

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

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

4 ENGROSSED SENATE
5 BILL NO. 300

6 By: Kirt of the Senate

7 and

8 Townley of the House

9 An Act relating to the Oklahoma Capital Investment
10 Board; amending 74 O.S. 2021, Sections 5085.5,
11 5085.6, 5085.8, 5085.10, 5085.11, 5085.12, 5085.14,
12 5085.15, and 5085.16, which relate to the Oklahoma
13 Capital Formation Act; modifying definition;
14 modifying reference; dissolving Board upon certain
15 date; transferring certain contracts and management
16 of certain investments to the Oklahoma Science and
17 Technology Research and Development Board;
18 transferring certain revolving fund to the Oklahoma
19 Center for the Advancement of Science and Technology;
20 making language gender neutral; updating statutory
21 reference; updating statutory language; and providing
22 an effective date.

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

24 SECTION 1. AMENDATORY 74 O.S. 2021, Section 5085.5, is
25 amended to read as follows:

26 Section 5085.5. For purposes of ~~this act~~ the Oklahoma Capital
27 Formation Act:

1. "Board" means the Oklahoma Capital Investment Board Science
and Technology Research and Development Board of the Oklahoma Center
for the Advancement of Science and Technology;

2. "Director" means any person who is a member of the Board;

3. "Equity capital" means capital invested in common or preferred stock, royalty rights, limited partnership interests, and any other securities or rights that evidence ownership in private businesses;

4. "Investor group" means any individual, corporation, partnership, or other lawfully organized entity;

5. "Near-equity capital" means capital invested in unsecured, undersecured, subordinated, or convertible loans or debt securities;

6. "Persons" means individuals, corporations, partnerships, or
other lawfully organized entities;

7. "Put option" means a right or privilege to sell an amount of a particular security or class of securities during a time period ending on the expiration date of the option; and

8. "Tax credits" means tax credits available against liabilities imposed by Section 2355 of Title 68 of the Oklahoma Statutes or Section 624 of Title 36 of the Oklahoma Statutes and issued or transferred pursuant to ~~this act~~ the Oklahoma Capital Formation Act.

a. The tax credits issued or transferred pursuant to the Oklahoma Capital Formation Act, upon election by the

1 purchaser at utilization, will be treated as a payment
2 or prepayment in lieu of tax imposed under Section
3 2355 of Title 68 of the Oklahoma Statutes.,

4 b. Tax credits utilized pursuant to subparagraph a of
5 this paragraph shall be treated and may be claimed as
6 a payment of tax or estimated tax for the purposes of
7 and as ~~defined~~ provided in Sections 2375, 2385.9, and
8 2385.13 of Title 68 of the Oklahoma Statutes. Such
9 tax credits are further subject to the system
10 developed in conjunction with the Oklahoma Tax
11 Commission as required by subsection ~~E~~ H of Section
12 5085.7 of this title for registration and verification
13 of the tax credits. Taxpayers may rely upon the
14 provisions of the registration and verification system
15 developed pursuant to Section 5085.7 of this title.

16 SECTION 2. AMENDATORY 74 O.S. 2021, Section 5085.6, is

17 amended to read as follows:

18 Section 5085.6. A. The Until the effective date of this act,
19 the Oklahoma Capital Investment Board shall consist of five (5)
20 Directors who shall be appointed by the Governor with the advice and
21 consent of the Senate. Directors shall be selected based upon
22 outstanding knowledge and leadership and shall possess experience in
23 the management of investments similar in nature and in value to
24 those of the Board. Directors shall serve for a term of office of

1 five (5) years. Provided, the initial Board of Directors of the
2 Oklahoma Capital Investment Board shall consist of the trustees of
3 the trust certified as the Oklahoma Capital Investment Board
4 pursuant to the provisions of ~~Section 2 of this act~~ Section 5085.2
5 of this title and the Directors of the Oklahoma Capital Investment
6 Board ~~who were appointed pursuant to the provisions of Section~~
7 ~~5061.6 of Title 74 of the Oklahoma Statutes.~~ Positions on the Board
8 of Directors held by trustees of such trust shall not be filled as
9 the terms of office for ~~said~~ the trustees expire. Positions on the
10 Board of Directors held by Directors of the Oklahoma Capital
11 Investment Board shall be filled by the Governor with the advice and
12 consent of the Senate as the terms of office for ~~said~~ the Directors
13 expire and in a manner to allow one member to rotate off of the
14 Board each year.

15 B. Annually, the Directors shall select a ~~chairman~~ chair to
16 preside at their meetings. The Directors shall have the authority
17 to manage the Oklahoma Capital Investment Board in accordance with
18 the requirements of ~~this act~~ the Oklahoma Capital Formation Act and
19 its trust indenture.

20 C. The meetings of the Directors shall be subject to the
21 Oklahoma Open Meeting Act, Section 301 et seq. of Title 25 of the
22 Oklahoma Statutes, and the Oklahoma Open Records Act, Section 24A.1
23 et seq. of Title 51 of the Oklahoma Statutes. Any information
24 submitted to or compiled by the Oklahoma Capital Investment Board

1 with respect to the marketing plans, financial statements, trade
2 secrets, research concepts, methods or products, or any other
3 proprietary information of persons, firms, associations,
4 partnerships, agencies, corporations, or other entities shall be
5 confidential, except to the extent that the person or entity that
6 provided such information or that is the subject of such information
7 consents to disclosure. Executive sessions may be held to discuss
8 such materials if deemed necessary by the Directors.

9 D. A conflict of interest shall be deemed to exist in any
10 contractual relationship in which a Director of the Board, officer,
11 agent, or employee or any for-profit firm or corporation in which
12 such Director, officer, agent, or employee or any member of his or
13 her immediate family is an officer, partner, or principal
14 stockholder, shall directly or indirectly buy or sell goods or
15 services to, or otherwise contract with the Board. Upon a showing
16 thereof, such Director, officer, agent, or employee shall be subject
17 to removal and such contract shall be deemed unenforceable as
18 against the Board unless the records of the Board shall reflect that
19 such Director, officer, agent, or employee fully and publicly
20 disclosed all such interest or interests, and unless such
21 contractual relationship shall have been secured by competitive
22 bidding following a public invitation to bid. If a Director,
23 officer, agent, or employee holds such an interest, he or she shall
24 refrain from any further official involvement in regard to such

1 contract or agreement, from voting on any matter pertaining to such
2 contract or agreement, and from communicating with other Board
3 members, officers, agents, or employees concerning ~~said~~ the contract
4 or agreement.

5 E. Bonds issued by the Oklahoma Capital Investment Board shall
6 be subject to oversight pursuant to the Oklahoma Bond Oversight and
7 Reform Act, Section 695.1 et seq. of Title 62 of the Oklahoma
8 Statutes.

9 F. Upon the effective date of this act, the Oklahoma Capital
10 Investment Board shall be dissolved. Any contracts or agreements
11 executed by the Board or by any subsidiary or affiliate of the Board
12 and any investment of funds required by the provisions of a contract
13 executed by the Board or by any subsidiary or affiliate of the Board
14 shall be transferred to and managed by the Oklahoma Center for the
15 Advancement of Science and Technology.

16 SECTION 3. AMENDATORY 74 O.S. 2021, Section 5085.8, is
17 amended to read as follows:

18 Section 5085.8. A. Except as otherwise provided by subsections
19 F and G of this section, the Oklahoma ~~Capital Investment~~ Science and
20 Technology Research and Development Board shall have the power to
21 solicit proposals from qualified investor groups for investment of
22 capital in accordance with the requirements of the Oklahoma Capital
23 Formation Act. The Board shall establish criteria for selection of
24 persons, firms, corporations, or other entities deemed qualified to

1 generate capital for investment in a manner which will result in a
2 significant potential to create jobs and to diversify and stabilize
3 the economy of ~~the State of Oklahoma~~ this state. Such criteria
4 shall include the applicant's level of experience, quality of
5 management, investment philosophy and process, historical investment
6 performance, probability of success in fund raising, the amount and
7 timing of fees to be paid, and such other investment criteria as may
8 be commonly used in professional portfolio management as the Board
9 may deem appropriate.

10 B. Except as otherwise provided by subsections F and G of this
11 section, the Board shall have the power to extend a guarantee in the
12 form of a put option or such other method as selected by the Board.
13 Guarantees may extend to principal plus interest over the term of
14 the guarantee at a rate set by Board resolution from time to time.
15 Guarantees in whatever form negotiated by the Board may be made for
16 any period of time, but no term shall expire prior to January 1,
17 1992. The Board may charge a reasonable fee for costs and the fair
18 compensation of risk associated with its guarantee. The guarantees
19 extended by the Board shall in no way be an obligation of the state
20 and may be restricted to specific funds or assets of the Board;
21 provided, however, proceeds from the sale of any tax credits shall
22 be sufficient to meet contractual guarantee obligations of the
23 Board. The Board shall have the right to contract freely to protect
24 the interests of ~~the State of Oklahoma~~ this state. The Board shall

1 ensure that at least Two Dollars (\$2.00) will be invested in
2 Oklahoma businesses or projects for every One Dollar (\$1.00) of
3 principal guaranteed by the Board.

4 C. If the Board purchases any security pursuant to an agreement
5 with an investor group, the Board shall acquire such securities and
6 may invest, manage, transfer, or dispose of such securities in
7 accordance with policies for management of assets adopted by the
8 Board.

9 D. Except as otherwise provided by subsections F and G of this
10 section, the Board shall have the power to make any contract,
11 execute any document, perform any act, or enter into any financial
12 or other transaction necessary in order to carry out its mission.
13 The Board may employ such persons as may be required for the
14 performance of any function authorized or required by the Oklahoma
15 Capital Formation Act or necessary for the accomplishment of any
16 such function. Such persons shall be selected based upon
17 outstanding knowledge and leadership in the field for which the
18 person performs services for the Board. In selecting such persons,
19 the Board shall hire persons who meet standards applicable to
20 persons responsible for investment of equity and near-equity
21 securities.

22 E. In carrying out the mission of the Board as authorized in
23 the Oklahoma Capital Formation Act, neither the Board nor its
24 officers, directors, or employees shall be considered to be broker-

1 dealers, agents, investment advisors, or investment adviser
2 representatives under Title 71 of the Oklahoma Statutes. The tax
3 credits issued or transferred pursuant to the Oklahoma Capital
4 Formation Act and Section 2357.7 of Title 68 of the Oklahoma
5 Statutes shall not be considered to be securities under Title 71 of
6 the Oklahoma Statutes.

7 F. On and after ~~the effective date of this act~~ June 8, 2012,
8 except for the investment of funds required by provisions in a
9 contract executed by the Board or by any subsidiary or affiliate of
10 the Board prior to ~~the effective date of this act~~ June 8, 2012, or
11 executed by an entity that was not a subsidiary or affiliate of the
12 Board at the time such contract was executed but which became a
13 subsidiary or affiliate of the Board subsequent to the execution of
14 such contract, but prior to ~~the effective date of this act~~ June 8,
15 2012, neither the Board nor any entity which is a subsidiary or
16 affiliate of the Board nor any entity which is controlled either
17 directly or indirectly by the Board or which acts under the
18 authority of or pursuant to the direction of the Board shall:

19 1. Enter into any contract authorizing or requiring the
20 investment of any funds obtained by the Board, or commitment binding
21 the Board to make any investment of any funds obtained by the Board,
22 or the investment of any funds obtained by a subsidiary, affiliate,
23 or any entity under the direct or indirect control of the Board, in
24 any corporation, general partnership, limited partnership, limited

1 liability company, private equity or hedge fund, or other lawfully
2 recognized business entity; or

3 2. Modify any agreement executed prior to ~~the effective date of~~
4 ~~this act June 8, 2012,~~ by the Board or executed by any subsidiary or
5 affiliate of the Board or executed by any entity that was not a
6 subsidiary or affiliate of the Board at the time such contract was
7 executed, but which subsequently became a subsidiary or affiliate,
8 in any manner that would have the effect of increasing the amount of
9 any contractual commitment to make an investment of funds in a
10 general or limited partnership, corporation, limited liability
11 company, private equity or hedge fund, or any other lawfully
12 recognized entity.

13 G. On and after ~~the effective date of this act June 8, 2012,~~
14 except for the use of funds required by provisions in a contract
15 executed by the Board or by any subsidiary or affiliate of the Board
16 prior to ~~the effective date of this act June 8, 2012,~~ or executed by
17 an entity that was not a subsidiary or affiliate of the Board at the
18 time such contract was executed but which became a subsidiary or
19 affiliate of the Board subsequent to the execution of such contract,
20 but prior to ~~the effective date of this act June 8, 2012,~~ neither
21 the Board nor any entity which is a subsidiary or affiliate of the
22 Board nor any entity which is controlled either directly or
23 indirectly by the Board or which acts under the authority of or
24 pursuant to the direction of the Board shall:

1 1. Enter into any contract for the purpose of guaranteeing, in
2 whole or in part, the repayment of obligations owed by a business
3 entity, other than a subsidiary of the Board, in connection with a
4 loan of money from a bank, financial institution, or any other
5 entity; or

6 2. Modify any contract described by paragraph 1 of this
7 subsection executed prior to ~~the effective date of this act June 8,~~
8 2012, by the Board or executed by any subsidiary or affiliate of the
9 Board or executed by any entity that was not a subsidiary or
10 affiliate of the Board at the time such contract was executed, but
11 which subsequently became a subsidiary or affiliate, in a manner
12 that would increase any existing obligation of the Board or its
13 subsidiary or affiliate or extend the term of any such contract.

14 SECTION 4. AMENDATORY 74 O.S. 2021, Section 5085.10, is
15 amended to read as follows:

16 Section 5085.10. Notwithstanding other provisions of law, the
17 Oklahoma Science and Technology Research and Development Board or
18 any entity designated by the Board, shall have the authority to
19 expend funds to administer and operate the programs of the ~~Oklahoma~~
20 ~~Capital Investment~~ Board.

21 SECTION 5. AMENDATORY 74 O.S. 2021, Section 5085.11, is
22 amended to read as follows:

23 Section 5085.11. A. There is hereby created in the State
24 Treasury a revolving fund for the ~~Oklahoma Department of Commerce~~

1 Oklahoma Center for the Advancement of Science and Technology to be
2 designated the "Oklahoma Capital Formation Revolving Fund". The
3 fund shall be a continuing fund, not subject to fiscal year
4 limitations, and shall consist of appropriated funds. All monies
5 accruing to the credit of said the fund are hereby appropriated and,
6 as authorized by the Oklahoma ~~Capital Investment~~ Science and
7 Technology Research and Development Board, shall be expended by the
8 ~~Oklahoma Department of Commerce~~ Oklahoma Center for the Advancement
9 of Science and Technology to perform the duties imposed upon the
10 ~~Oklahoma Capital Investment~~ Board by law. Expenditures of
11 appropriated funds from said the fund shall be made upon warrants
12 issued by the State Treasurer against claims filed as prescribed by
13 law with the Director of the Office of Management and Enterprise
14 Services for approval and payment.

15 B. On ~~the effective date of this act~~ July 1, 1991, any
16 unencumbered funds remaining in the Oklahoma Capital Investment
17 Board Revolving Fund shall be transferred to the credit of the
18 Oklahoma Capital Formation Revolving Fund. Any unexpended funds
19 remaining in the Oklahoma Capital Investment Board Revolving Fund
20 after November 15, 1991, shall be transferred to the credit of the
21 Oklahoma Capital Formation Revolving Fund.

22 SECTION 6. AMENDATORY 74 O.S. 2021, Section 5085.12, is
23 amended to read as follows:

24

1 Section 5085.12. Nothing contained herein is or shall be
2 construed as a restriction or limitation upon any powers which the
3 Oklahoma ~~Capital Investment~~ Science and Technology Research and
4 Development Board might otherwise have under any other law of this
5 state heretofore or hereafter enacted and the provisions of ~~this act~~
6 the Oklahoma Capital Formation Act are cumulative to such powers.

7 The provisions hereof do and shall be construed to provide a
8 complete, additional, and alternative method for the doing of the
9 things authorized and shall be regarded as supplemental and
10 additional to powers conferred by any other laws.

11 SECTION 7. AMENDATORY 74 O.S. 2021, Section 5085.14, is
12 amended to read as follows:

13 Section 5085.14. A. The Oklahoma ~~Capital Investment~~ Science
14 and Technology Research and Development Board may adopt rules,
15 policies, procedures, and regulatory and administrative measures
16 necessary to administer the programs of the Board or convenient for
17 the organization and internal management of Board responsibilities.

18 B. The level, timing, or degree of success of the ~~Oklahoma~~
19 ~~Capital Investment~~ Board in mobilizing or ensuring investment in
20 Oklahoma businesses or projects, accomplishing other economic
21 development objectives, or achieving any other statutory duty shall
22 not compromise, diminish, invalidate, or affect the enforceability
23 of any guarantee of the Board.

1 SECTION 8. AMENDATORY 74 O.S. 2021, Section 5085.15, is
2 amended to read as follows:

3 Section 5085.15. Within thirty (30) days after the Oklahoma
4 ~~Capital Investment~~ Science and Technology Research and Development
5 Board or any subsidiary or affiliate of the Board has made payment
6 of any remaining expense or obligation created by the Board or by
7 the subsidiary or affiliate, pursuant to the terms of any promissory
8 note, loan agreement, guaranty agreement, investment agreement, or
9 other contract or agreement, any remaining monies paid to either the
10 Board or any subsidiary or affiliate of the Board pursuant to the
11 terms of an agreement or contract entered into prior to ~~the~~
12 ~~effective date of this act June 8, 2012,~~ shall be paid by the Board
13 or by its subsidiary or affiliate to the General Revenue Fund of the
14 State Treasury.

15 SECTION 9. AMENDATORY 74 O.S. 2021, Section 5085.16, is
16 amended to read as follows:

17 Section 5085.16. None of the provisions of ~~this act~~ the
18 Oklahoma Capital Formation Act shall alter, amend, modify, affect,
19 diminish, or impair the enforceability of, or any obligation or
20 liability of the Oklahoma ~~Capital Investment~~ Science and Technology
21 Research and Development Board or any entity which is a subsidiary
22 or affiliate of the ~~Oklahoma Capital Investment~~ Board or any entity
23 which is controlled either directly or indirectly by the ~~Oklahoma~~
24 ~~Capital Investment~~ Board under any contract, agreement, guarantee,

1 or instrument entered into or delivered by such party with any
2 business entity or bank, financial institution, or any other entity
3 existing as of ~~the effective date of this act~~ June 8, 2012,
4 including, without limitation, any guarantee extended by the
5 Oklahoma Capital Investment Board and any assignment of any third-
6 party commitments to purchase, and proceeds released from the sale
7 of, tax credits, all of which shall remain in full force and effect.

8 SECTION 10. This act shall become effective November 1, 2025.
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10 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT OVERSIGHT, dated
11 04/15/2025 - DO PASS.
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