

An Act

ENROLLED SENATE
BILL NO. 1447

By: Thompson (Kristen) of the
Senate

and

Osburn and Swope of the
House

An Act relating to economic development; creating the Creating Oklahoma's Modern Plan for Economic Transformation and Effectiveness (COMPETE) Act; providing short title; amending 74 O.S. 2021, Section 5003.2, which relates to creation of the Oklahoma Department of Commerce; requiring the Department to create two separate divisions; creating the Division on Economic Development, Growth, and Expansion (EDGE) and the Division on Community Outreach and Revitalization Enterprise (CORE); specifying purpose of each division; amending 74 O.S. 2021, Section 5003.4, which relates to definitions; modifying definition; amending 74 O.S. 2021, Section 5003.5, as amended by Section 25, Chapter 243, O.S.L. 2022 (74 O.S. Supp. 2023, Section 5003.5), which relates to the Director of the Oklahoma Department of Commerce; modifying title; establishing method for compensation; specifying requirements for position; amending 74 O.S. 2021, Section 5003.7, which relates to the five-year economic development plan; expanding provisions of plan; modifying recipients of notice; requiring plan to be posted on Department's website; requiring certain presentation; amending 74 O.S. 5003.10, which relates to the authority of the Oklahoma Department of Commerce; modifying reference; amending 74 O.S. 5003.10a, which relates to procedure to terminate offices established outside of state; modifying reference; creating the Legislative Evaluation and Development Committee; requiring legislative review on investments over certain threshold; specifying information for review;

providing for membership; providing for quorum;
allowing for certain reimbursement; requiring members
of committee to submit to certain agreements;
updating statutory language; providing for
codification; and declaring an emergency.

SUBJECT: Economic development

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 5090 of Title 74, unless there
is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Creating
Oklahoma's Modern Plan for Economic Transformation and Effectiveness
(COMPETE) Act".

SECTION 2. AMENDATORY 74 O.S. 2021, Section 5003.2, is
amended to read as follows:

Section 5003.2. A. Recognizing the geographic diversity of
this state, Oklahoma needs one central, primary public-sector
economic development agency for the state in order to manage or
coordinate all public sector economic development activity.

~~Oklahoma needs an agency to work at the community and firm level
to:~~

~~1. Create new and higher quality jobs for the people of this
state through the expansion, creation, restructuring and recruitment
of export-oriented Oklahoma firms which produce value-added goods,
services and processes;~~

~~2. Encourage statewide economic diversification and stability;~~

~~3. Maintain a two-way flow of information between the central
state economic development agency and firms, farms and communities;~~

~~4. Implement the strategic economic development five year plan; and~~

~~5. Carry out policy development and research in support of Oklahoma Futures.~~

B. There are hereby created two separate and distinct divisions within the Oklahoma Department of Commerce to be known as the Division on Economic Development, Growth, and Expansion (EDGE) and the Division on Community Outreach and Revitalization Enterprise (CORE). EDGE and CORE shall collaborate to encourage economic stability in the state, to improve the economic competitiveness of this state, and to implement the Oklahoma Department of Commerce's strategic plan.

C. The Division on Economic Development, Growth, and Expansion (EDGE).

The purpose of EDGE shall be to serve as the state's lead economic development point of contact. EDGE shall exercise the powers and duties granted to it by this act to perform an essential governmental function for matters of public necessity for which public monies may be spent and property acquired. EDGE shall have duties pertaining to the economic development of the state including, but not limited to:

1. Being empowered to strategically drive opportunities for economic growth and diversification across the state;

2. Collaborating with local, regional, and state entities;

3. Coordinating the funding and investment activities of each element of the state's economic development efforts and marketing campaigns to achieve better results for the state's recruitment and retention of businesses; and

4. Acting as the principal point of contact regarding investment in this state for public officials, businesses, and the public.

D. The Division on Community Outreach and Revitalization Enterprise (CORE).

The purpose of CORE shall be to focus on the long-term development of local communities to increase competitiveness and enhance economic opportunities. CORE shall have duties pertaining to local economic opportunities and community development including, but not limited to:

1. Creating new and higher-quality jobs for the people of the state through long-term development of local communities;

2. Maintaining communication of information between the Department and communities through regional organization and representation;

3. Carrying out policy development and research in support of the long-term competitiveness of this state;

4. Providing technical assistance to local communities in securing federal funding, incentive availability, and community development;

5. Providing assistance and funding in development of potential sites for economic development;

6. Coordinating with other state agencies deploying federal and state funds for infrastructure development including, but not limited to, the Department of Transportation, the Oklahoma Water Resources Board, and the Oklahoma Broadband Office; and

7. Assisting in compliance with the laws and regulations of economic incentives and economic development initiatives.

E. The Oklahoma Department of Commerce is hereby constituted an agency of state government.

~~C.~~ F. Whenever the terms "Department of Economic Development" or "Department of Economic and Community Affairs" appear in the Oklahoma Statutes they shall mean and refer to the Oklahoma Department of Commerce.

SECTION 3. AMENDATORY 74 O.S. 2021, Section 5003.4, is amended to read as follows:

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

1. "Department" means the Oklahoma Department of Commerce;

2. ~~"Director" means the director of the Department of Commerce~~
"Chief Executive Officer" means the Chief Executive Officer of the Oklahoma Department of Commerce;

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

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

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

SECTION 4. AMENDATORY 74 O.S. 2021, Section 5003.5, as amended by Section 25, Chapter 243, O.S.L. 2022 (74 O.S. Supp. 2023, Section 5003.5), is amended to read as follows:

Section 5003.5. A. The ~~Director~~ Chief Executive Officer of the Oklahoma Department of Commerce shall be appointed by the Governor with the advice and consent of the Senate. The ~~Director~~ Chief Executive Officer shall serve at the pleasure of the Governor and shall continue to serve until a successor is duly appointed and qualified. The salary of the ~~Director~~ Chief Executive Officer shall be ~~set by law~~ compensated in a manner that compares equally to similar positions in the private sector.

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

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 ~~Director~~ 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 ~~Director~~ Chief Executive Officer have the authority to circumvent, disregard or otherwise disobey specific provisions of law regarding positions in the Department.

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

1. The Oklahoma Industrial Finance Authority;

~~2. The Oklahoma Science and Technology Research and Development Board;~~

~~3. The Oklahoma Development Finance Authority;~~

~~4. The Executive Bond Oversight Commission; and~~

~~5. 3. The Oklahoma Ordnance Works Authority.~~

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

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

SECTION 5. AMENDATORY 74 O.S. 2021, Section 5003.7, is amended to read as follows:

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

1. The purpose of the plan shall be to identify significant economic, social, and demographic trends which may have both short-term and long-term impacts on the state and local economy and to present strategies and recommendations that the state and local political subdivisions might adopt to improve or stabilize the economy.

2. The goals of the plan shall include the development of a diversified state economy, ~~increasing~~; the increase of employment; ~~;~~

the maximum use of federal, state and local funds to achieve the goals or recommendations included in the plan⁷; the maximum investment of capital in the economy of the state⁷; and the improvement of the quality of life in the state.

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

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

5. Copies of the plan and the annual updates shall be submitted electronically to the Oklahoma Advisory Committee on Intergovernmental Relations, the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate and the ~~chairmen of the standing committees on economic development of the Senate and of the House of Representatives~~ members of the Legislative Evaluation and Development Committee, as created in Section 8 of this act, and be made available to the public on the Department's website on the first day of each legislative session.

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

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

C. The Department, in conjunction with the Oklahoma Development Finance Authority, is authorized to develop an infrastructure program which will enable political subdivisions of this state to finance public works projects in order to modify or improve existing public facilities for purposes of bringing ~~said~~ such facilities, and the operation thereof, into compliance with and maintaining

compliance with federal, state and local laws and regulations pertaining to the protection of the public health and the environment.

~~C.~~ D. The ~~Director~~ Chief Executive Officer shall develop an annual business plan for the Department. The business plan shall include the need and mission of each division of the Department created by law or the ~~Director~~ Chief Executive Officer and an analysis of past costs and benefits and future projected costs and benefits to the state of the programs of each division of the Department. The business plan shall be consistent with the goals of the recurring five-year plan specified in this section. The ~~Director~~ Chief Executive Officer shall distribute copies of the business plan by such means that will make it widely available to communities, firms and local economic development managers throughout this state.

SECTION 6. AMENDATORY 74 O.S. 2021, Section 5003.10, is amended to read as follows:

Section 5003.10. The Oklahoma Department of Commerce shall have the authority to:

1. Disseminate information concerning the industrial, commercial, governmental, educational, cultural, agricultural, business and other advantages and attractions of the state;
2. Assist public and private agencies in the preparation of informational and publicity programs designed to attract or retain business and industry for the state;
3. Obligate and expend funds for services performed by local political subdivisions of the state, state agencies, including universities and colleges within and without the state, and federal agencies for research and training in conformity with the general state laws governing such activity; and apply for, accept, administer and expend grants from the federal government and any other public or private sources for research and training purposes;
4. Conduct, publish and disseminate or encourage research designed to further new and more extensive uses of the natural and

other resources of the state and designed to develop and commercialize new products and commercial processes;

5. Study trends and developments in the industries of the state and analyze the reasons underlying such trends; study costs within the state; and make recommendations regarding circumstances promoting or hampering business and industrial development;

6. Generally gather, compile and make available economic analyses and statistical information relating to business, trade, commerce, industry, transportation, communication, natural resources, population and other like subjects in this state, with authority to call upon other agencies, universities and colleges of the state for statistical data and results obtained by them, and to arrange and compile such economic analyses and statistical information in such a manner as it deems advisable;

7. Study such other scientific, industrial, financial and economic issues as, in the judgment of the Department, shall be deemed of value to the people of the state;

8. Support and assist the efforts of state, regional and local development organizations, industrial committees, chambers of commerce, agricultural organizations, labor organizations and other similar public and private agencies to obtain new and to foster expansion of existing service, industrial and manufacturing facilities, businesses and enterprises; and to foster community improvements in leadership, expertise, human development, infrastructure, public facilities and quality of life; and to expand data availability and utilization opportunities;

9. Maintain a continuing evaluation of the sources available for the financing of the development or expansion of industrial, agricultural and commercial facilities in this state through both public and private agencies;

10. Assist in obtaining financing for the development and expansion of industrial, agricultural and commercial facilities in the state;

11. Serve as the state's official liaison agency between persons interested in locating new economic enterprises in Oklahoma

and state and local groups seeking new enterprises. In this respect, the Department shall aid communities in organizing for and obtaining new businesses and expanding existing businesses and shall process requests which reflect interest in locating economic enterprises in the state;

12. Promote the sale and facilitate the marketing of Oklahoma products including agricultural and value-added products in the international market;

13. Encourage the location of foreign manufacturing plants and other industries in Oklahoma;

14. Coordinate the international efforts of the various state agencies without violating the individual authority given those agencies by statute;

15. Coordinate and serve as liaison to the private sector as needed;

16. Establish, subject to an annual appropriation or private gifts, offices outside the state boundaries. The offices may be operated by the state or may be operated pursuant to contract which shall not be subject to the competitive bid laws of the State of Oklahoma. The Department shall prepare an annual report concerning the activities of the offices and submit it to the Governor and the Legislature. The ~~Director~~ Chief Executive Officer of the Oklahoma Department of Commerce shall notify in writing the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives that the Department intends to establish a new office pursuant to this paragraph at least thirty (30) days prior to the establishment of the new office or execution of a contract;

17. Establish a system of not less than six geographic regions for promoting new or existing businesses, assisting in the expansion of small and medium sized manufacturers through a modernization program, creating new jobs, and assisting local businesses, political subdivisions or other entities to better utilize the services of the Department;

18. Solicit, accept and expend donations and contributions from any source, whether public or private, in order to advertise,

promote or disseminate information which may assist in the recruitment of companies, firms or jobs to Oklahoma, including but not limited to the Oklahoma Quality Jobs Program Act, and any other acts which the Department administers or which may assist the Department in the performance of its mission. The Department shall deposit any funds collected pursuant to this paragraph in the "Oklahoma Department of Commerce Revolving Fund" created by Section 5012 of this title; and

19. Enter into contracts at fair market value for the rental of office space in any facility under its control to entities engaged in activities related to the export of goods produced in Oklahoma. The Department shall deposit any funds collected pursuant to this paragraph in the "Oklahoma Department of Commerce Revolving Fund" created by Section 5012 of this title.

SECTION 7. AMENDATORY 74 O.S. 2021, Section 5003.10a, is amended to read as follows:

Section 5003.10a. An office established by the Oklahoma Department of Commerce outside the State of Oklahoma pursuant to paragraph 16 of Section 5003.10 of this title shall not be terminated until the ~~Director~~ Chief Executive Officer of the Oklahoma Department of Commerce provides a written report to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate of the intent of the ~~Director~~ Chief Executive Officer to terminate the office. Termination of the office pursuant to this section shall not occur earlier than sixty (60) days following the date the report is filed as provided in this section. For purposes of this section, "termination" means a reduction in funding for an office or a change in representation.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5090.1 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created within the Legislature the Legislative Evaluation and Development Committee. The Legislative Evaluation and Development Committee shall review financing for individual incentive packages including, but not limited to, packages offering tax incentives, funds for economic development, and, when the annual investment exceeds Twenty Million Dollars

(\$20,000,000.00), excluding funding from existing incentives for any business, new or existing currently in this state, or when one or more of the incentives in the incentive package is not authorized under current law or an amendment by the Legislature is being sought to one or more currently existing incentives included in the incentive package. In addition to the required review of certain incentive packages as prescribed by this section, the Committee may, in its discretion, also review potential economic development projects presented by private sector businesses or state or other political subdivision authorities which would be financed by public funds.

B. The Legislative Evaluation and Development Committee shall evaluate and propose economic projects provided by the Division on Economic Development, Growth, and Expansion within the Oklahoma Department of Commerce. The Committee shall consist of:

1. Four members of the Senate to be appointed by the President Pro Tempore of the Senate, one of whom shall be from the minority party; and

2. Four members of the House of the Representatives to be appointed by the Speaker of the House of Representatives, one of whom shall be from the minority party.

The President Pro Tempore of the Senate, or his or her designee, and the Speaker of the House of Representatives, or his or her designee, shall serve as co-chairs for the Committee.

C. The quorum of the Committee shall consist of at least five members. Meetings of the Committee shall be governed by joint rules of the Legislature. Members of the Committee may receive reimbursement from the Legislative Service Bureau for actual and necessary expenses incurred in connection with their duties as members of the Committee in accordance with other provisions of law relating to travel reimbursement for members of the Legislature. Members serving on this Committee shall submit to nondisclosure agreements and adhere to the confidentiality of the material discussed in meetings that affects the economic development of this state.

SECTION 9. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 29th day of May, 2024.

Presiding Officer of the Senate

Passed the House of Representatives the 30th day of May, 2024.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____