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900 N. Stiles Ave., Oklahoma City, OK 73104-3234, USA • Tel: 405-815-6552 • OKcommerce.gov

Media Contact:

Kristin Goodale
Oklahoma Department of Commerce
405-815-5229
Kristin.goodale@okcommerce.gov

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Historic Year for Support of Commerce-Related Legislation

OKLAHOMA CITY – During the 2021 regular session for the Oklahoma State Legislature, the Oklahoma Department of Commerce worked with law makers on proposed legislation that would strengthen the state’s economic development efforts and increase opportunities for Oklahoma communities to attract new jobs and investment. The results were a historic year of support for Commerce-related legislation, including funding for the Governor’s Quick Action Closing Fund, the Oklahoma Accelerator Program and the Rural Economic Action Plan (REAP).

“The 2021 Legislative Session brought some great progress to economic development-related efforts for the state of Oklahoma,” said Scott Mueller, Oklahoma Secretary of Commerce and Workforce Development. “The bills that Governor Stitt signed will help simplify incentives, strengthen the state’s film and music industries, create pathways for more apprenticeships, increase opportunities for funding for Oklahoma start-ups and more. All of this will create new growth opportunities for our state, increasing our potential for new investment and attracting more jobs for Oklahomans.”

The overarching goals for the 2021 session for Commerce were to modernize and simplify the state’s incentives and to create an environment where economic growth can prosper. Each of the Commerce-related and requested bills that passed and were signed by Governor Stitt help fulfill these goals.

Under the Stitt administration, modernizing and streamlining the state’s business incentive structure has been a top priority of Commerce. Many of the incentive-related bills were the result of recommendations for improvement submitted by the Oklahoma Incentive Evaluation Commission.

The following is a highlight of legislation that will support efforts to bring new jobs and investment to the state.

SB0949 – Oklahoma Film + Music Office

This bill transfers the Oklahoma Film + Music Office from Tourism to Commerce and adds the film and music industries to Commerce’s sector-based recruitment strategy.

HB2860 – Oklahoma Remote Quality Jobs Incentive Act

This bill encourages communities to develop their own remote working programs, modeled after the highly successful Tulsa Remote program. It will provide quarterly payments for establishments or public trusts that draw remote workers to Oklahoma.

SB0619 – Apprenticeships, Internships and Mentorships

This bill removes a barrier for liability to increase the number of apprenticeships, internships and mentorships in the state. It allows the governing body of a school to obtain liability insurance coverage to protect a student who participates in an apprenticeship, internship or mentorship program, giving schools a way to insure students who receive on-the-job training against accidents, product issues, and other concerns. The school is prohibited from charging the student or parent for the cost of providing insurance.

SB0915 – Income Tax Deduction for Venture Capital Firm Investments (Back A Business Program)

This bill supports Oklahoma venture capital firms by allowing income tax deductions for accredited investors investing in a VC firm. Venture capital firms are then encouraged to invest the funds in start-ups.

SB0922 – Invest in Oklahoma Act

This bill creates the Invest in Oklahoma Act which provides that public funds, such as the Tobacco Settlement Trust Fund or pension funds, may invest up to 5% of their assets in Oklahoma-based private equity funds, venture capital funds and growth funds. Through this bill, businesses and start-ups are supported by creating more access to capital.

SB0587 – Oklahoma Community Economic Development Pooled Finance Act

This bill makes CareerTech and Higher Ed institutions eligible to receive funding originating from an industry’s withholding taxes. It also allows companies competing in similar industries to participate with state educational institutions to establish industry-centric Centers of Workforce Excellence in order to define and deliver skills training needed by the state’s major employers to meet labor market demands.

SB0608 – Film Production Incentives Modification

This bill renames the act to the Filmed in Oklahoma Act of 2021 as well as modifies the terms and rebate rates including increasing the cap to \$30 million from \$8 million. The bill will attract film and television productions to the state. Additionally, it encourages more activity in post-production editing, sound stages and filming in rural areas.

SB0893 – Aerospace Income Tax Credit

This bill modifies the original Aerospace Income Tax Credit and now allows the undergraduate and graduate programs of the same discipline of engineering at an institution to be part of the qualified program if either program is ABET accredited.

SB0422 – Agricultural Sales Tax Exemption

This bill modifies the Oklahoma Agriculture Enhancement and Diversification Act to broaden the documents the Tax Commission will accept as proof of eligibility for a sales tax exemption on certain agricultural-related goods. This provides clarification and flexibility to farmers and ranchers applying for or renewing an agricultural sales tax exemption permit.

HB2365 – Creating the Oklahoma Supplier Diversity Initiative

This bill allows qualified businesses and registered vendors to be automatically notified of opportunities to do business with the state. Businesses must have fewer than 500 employees, an annual revenue of \$25 million or less, and be certified as belonging to one of several business categories, including: Woman-owned business, Minority-owned business, Native American-owned business, veteran-owned business, among others.

HB1124 – Rural Broadband

This bill directs Commerce to develop the rules and procedures for the establishment of the State Broadband Deployment Grant Program. Under the bill, Commerce is required to develop a competitive grant program to award funding to applicants seeking to expand access to broadband internet service in Oklahoma. It also ensures Federal funds are thoughtfully and fairly spent throughout the state.

SB0609 – Ad Valorem Tax, Investment Requirements for Manufacturing

This bill simplifies the Ad Valorem tax exemption available to manufacturers in the state and ensures custom manufacturing companies are eligible for the exemption.

HB2234 – Driving on Road Infrastructure with Vehicles of Electricity (D.R.I.V.E.) Act of 2021

This bill modernizes taxation to include in electric vehicle usage, ensuring that Oklahoma roads and travel infrastructure are able to be maintained as more electric vehicles begin to regularly utilize Oklahoma roads and evening the tax burden of road maintenance between those driving non-electric and electric vehicles.

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