, or abandonment of the facility.

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1 J. The Oklahoma Corporation Commission shall enforce the
2 electric utility and ratepayer protection provisions of this
3 section. Water use provisions shall be enforced by the local or
4 state entity with jurisdiction over the water resource to be
5 utilized. The Oklahoma Corporation Commission is authorized to
6 promulgate rules to effectuate the provisions of this section.

7 SECTION 2. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 180.15 of Title 17, unless there
9 is created a duplication in numbering, reads as follows:

10 A. Citizens of a county or municipality that are opposed to the
11 construction, siting, expansion, or operation of a high-demand
12 facility, as defined in Section 1 of this act, or are in
13 disagreement with the outcome of the vote of a board of county
14 commissioners or city council pursuant to subsection D of Section 1
15 of this act shall have the powers of initiative and referendum
16 petition as provided for by the Oklahoma Constitution and as
17 provided in this section.

18 B. 1. For purposes of this section, the form of the petition
19 for either initiative or referendum shall be substantially as
20 provided in Sections 1 and 2 of Title 34 of the Oklahoma Statutes.
21 A true copy of each measure proposed by initiative and referendum
22 shall be filed with the clerk of the city or town or with the
23 secretary of the county election board before it is circulated and
24 signed by the registered voters.

1 2. Every petition for either the initiative or referendum shall
2 be signed by a number of the registered voters residing in the city
3 or town equal to at least twenty-five percent (25%) of the total
4 number of votes cast at the preceding general municipal election or
5 for counties, equal to at least ten percent (10%) of the registered
6 voters residing in the county. The signatures to each petition
7 shall be verified in the manner provided by law.

8 3. Signed copies of an initiative petition shall be submitted
9 to the clerk or secretary within ninety (90) days after the initial
10 filing of the measure with the clerk or secretary. Signed copies of
11 a petition invoking a referendum upon any ordinance or resolution
12 shall be submitted to the clerk or secretary within thirty (30) days
13 after the passage or adoption of the ordinance or resolution.

14 C. When signed copies of a petition are timely filed with the
15 clerk or secretary, the clerk or secretary shall make a physical
16 count of the number of signatures appearing on the petitions. He or
17 she shall then publish, in at least one newspaper of general
18 circulation in the municipality or the county and on any available
19 social media channels, a notice of the filing and the apparent
20 sufficiency or insufficiency of the petition. The notice shall also
21 state that any qualified elector of the municipality or the county
22 may file a protest to the petition or an objection to the count made
23 by the clerk or secretary.

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1 A protest to the petition or the count of signatures shall be
2 filed in the district court in the county in which the situs of the
3 city, town, or county is located within ten (10) days after the
4 publication. Written notice of the protest shall be served upon the
5 clerk or secretary and the parties who filed the petition. In the
6 case of the filing of an objection to the count, notice shall also
7 be served upon any party filing a protest. The district court shall
8 fix a day, not less than ten (10) days after the filing of a
9 protest, to hear testimony and arguments for and against the
10 sufficiency of the petition. A protest filed by anyone, if
11 abandoned by the party filing it, may be revived within five (5)
12 days by any other qualified elector. After the hearing, the
13 district court shall decide whether such petition is in form
14 required by law.

15 D. 1. The parties submitting a petition for either initiative
16 or referendum shall also prepare and file a ballot title for the
17 measure. The ballot title may be filed with the clerk or secretary
18 prior to circulating the petition, but it must be submitted no later
19 than the time that the signed copies of the petition are filed with
20 the clerk or secretary. The ballot title shall contain the gist of
21 the proposition couched in language that may be readily understood
22 by persons not engaged in the practice of law. The ballot title
23 shall contain language which clearly states that a "yes" vote is a
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1 vote in favor of the proposition, and a "no" vote is a vote against
2 the proposition. The ballot title may not:

- 3 a. exceed one hundred fifty (150) words,
- 4 b. reflect partiality in its composition or contain any
5 argument for or against the measure, or
- 6 c. contain language whereby a "yes" vote is, in fact, a
7 vote against the proposition and a "no" vote is, in
8 fact, a vote in favor of the proposition.

9 2. The clerk or secretary shall immediately forward a copy of
10 the proposition and ballot title to the municipal attorney or
11 district attorney. Within three (3) days after the filing of the
12 ballot title, the attorney shall notify the clerk or secretary in
13 writing whether or not the proposed ballot title is in legal form
14 and in harmony with the law. If the ballot title is not in proper
15 form, in the opinion of the attorney, he shall prepare and file a
16 ballot title which does conform to the law within the three-day
17 period.

18 E. A qualified elector who is dissatisfied with the wording of
19 a ballot title may appeal, within ten (10) days after the ballot
20 title is filed with the clerk or secretary, to the district court in
21 the county in which the situs of the city, town, or county is
22 located. The petition for appeal shall offer a substitute ballot
23 title for the one from which the appeal is taken. Written notice of
24 the appeal shall be served upon the clerk or secretary and upon the

1 parties who filed the ballot title at least five (5) days before
2 such appeal is heard by the court. The municipal attorney or the
3 district attorney shall, and any interested citizen may, defend the
4 ballot title from which the appeal is taken. After the hearing of
5 the appeal, the district court may correct or amend the ballot
6 title, or accept the substitute suggested, or may draft a new one
7 which will conform with the law.

8 F. When a ballot title has been decided upon, either as
9 approved by the municipal attorney or district attorney or by the
10 district court, the clerk or secretary shall notify the mayor or the
11 chairman of the board of county commissioners in writing, and attach
12 a copy of the petition and ballot title.

13 G. When an initiative petition demands the enactment of an
14 ordinance or resolution, the mayor or the chairman of the board of
15 county commissioners shall present the petition to the governing
16 body at its next meeting. If the petition is not granted more than
17 thirty (30) days before the next general municipal or county
18 election, the mayor or the board of county commissioners shall
19 submit the ordinance or act so petitioned to the registered voters
20 of the city, town, or county at the next general municipal or county
21 election.

22 H. Whenever a referendum is demanded against any measure passed
23 by the city, town, or county governing body, the question shall be
24 submitted to the registered voters of the city, town, or county for

1 their approval or rejection at the next general municipal or county
2 election.

3 I. In addition to the procedural requirements of this section,
4 if signatures are successfully gathered and the ballot measure is
5 approved, notice of said ballot shall be provided by the
6 municipality or board of county commissioners in local newspapers
7 and on any available social media channels for two (2) weeks before
8 the general county election. The company proposing the high-demand
9 facility shall provide notice by U.S. mail of the ballot measure to
10 all landowners within the project boundary and all landowners within
11 a radius of five (5) miles of the perimeter of the project at least
12 thirty (30) days before the general county election.

13 J. If the initiative or referendum petition is sufficient and
14 the measure is submitted to and decided by a vote of the registered
15 voters of the municipality or county, the final outcome of such
16 election shall be binding upon the municipality or the board of
17 county commissioners and upon any company proposing, constructing,
18 or operating a high-demand facility project that is the subject of
19 the initiative or referendum. No such company shall proceed with,
20 resume, or continue development, construction, or operation of the
21 project in a manner inconsistent with the result approved by the
22 voters.

23 SECTION 3. 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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