

Title 51. Officers

qualifying for said office as provided by law. The provisions of this act shall be retroactive as well as prospective in its operation.

Added by Laws 1945, p. 154, § 1.

§51-4. Repealed by Laws 2015, c. 220, § 1, eff. Nov. 1, 2015.

§51-5. Rights of parties in contest.

If there be a contest over the election, between a person holding an office, who was voted for at the polls for election, and some other competitor for the same office, the one shown by the election returns to have been elected, shall, after qualifying and giving bond as required by law, and on demand, be entitled to the possession of the office, and perform the duties pending the determination of the contest. When the contest is determined, the successful party shall, on qualifying and giving bond, and on demand, be entitled to the office. The salary shall, after the contest is determined, be paid to the rightful claimant of the office, and if paid in fees, the incumbent, if defeated in the contest, shall be liable therefor on his official bond to the rightful claimant. When the contest is determined adversely to the occupant of the office, or if the former officer was not voted for for re-election, or does not contest the election, then he shall at once, at the expiration of his term, and on demand, surrender the office to the successor elected, when he has qualified and given bond as required by law, and on his failure so to surrender the office he shall be deemed guilty of a misdemeanor, and upon conviction, shall be imprisoned in the county jail not less than thirty (30) days, nor more than six (6) months, and shall be liable to a fine of not less than Fifty Dollars (\$50.00) nor more than Three Hundred Dollars (\$300.00), and each and every week the officer so holds over shall be deemed a separate offense.

R.L. 1910, § 4273.

§51-6. Officers and deputies not to hold other offices - Exemptions.

A. Except as may be otherwise provided, no person holding an office under the laws of the state and no deputy of any officer so holding any office shall, during the person's term of office, hold any other office or be the deputy of any officer holding any office, under the laws of the state. The provisions of this section shall not apply to:

1. Notaries public;
2. Members of the State Textbook Committee;
3. County free fair board members;
4. Municipal and county law enforcement officers serving in positions as law enforcement officers of both such governmental entities upon such terms and conditions as are mutually approved by

Title 62. Public Finance

Added by Laws 2005, c. 446, § 2, eff. July 1, 2005.

§62-46.3. Transfer of surplus funds accruing to General Revenue Fund for 2007.

A. On July 1, 2007, or as soon thereafter as feasible, the Office of Management and Enterprise Services shall transfer the following amounts of surplus funds which accrue to the General Revenue Fund of the State of Oklahoma for the fiscal year ending June 30, 2007, over and above that which is placed in the Constitutional Reserve Fund pursuant to Section 23 of Article X of the Constitution of the State of Oklahoma for the fiscal year ending June 30, 2007:

1. The first Ten Million Dollars (\$10,000,000.00) to the following entities in order to provide funding for the incremental revenues necessary to fund the employer contribution rate increases prescribed by Section 17-108.1 of Title 70 of the Oklahoma Statutes resulting from the enactment of Enrolled Senate Bill No. 357 of the 1st Session of the 51st Oklahoma Legislature:

- a. Six Million Six Hundred Twenty-one Thousand Four Hundred Sixty-eight Dollars (\$6,621,468.00) to the State Board of Education to transfer to the appropriate dispensing fund,
- b. Two Million Eight Hundred Twenty-one Thousand Ninety-three Dollars (\$2,821,093.00) to the State Regents Revolving Fund (210) of the Oklahoma State Regents for Higher Education,
- c. Five Hundred Thirty-one Thousand Eight Hundred Fifteen Dollars (\$531,815.00) to the State Career Technology Revolving Fund of the Oklahoma Department of Career and Technology Education,
- d. Two Thousand Nine Hundred Twenty-two Dollars (\$2,922.00) to the Oklahoma Department of Corrections Revolving Fund of the Oklahoma Department of Corrections,
- e. Eleven Thousand Seven Hundred Eighty Dollars (\$11,780.00) to the Oklahoma School of Science and Mathematics Revolving Fund of the Oklahoma School of Science and Mathematics, and
- f. Ten Thousand Nine Hundred Twenty-two Dollars (\$10,922.00) to the School for the Blind/Deaf Revolving Fund (205) for the Department of Rehabilitation Services;

2. The next Ten Million Dollars (\$10,000,000.00) to the State Emergency Fund;

3. The next Twenty-two Million Dollars (\$22,000,000.00) to be allocated to the following entities for purposes of a teacher salary increase:

- a. Nineteen Million Nine Hundred Fifty-three Thousand One Hundred Thirty-three Dollars (\$19,953,133.00) to the State Board of Education to transfer to the appropriate dispensing fund for teacher salary increases as provided for in Enrolled House Bill No. 1134 of the 1st Session of the Oklahoma Legislature. These funds shall be distributed in the same manner as funds appropriated to the State Board of Education for the financial support of public schools,
- b. One Million Seventy-three Thousand Six Hundred Four Dollars (\$1,073,604.00) to the State Board of Education to transfer to the appropriate dispensing fund shall be used to implement the Science and Mathematics Advanced Recruiting Technique Program which shall provide incentives for the employment of persons in the common schools of the state who have advanced degrees in science, mathematics or both such disciplines,
- c. Eight Hundred Forty-five Thousand Seven Hundred Seventy-eight Dollars (\$845,778.00) to the State Career Technology Revolving Fund of the Oklahoma Department of Career and Technology Education,
- d. Seventy-three Thousand Seven Hundred Twelve Dollars (\$73,712.00) to the Department of Corrections Revolving Fund to implement the teacher salary increase for those employees eligible for such increase, and
- e. Fifty-three Thousand Seven Hundred Seventy-three Dollars (\$53,773.00) to the School for the Blind/Deaf Revolving Fund (205) for the State Department of Rehabilitation Services to implement the teacher salary increase for those employees eligible for such increase;

4. The next Twenty Million Dollars (\$20,000,000.00) to the State Regents Revolving Fund of the Oklahoma State Regents for Higher Education for operational expenses within The Oklahoma State System for Higher Education;

5. The next Sixteen Million Five Hundred Thousand Dollars (\$16,500,000.00) to the State Regents Revolving Fund of the Oklahoma State Regents for Higher Education in order to fund capital improvements to be allocated as follows:

- a. Five Million Five Hundred Thousand Dollars (\$5,500,000.00) for the University of Oklahoma,
- b. Five Million Five Hundred Thousand Dollars (\$5,500,000.00) for Oklahoma State University, and
- c. Five Million Five Hundred Thousand Dollars (\$5,500,000.00) for the regional universities and two-year colleges within The Oklahoma State System of Higher Education;

6. The next Fifteen Million Dollars (\$15,000,000.00) to the Oklahoma Capitol Complex and Centennial Commemoration Commission Revolving Fund;

7. The next Five Million Five Hundred Thousand Dollars (\$5,500,000.00) to the Department of Public Safety Revolving Fund for a study of the feasibility of implementing a statewide interoperable communications system and for capital expenditures necessary to upgrade and maintain the existing statewide emergency communications system;

8. The next Four Million Dollars (\$4,000,000.00) to the State Regents Revolving Fund of the Oklahoma State Regents for Higher Education for the construction of a forensics building on the campus of the University of Central Oklahoma;

9. The next Five Hundred Thousand Dollars (\$500,000.00) to the Research Support Revolving Fund of the Oklahoma Center for the Advancement of Science and Technology for the purpose of providing funding for seed capital;

10. The next Six Million Dollars (\$6,000,000.00) to the Research Support Revolving Fund of the Oklahoma Center for the Advancement of Science and Technology to provide funding for an Oklahoma Bioenergy Center involving collaborative efforts among Oklahoma State University, the University of Oklahoma and a private foundation. The amount authorized by this paragraph shall be allocated equally between the two universities;

11. The next One Million Eight Hundred Thousand Dollars (\$1,800,000.00) to the State Regents Revolving Fund of the Oklahoma State Regents for Higher Education for purposes of capital expenditures for the Langston University campus if such amount is utilized to match federal monies available through the United States Department of Agriculture;

12. The next Two Million Five Hundred Thousand Dollars (\$2,500,000.00) to the Rural Fire Equipment Grant Revolving Fund;

13. The next Six Million Five Hundred Thousand Dollars (\$6,500,000.00) to the Conservation Commission Infrastructure Revolving Fund of the Conservation Commission for purposes of matching funds available through federally authorized programs for the rehabilitation of flood control structures;

14. The next Five Million Dollars (\$5,000,000.00) to the Private Prison and Halfway House Capacity Development Revolving Fund for the purposes authorized by Section 561.4 of Title 57 of the Oklahoma Statutes;

15. The next Five Million Dollars (\$5,000,000.00) to the State Board of Education to transfer to the appropriate dispensing fund for the Educare Program if the funds are used in connection with a matching program with a private foundation;

16. The next One Million Dollars (\$1,000,000.00) to the Oklahoma Department of Agriculture, Food, and Forestry to the Agriculture

Title 74. State Government

§74-500.1. Citation.

This act shall be known and may be cited as the "State Travel Reimbursement Act".

Added by Laws 1972, c. 123, § 1, operative July 1, 1972.

§74-500.2. Reimbursable expenses of state officials, employees and certain others.

A. Officials and employees of the state, traveling on authorized state business, may be reimbursed for expenses incurred in such travel in accordance with the provisions of the State Travel Reimbursement Act and existing statutes relating to state travel. Persons who are not state employees, but who are performing substantial and necessary services to the state which have been directed or approved by the appropriate department official, shall enjoy the protection of the sovereign immunity of the state to the same extent as a paid employee. Such persons may be reimbursed for expenses incurred during authorized official travel under these same statutory provisions; provided, it is indicated on the claim the person is not a state employee, a description of services performed is entered, and the agency head by approval of the claim certifies such services were substantial and necessary, and germane to the duties and functions of the reimbursing agency. Travel expenses incurred by a person during the course of seeking employment with a state agency, unless such travel is performed at the request of the employing agency, shall not be considered expenses incurred in performing substantial and necessary services to the state and shall not be reimbursed under the provisions of the State Travel Reimbursement Act.

B. The chief administrative officer of the Department of Public Safety, the Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Military Department of the State of Oklahoma, the Department of Corrections, the Office of Management and Enterprise Services, the Alcoholic Beverage Laws Enforcement Commission, the Oklahoma Department of Agriculture, Food, and Forestry, the Oklahoma Department of Emergency Management, the State Fire Marshal, and the State Department of Health may arrange for and charge meals and lodging for a contingent of state personnel moved into an area for the purpose of preserving the public health, safety, or welfare or for the protection of life or property. The cost for meals or lodging so charged shall not exceed the amount authorized in the State Travel Reimbursement Act. The chief administrative officer of each agency involved in such an operation shall require the vendor furnishing meals, lodging, or both meals and lodging to submit an itemized statement for payment. When a claim for lodging is made for a contingent of state personnel, individual members of the

contingent may not submit a claim for lodging. When a claim for meals is made for a contingent of state personnel, individual members of the contingent may not submit a claim for meals.

C. The Oklahoma Department of Commerce, the Oklahoma Center for the Advancement of Science and Technology, and the Oklahoma Department of Agriculture, Food, and Forestry are hereby authorized to enter into contracts and agreements for the payment of food, lodging, meeting facility and beverage expenses as may be necessary for sponsoring seminars and receptions relating to economic development and science and technology issues. Such expenses may be paid directly to the contracting agency or business establishment. The Director of the Oklahoma Department of Commerce, the President of the Oklahoma Center for the Advancement of Science and Technology, and the Commissioner of Agriculture shall each provide a quarterly report of such expenditures to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

D. The Native American Cultural and Educational Authority is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and meeting facility as may be necessary to pursue the promotion of fundraising, marketing, and development of Native American educational programs and cultural projects, or to sponsor luncheons, seminars, and receptions relating to Native American educational, cultural, museum, and economic development issues. Such expenses may be paid directly to the contracting agency or business establishment. The Executive Director of the Native American Cultural and Educational Authority shall provide a monthly report of expenditures to the Native American Cultural and Educational Authority Board.

E. For purposes of this section:

1. "State agency" means any constitutionally or statutorily created state board, commission, or department, including the Legislature and the Courts;

2. State agencies are authorized to enter into contracts and agreements for the payment of food and lodging expenses as may be necessary for employees or other persons who are performing substantial and necessary services to the state by attending official conferences, meetings, seminars, workshops, or training sessions or in the performance of their duties. Such expenses may be paid directly to the contracting agency or business establishment; provided the meeting qualifies for overnight travel for the employees and the cost for food and lodging for each employee shall not exceed the total daily rate as provided in the State Travel Reimbursement Act;

3. State agencies are authorized to enter into contracts and agreements for the payment of conference registration expenses as may be necessary for employees or other persons who are performing

substantial and necessary services to the state by attending official conferences, meetings, seminars, workshops, or training sessions. Such expenses may be paid directly to the contracting agency or business establishment; and

4. State agencies are authorized to enter into contracts and agreements for the payment of food and lodging expenses as may be necessary for employees attending an official course of instruction or training conducted or sponsored by any state agency. Expenses may be paid directly to the contracting agency or business establishment. The cost for food and lodging for each employee shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

F. State agencies are authorized to make direct purchases of commercial airline tickets for use by employees in approved out-of-state travel. Each claim or invoice submitted to the Director of the Office of Management and Enterprise Services for the payment of the purchase shall bear the airline identifying ticket number, the name of the airline, total cost of each ticket purchased, class of accommodation and name of the employee for whom the ticket was purchased and shall be filed on claim forms as prescribed by the Director of the Office of Management and Enterprise Services. The employee shall sign an affidavit stating that the employee used a direct purchase commercial airline ticket received for his or her approved out-of-state travel, or in lieu of the affidavit, the employee may file a travel claim in connection with said airline flight.

G. 1. The Director of the Office of Management and Enterprise Services is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions. The Director may establish accounts as necessary for the collection and distribution of funds, including funds of sponsors and registration fees, related to such conferences, meetings, and training sessions. Expenses incurred may be paid directly to the contracting agency or business establishment.

2. The cost of food for persons attending any conferences, meetings, and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

H. 1. The Commissioner of the Department of Mental Health and Substance Abuse Services is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions. The Commissioner may establish accounts as necessary for the collection and distribution of funds, including funds of sponsors and

registration fees, related to such conferences, meetings, and training sessions. Any expenses incurred may be paid directly to the contracting agency or business establishment.

2. The cost of food for persons attending any conferences, meetings, and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

I. The Oklahoma Indigent Defense System is hereby authorized to enter into contracts and agreements for the payment of lodging as necessary for employees to carry out their duties in representing any client whom the System has been properly appointed to represent. Such expenses may be paid directly to the contracting agency or business establishment. The cost for lodging for each employee shall not exceed the daily rate as provided in the State Travel Reimbursement Act.

J. The Oklahoma Tourism and Recreation Department is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and meeting facility and beverage expenses as may be necessary for seminars and receptions relating to familiarization tours and tourism development. The expenses may be paid directly to the contracting agency or business establishment. The Executive Director of the Oklahoma Tourism and Recreation Department shall provide a monthly report of any such expenditures to the Oklahoma Tourism and Recreation Commission.

K. The Oklahoma Tourism and Recreation Department is hereby authorized to enter into contracts and agreements for the payment of exhibitor fees and display space charges at expositions to promote the Department's recreational facilities and the tourism and recreation industry. The expenses may be paid directly to the contracting agency or business establishment; provided that no payment shall be made prior to the event unless it conveys a property right to the state for future availability and use.

L. 1. The Oklahoma Highway Safety Office of the Department of Public Safety is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in highway-safety-related conferences, workshops, seminars, meetings, or training sessions. The payments shall be for all persons in attendance, including, but not limited to, employees of political subdivisions or employees of the state or federal government. For purposes specified in this paragraph, only federal highway safety funds may be used in accordance with federal guidelines and regulations, and no appropriated state funds shall be used.

2. The cost of food for persons attending any highway safety conferences, workshops, seminars, meetings, and training sessions

that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

M. 1. The Director of the Oklahoma State Bureau of Investigation is hereby authorized to enter into contracts and agreements for the payment of food, lodging and other authorized expenses as may be necessary to host, conduct, sponsor or participate in any conference, meeting, training session or initiative to promote the mission and purposes of the Bureau. The payments may be for all persons in attendance, including, but not limited to, employees of political subdivisions or employees of the state or federal government.

2. The cost of food for persons that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

N. The Oklahoma Homeland Security Director is hereby authorized to enter into contracts and agreements for the payment of food, lodging and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in homeland-security-related conferences, meetings, workshops, seminars, exercises or training sessions. The expenses may be paid directly to the contracting agency or business establishment.

O. The State Department of Education is hereby authorized to enter into contracts and agreements for the payment of food, lodging and other authorized expenses as may be necessary to host, conduct, sponsor or participate in conferences, meetings or training sessions. The State Department of Education may establish accounts as necessary for the collection and distribution of funds, including funds of sponsors and registration fees, related to such conferences, meetings and training sessions. Any expenses incurred may be paid directly to the contracting agency or business establishment.

P. 1. The Insurance Commissioner of the Insurance Department of the State of Oklahoma is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions. The Commissioner may establish accounts as necessary for the collection and distribution of funds, including funds of sponsors and registration fees, related to such conferences, meetings, and training sessions. Any expenses incurred may be paid directly to the contracting agency or business establishment.

2. The cost of food for persons attending any conferences, meetings, and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

Q. 1. The State Regents for Higher Education is hereby authorized to enter into contracts and agreements for the payment of

food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions. The State Regents for Higher Education may establish accounts as necessary for the collection and distribution of funds, including funds of sponsors and registration fees, related to such conferences, meetings, and training sessions. Any expenses incurred may be paid directly to the contracting agency or business establishment.

2. The cost of food for persons attending any conferences, meetings, and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

R. 1. The Office of Educational Quality and Accountability is hereby authorized to enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions. The Office of Educational Quality and Accountability may establish accounts as necessary for the collection and distribution of funds, including funds of sponsors and registration fees, related to such conferences, meetings, and training sessions. Any expenses incurred may be paid directly to the contracting agency or business establishment.

2. The cost of food for persons attending any conferences, meetings, and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

S. 1. The Department of Securities is hereby authorized to enter into contracts and agreements for the payment of food, lodging, meeting facility, facilitator fees and travel expenses, exhibitor fees and other authorized expenses as may be necessary to host, conduct, sponsor or participate in conferences, meetings, training sessions or initiatives promoting or otherwise relating to investor education. The Department of Securities may establish accounts as necessary for the collection and distribution of funds, including funds of sponsors and registration fees, related to such conferences, meetings, training sessions or initiatives. The payments may be for all persons in attendance, including, but not limited to, employees of the state or federal government or employees of political subdivisions of the state, including employees of boards of public education. Expenses incurred may be paid directly to the contracting agency or business establishment.

2. The cost of food for persons attending any conferences, meetings and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

3. The Department of Securities is hereby authorized to pay stipends to teachers participating in the investor education program

and monetary achievement awards to select participating students. No appropriated state funds shall be used.

T. 1. The Oklahoma Department of Veterans Affairs is hereby authorized to enter into contracts and agreements for the payment of food, lodging, meeting facility, beverage and other authorized expenses as may be necessary to host, conduct, sponsor or participate in seminars, receptions, conferences, meetings or training sessions related to the support of veterans and the development of veterans' services. Expenses incurred may be paid directly to the contracting agency or business establishment. The Executive Director of the Oklahoma Department of Veterans Affairs shall provide a monthly report of any such expenditures to the Oklahoma Veterans Commission.

2. The cost of food for persons attending any conferences, meetings and training sessions that do not require overnight travel shall not exceed the total daily rate as provided in the State Travel Reimbursement Act.

U. Whenever possible it shall be the policy of each state agency to prepay airline fares and lodging expenses using a purchase card issued to the agency. This policy shall apply to instances where employees of the agency are traveling on behalf of state government.

Added by Laws 1972, c. 123, § 2, operative July 1, 1972. Amended by Laws 1978, c. 177, § 5, emerg. eff. April 11, 1978; Laws 1980, c. 119, § 1, emerg. eff. April 14, 1980; Laws 1981, c. 108, § 1, operative July 1, 1981; Laws 1981, c. 340, § 24, emerg. eff. June 30, 1981; Laws 1982, c. 23, § 1, eff. July 1, 1982; Laws 1984, c. 244, § 1, emerg. eff. May 29, 1984; Laws 1985, c. 347, § 15, emerg. eff. July 31, 1985; Laws 1986, c. 207, § 65, operative July 1, 1986; Laws 1986, c. 301, § 33, operative July 1, 1986; Laws 1989, c. 351, § 2, eff. Nov. 1, 1989; Laws 1990, c. 175, § 1, emerg. eff. May 3, 1990; Laws 1991, c. 216, § 17, operative July 1, 1991; Laws 1991, c. 297, § 7, operative July 1, 1991; Laws 1993, c. 129, § 4, eff. July 1, 1993; Laws 1993, c. 360, § 14, eff. July 1, 1993; Laws 1995, c. 128, § 2, eff. July 1, 1995; Laws 1995, c. 358, § 9, eff. July 1, 1995; Laws 1996, c. 33, § 1, eff. Nov. 1, 1996; Laws 1997, c. 92, § 1, eff. July 1, 1997; Laws 1997, c. 354, § 1, eff. July 1, 1997; Laws 1998, c. 5, § 27, emerg. eff. March 4, 1998; Laws 1998, c. 233, § 2, eff. Nov. 1, 1998; Laws 1998, c. 408, § 1, eff. July 1, 1998; Laws 1999, c. 1, § 33, emerg. eff. Feb. 24, 1999; Laws 1999, c. 289, § 15, eff. July 1, 1999; Laws 2000, c. 6, § 24, emerg. eff. March 20, 2000; Laws 2001, c. 355, § 3, emerg. eff. June 1, 2001; Laws 2004, c. 130, § 11, emerg. eff. April 20, 2004; Laws 2005, c. 223, § 4, eff. Nov. 1, 2005; Laws 2006, c. 16, § 82, emerg. eff. March 29, 2006; Laws 2007, c. 125, § 34, eff. July 1, 2007; Laws 2007, c. 256, § 1; Laws 2008, c. 321, § 1, eff. July 1, 2008; Laws 2009, c. 76, § 1, emerg. eff. Apr. 21, 2009; Laws 2012, c. 106, § 5; Laws 2013, c.

15, § 107, emerg. eff. April 8, 2013; Laws 2014, c. 109, § 1, eff. Nov. 1, 2014; Laws 2015, c. 352, § 1; Laws 2016, c. 76, § 2, emerg. eff. April 18, 2016; Laws 2019, c. 194, § 1, eff. Nov. 1, 2019; Laws 2021, c. 191, § 1, emerg. eff. April 23, 2021; Laws 2022, c. 63, § 1, eff. Nov. 1, 2022.

NOTE: Laws 1993, c. 33, § 1 repealed by Laws 1993, c. 360, § 16, emerg. eff. June 10, 1993. Laws 1995, c. 36, § 25 repealed by Laws 1995, c. 358, § 12, emerg. eff. June 9, 1995. Laws 1995, c. 335, § 1 and Laws 1997, c. 286, § 1 repealed by Laws 1998, c. 5, § 29, emerg. eff. March 4, 1998. Laws 1998, c. 201, § 7 repealed by Laws 1999, c. 1, § 45, emerg. eff. Feb. 24, 1999. Laws 1999, c. 121, § 1 repealed by Laws 2000, c. 6, § 33, emerg. eff. March 20, 2000. Laws 2005, c. 396, § 1 repealed by Laws 2006, c. 16, § 83, emerg. eff. March 29, 2006. Laws 2012, c. 304, § 853 repealed by Laws 2013, c. 15, § 108, emerg. eff. April 8, 2013.

NOTE: Laws 2007, c. 256, § 2 provides for an effective date of July 1, 2007, but c. 256 does not contain an emergency clause and the proposed effective date falls within 90 days of the adjournment of the Legislature, and pursuant to § 58 of Article 5 of the Constitution is ineffective.

§74-500.3. Authority for travel - Claims or vouchers - Limitations.

Authority to approve travel on official state business and approval of claims or vouchers for reimbursement of travel expenses shall be in conformity with Section 34.68 of Title 62 of the Oklahoma Statutes, or as may be provided in future legislation. Approval of a travel claim or voucher, as provided in that section, shall constitute authority for the travel set forth in such claim or voucher. Claims or vouchers for reimbursement for expenses incurred in official travel shall not cover more than one (1) fiscal year. Added by Laws 1972, c. 123, § 3, operative July 1, 1972. Amended by Laws 2014, c. 109, § 2, eff. Nov. 1, 2014; Laws 2016, c. 159, § 1, eff. Nov. 1, 2016.

§74-500.4. Mode of travel - Approval - Rate of reimbursement.

A. Authorized persons traveling on official state business within the State of Oklahoma may utilize railroads, airplanes, buses, whether intracity or intercity, or other public conveyance. Reimbursement for fares paid for airplane transportation shall not exceed coach class fare except as provided herein. Reimbursement for fares paid for airplane transportation may be at the business class fare rate for international travel. Other public conveyance fares shall not exceed the lesser of the normal charge or coach class airplane fare. Taxicab or rideshare fares within the State of Oklahoma and communication charges may be reimbursed only upon justification as to the necessity for their use.

- b. indicates which, if any, requirements should be eliminated, modified, or consolidated with other requirements, and
- c. explains the need for continuing those requirements not recommended for elimination.

Added by Laws 1998, c. 309, § 6, eff. July 1, 1998.

§74-5058.7. Services optional - Authority of licensing agency.

A. The services offered to persons by the Business License Information Office are optional. Any person may deal directly with a state agency in obtaining information or assistance, or in applying for a license if the person so prefers.

B. The authority for determining whether a requested license shall be issued shall remain with the state agency legally authorized to issue the license.

Added by Laws 1998, c. 309, § 7, eff. July 1, 1998.

§74-5060.1. Short title.

This act shall be known and may be cited as the "Oklahoma Science and Technology Research and Development Act".

Added by Laws 1987, c. 222, § 16, operative July 1, 1987. Amended by Laws 2002, c. 484, § 1, eff. July 1, 2002.

§74-5060.1a. Goals - Oklahoma Science and Technology Research and Development Board.

A. Recognizing the vast, underutilized human and capital resources, both urban and rural, in the State of Oklahoma and the opportunity for economic development through technological advancement, the Legislature and the Governor hereby adopt the following goals:

1. Establishing Oklahoma as a premier information technology and biotechnology center for the twenty-first century;

2. Enhancing the lives of, and expanding opportunities for, all Oklahomans through growth of information technology, biotechnology, nanotechnology and sensors industries and infrastructure throughout the urban and rural areas of the state;

3. Expanding and diversifying Oklahoma's economy and providing new and higher quality jobs for Oklahomans; and

4. Creating public-private partnerships to provide opportunities for development, expansion, and retention of, funding and financing for, and investment in, technology-oriented enterprises in Oklahoma.

B. To further the goals set forth in the Oklahoma Science and Technology Research and Development Act, there is hereby created the Oklahoma Science and Technology Research and Development Board. The Board shall be responsible for the administration and governance of the Oklahoma Center for the Advancement of Science and Technology.

Added by Laws 2002, c. 484, § 2, eff. July 1, 2002. Amended by Laws 2004, c. 63, § 1, eff. Nov. 1, 2004; Laws 2010, c. 464, § 1, eff. July 1, 2010; Laws 2013, c. 227, § 40, eff. Nov. 1, 2013.

§74-5060.2. Statement of need - Oklahoma Center for the Advancement of Science and Technology created.

A. In order to attain the goals as set forth in the Oklahoma Science and Technology Research and Development Act, Oklahoma enterprises need institutions that combine the resources of the public and private sectors to encourage the development of new products, new processes and whole new industries in Oklahoma. The institutions are needed to:

1. Support the development of new or expanded technologies;
2. Provide basic and applied research capital to move innovation to commercial application;
3. Encourage the transfer of technology to firms and farms throughout the geographic regions of the state;
4. Stimulate seed-capital investment in firms that will use innovation, new technologies, or technological advances in profitable commercial applications;
5. Foster competitiveness, productivity and modernization in Oklahoma firms and farms; and
6. Establish public-private partnerships to provide opportunities for development, expansion, and retention of, funding and financing for, and investment in, technology-oriented enterprises in Oklahoma.

B. There is hereby created the Oklahoma Center for the Advancement of Science and Technology. The Oklahoma Center for the Advancement of Science and Technology is hereby constituted an instrumentality of the state and the exercise of the authority and powers conferred by law shall be deemed and held to be the performance of an essential governmental function.

Added by Laws 1987, c. 222, § 17, operative July 1, 1987. Amended by Laws 1992, c. 230, § 1, eff. July 1, 1992; Laws 2002, c. 484, § 3, eff. July 1, 2002; Laws 2010, c. 464, § 2, eff. July 1, 2010; Laws 2012, c. 304, § 1035; Laws 2013, c. 227, § 41, eff. Nov. 1, 2013.

§74-5060.3. Mission and purposes of Oklahoma Center for the Advancement of Science and Technology.

The mission of the Oklahoma Center for the Advancement of Science and Technology shall be to foster innovation in existing and developing businesses by supporting basic and applied research, by facilitating technology transfer between research laboratories and firms and farms, and by providing seed-capital for innovative and technology-oriented firms and their products. The Oklahoma Center for the Advancement of Science and Technology also shall have the

authority to foster enhanced competitiveness in the national and international markets by small and medium-sized manufacturing firms located in Oklahoma by stimulating productivity and modernization of such firms.

Added by Laws 1987, c. 222, § 18, operative July 1, 1987. Amended by Laws 1992, c. 230, § 2, eff. July 1, 1992; Laws 2002, c. 484, § 4, eff. July 1, 2002; Laws 2010, c. 464, § 3, eff. July 1, 2010; Laws 2013, c. 227, § 42, eff. Nov. 1, 2013.

§74-5060.3a. Renumbered as § 85.3 of Title 3 by Laws 2008, c. 180, § 2, eff. Nov. 1, 2008.

§74-5060.4. Definitions.

As used in the Oklahoma Science and Technology Research and Development Act:

1. "COEAT" means Center of Excellence for Aerospace Technology, an initiative within the Oklahoma Aerospace Institute that undertakes applied research, development and technology transfer that has long-term potential for commercial development;

2. "CASQ" means Center of Aerospace Supplier Quality, an initiative within the Oklahoma Aerospace Institute that serves as a conduit between Oklahoma's military installations and the aerospace industry;

3. "Applied research" means those research activities occurring at institutions of higher education, nonprofit research foundations, and in private enterprises which have potential commercial application;

4. "Basic research" means any original investigation for the advancement of scientific knowledge not having a specific commercial objective, but having potential long-range value to commercial interests;

5. "Board" means the Oklahoma Science and Technology Research and Development Board;

6. "Center" or "OCAST" means the Oklahoma Center for the Advancement of Science and Technology;

7. "Commercialization Center" means a private, nonprofit corporation contracting with and funded in part by OCAST to:

- a. attract to, and retain in, Oklahoma technology and technology-based enterprises,
- b. promote and assist with the development and expansion of scientific and technology-based industry in the state,
- c. facilitate the development of incubators for technology-oriented enterprises,
- d. assist technology-based enterprises in developing and expanding their businesses, obtaining financing and funding, attracting capital, including seed capital

and venture capital, and attracting and retaining key management personnel, scientists, and skilled labor, and

- e. develop, operate, and manage programs to facilitate entrepreneurial activity with respect to technology, scientific-based, biomedical, biomedical-technical, and technology-oriented enterprises in this state;

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

9. "Health research project" means a specific examination, experimentation or investigation, or initiative to provide research resources oriented principally toward basic, applied, and developmental scientific inquiry related to the causes, diagnosis, prevention, and treatment of human diseases and disabilities and mental health and emotional disorders, and the rehabilitation of persons afflicted with such diseases, disabilities, and disorders; new knowledge, better understanding, and innovative methods to improve the processes by which health care services are made available and how they may be provided more efficiently, more effectively and at a lower cost, for all the citizens of this state; and the development of new products and services which shall form the basis of new high-technology health research and care industry for this state;

10. "Industrial Extension System" means a coordinated network of public and private manufacturing modernization resources, the purpose of which is to stimulate the competitiveness of Oklahoma small and medium-sized manufacturing firms;

11. "Institutional Review Board" means a committee composed of investigators, lay representatives, and legal counsel, which is established at each institution of higher learning and each nonprofit research institution receiving funds from a health research project, for the express purpose of determining the appropriateness of any research involving human subjects;

12. "Institutions of higher education" means public and private colleges and universities in the state;

13. "Investigator" means a person who proposes research projects and is primarily responsible for the execution of the proposed projects and is employed by or affiliated with an institution of higher education, a nonprofit research institution in this state, or a private enterprise;

14. "Nanotechnology" means technology development at the molecular range (1nm to 100nm) to create and use structures, devices, and systems that have novel properties because of their small size;

15. "New technology" means methods, products, processes and procedures developed through science or research;

16. "Nonprofit research institution" means any not-for-profit public or private facility in this state which has the capabilities for research projects and which is not a subsidiary of any corporation, partnership, or association organized for profit, nor is its stock or assets owned or controlled by a corporation, partnership, or association organized for profit;

17. "OAI" means Oklahoma Aerospace Institute, a strategic partnership that will focus available resources to promote cooperation and collaboration among Oklahoma businesses, manufacturers, military installations, commercial aviation, higher education institutions, nonprofit research institutions, and state government;

18. "OAME" means the Oklahoma Alliance for Manufacturing Excellence, Inc., a corporation to be formed pursuant to the provisions of Title 18 of the Oklahoma Statutes and Section 5060.26 of this title;

19. "ONAP" means the Oklahoma Nanotechnology Applications Project;

20. "OSTRaD" means the Oklahoma Science and Technology Research and Development Act;

21. "Person" means any individual, partnership, corporation or joint venture carrying on business or proposing to carry on business within the state;

22. "Plant science research" means those research activities occurring at institutions of higher education, nonprofit research institutions, and in private enterprises, which have potential commercial application and concern plant productivity, renewable biomass, plant-based environmental applications and chemical platforms, plant-based solutions to improve nutrition, human and/or animal health or performance, process applications, and seed management and the development of new products and services that shall form the basis of new, high-technology plant science/agriculture industry for this state;

23. "Product" means any outcome, device, technique or process, which is or may be developed or marketed commercially and which has advanced beyond the theoretical stage and is in a prototype or practice stage;

24. "Professional service contract" means a written agreement providing funds for the performance of a research project; for salaries and fringe benefits of personnel associated with research programs; for research equipment; for operating expenses associated with a research program; or for services provided in connection with the evaluation of applications submitted to the Center;

25. "Qualified security" means any public or private financial arrangement, involving any note, security, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, preorganization certificate or

subscription, transferable security, investment contract, certificate of deposit for a security, certificate of interest or participation in a patent or application therefor, or in royalty or other payments under such a patent or application, or, in general, any interest or instrument commonly known as a "security" or any certificate for, receipt for, guarantee of, or option, warrant or right to subscribe to or purchase any of the foregoing to the extent allowed by law;

26. "Seed-capital" means funding, capital, and financing that is provided and made available for the creation, development, validation, refinement, protection, manufacturing, marketing, and commercialization of a product, process, concept, invention, or innovation, whether for the startup of a new enterprise or for the expansion, growth, or restructuring of an existing enterprise; and

27. "Technology transfer" means a two-way process by which ideas or inventions for processes or products (developed in research programs usually on a laboratory or pilot-plant scale) are converted to commercial use.

Added by Laws 1987, c. 222, § 19, operative July 1, 1987. Amended by Laws 1992, c. 230, § 3, eff. July 1, 1992; Laws 1994, c. 288, § 6, eff. July 1, 1994; Laws 1995, c. 279, § 1, eff. July 1, 1995; Laws 2002, c. 484, § 5, eff. July 1, 2002; Laws 2006, c. 76, § 1, eff. July 1, 2006; Laws 2006, c. 263, § 2, eff. July 1, 2006; Laws 2007, c. 1, § 79, emerg. eff. Feb. 22, 2007; Laws 2010, c. 464, § 4, eff. July 1, 2010; Laws 2013, c. 227, § 43, eff. Nov. 1, 2013. NOTE: Laws 1994, c. 287, § 7 repealed by Laws 1995, c. 279, § 9, eff. July 1, 1995. Laws 2006, c. 297, § 1 repealed by Laws 2007, c. 1, § 80, emerg. eff. Feb. 22, 2007.

§74-5060.5. Relationship with Oklahoma Futures and Department of Commerce.

In order to fulfill its missions as provided in Section 5060.3 of this title, the Oklahoma Center for the Advancement of Science and Technology shall be subject to the policy development of Oklahoma Futures.

1. Oklahoma Futures shall in no way interfere with the day-to-day administration of the Center, but shall provide long-term oversight by reviewing and approving the Center's five-year plan and annual oversight by reviewing and approving the Center's annual business plan to ensure the Center fulfills the legislative purpose for which it is created.

2. Notwithstanding other provisions of law, the Oklahoma Department of Commerce shall have the authority to expend funds to administer and operate the programs of the Oklahoma Center for the Advancement of Science and Technology until such time as designated by Oklahoma Futures.

Added by Laws 1987, c. 222, § 20, operative July 1, 1987. Amended by Laws 1992, c. 230, § 4, eff. July 1, 1992.

§74-5060.6. Board of directors.

A. The board of directors for the Oklahoma Science and Technology Research and Development (OSTRaD) Board shall consist of nine (9) members and shall be comprised as follows:

1. Four members appointed by the Governor as follows:

- a. two members representing a higher education institution technology transfer office within this state or a scientist or engineer with extensive experience managing applied scientific or technological research, and
- b. two members who are or who have served as executive officers in industries of life sciences, biotech, autonomous systems, aerospace, energy, information technology, other emerging technologies or finance;

2. Two members appointed by the President Pro Tempore of the Senate who are or who have served as executive officers in industries of life sciences, biotech, autonomous systems, aerospace systems, aerospace, energy, information technology, other emerging technologies or finance, one of whom resides within this state in a current U.S. Census Bureau metropolitan statistical area containing at least five hundred thousand (500,000) residents according to the most recent Federal Decennial Census and one of whom resides within this state and outside the metropolitan statistical areas described in this paragraph;

3. Two members appointed by the Speaker of the House of Representatives who are or who have served as executive officers in industries of life sciences, biotech, autonomous systems, aerospace systems, aerospace, energy, information technology, other emerging technologies or finance, one of whom resides within this state in a current U.S. Census Bureau metropolitan statistical area containing at least five hundred thousand (500,000) residents according to the most recent Federal Decennial Census and one of whom resides within this state and outside the metropolitan statistical areas described in this paragraph; and

4. The Secretary of Science and Innovation.

B. The Secretary of Science and Innovation, or a designee of the Governor, shall serve as chair.

C. In making appointments to the Oklahoma Science and Technology Research and Development Board, appropriate consideration shall be given to representation upon the Board by race, gender and geographical area.

D. With the exception of the Secretary of Science and Innovation, all members shall serve a four-year term at the pleasure of their appointing authority.

E. The Board shall meet at least once each calendar quarter and at such other times:

1. Upon call of the chair;
2. Upon call of the chief executive officer of the OSTRaD or the Institute; or
3. Upon written request of a majority of the board members.

F. Five voting members of the Board shall constitute a quorum. A quorum of the Board shall be necessary to transact business. All actions of the board members shall be made by a majority of the quorum present.

G. The members of the Board shall not be subject to the dual-office-holding prohibitions set forth in Section 6 of Title 51 of the Oklahoma Statutes.

Added by Laws 1987, c. 222, § 21, operative July 1, 1987. Amended by Laws 1988, c. 269, § 1; Laws 2002, c. 484, § 6, eff. July 1, 2002; Laws 2004, c. 217, § 1, eff. Nov. 1, 2004; Laws 2005, c. 82, § 1, eff. July 1, 2005; Laws 2010, c. 141, § 1, eff. July 1, 2010; Laws 2021, c. 463, § 1, emerg. eff. May 10, 2021.

§74-5060.7. Executive director and other officers - Meetings - Conflicts of interest - Liability.

A. The position of president of the Oklahoma Center for the Advancement of Science and Technology is hereby reconstituted as the executive director for the Oklahoma Science and Technology Research and Development Board. The president of the Center upon the effective date of this act shall serve as the executive director for the Board at the pleasure of the Board. Subsequent executive directors shall be selected by the Board and shall serve at the pleasure of the Board. The executive director shall serve as the chief executive officer of the Center and the Institute, and shall direct and supervise the administrative affairs and the general management of the Center and the Institute. The Board shall establish criteria for selecting the executive director taking into consideration national standards. The search for the executive director shall be conducted pursuant to the criteria so established.

B. The executive director:

1. May employ and terminate such other officers and employees as designated by the Board including, if necessary, legal counsel to be chosen through a request for proposal process;
2. Shall attend board meetings;
3. Shall appoint a secretary of the Board to keep a record of all proceedings and maintain and be custodian of all financial and operational records, documents and papers filed with the Center and the Institute and of the minute book of the Center and the Institute; and
4. Before accepting any applications as provided for under this act, shall prepare a business plan which shall include the analysis

of funding levels of programs in other states that are shown in the report required in subsection B of Section 5060.22 of this title, and the threshold funding levels specified in subsection C of Section 5060.22 of this title.

C. The meetings of the Board shall be subject to the Open Meeting Act and the Open Records Act. Any information submitted to or compiled by the Center or the Institute with respect to the marketing plans, financial statements, trade secrets, research concepts, methods or products, or any other proprietary information of persons, firms, associations, partnerships, agencies, corporations, institutions of higher education, nonprofit research institutions or other entities shall be confidential, except to the extent that the person or entity which provided such information or which is the subject of such information consents to disclosure. Executive sessions may be held to discuss such materials if deemed necessary by the Board.

D. If a member of the Board, officer, agent or employee of the Center or the Institute has any direct or any indirect interest in any approval, contract or agreement upon which the member, officer, agent or employee may be called upon to act or vote, the board member, officer, agent or employee shall disclose the same to the secretary of the Board prior to the taking of final action by the Board concerning such contract or agreement and shall so disclose the nature and extent of such interest and the acquisition thereof, which disclosure shall be publicly acknowledged by the Board and entered upon the minutes of the Board. A Board member, officer, agent or employee who holds such an interest shall refrain from any further official involvement in regard to such contract or agreement, from voting on any matter pertaining to such contract or agreement, and from communicating with other board members, officers, agents or employees concerning said contract or agreement. Employees of the Center, including employees assigned to the Institute, shall be subject to the provisions of the Ethics Commission rules. Notwithstanding any other provision of law, any contract or agreement entered into in conformity with this subsection shall not be void or invalid by reason of the interest described in this subsection, nor shall any person so disclosing the interest and refraining from further official involvement as provided for in this subsection be guilty of an offense, be removed from office, or be subject to any other penalty on account of such interest. Provided, any approval, contract or agreement made in violation of this section shall give rise to no action against the Board, the Center or the Institute.

Indirect interest shall include pecuniary or competitive advantage which exists or could foreseeably accrue as a result of the act or forbearance of the Board, Center or Institute.

E. No director or any person acting on behalf of the Board, Center or Institute executing any contracts, commitments, or agreements issued pursuant to this act shall be personally liable upon such contracts, commitments, or agreements or be subject to any personal liability or accountability by reason thereof. No director or any person acting on behalf of the Board, Center or Institute shall be personally liable for damage or injury resulting from the performance of duties hereunder.

Added by Laws 1987, c. 222, § 22, operative July 1, 1987. Amended by Laws 2002, c. 484, § 7, eff. July 1, 2002.

§74-5060.8. Annual business plan - Five-year strategic plan.

The Oklahoma Science and Technology Research and Development Board shall develop an annual business plan and a five-year strategic plan for the Center and the Institute.

Added by Laws 1987, c. 222, § 23, operative July 1, 1987. Amended by Laws 2002, c. 484, § 8, eff. July 1, 2002.

§74-5060.9. Powers of Oklahoma Science and Technology Research and Development Board - Tax exemptions - Administrative policies.

A. The Oklahoma Science and Technology Research and Development Board shall have the power to:

1. Make, amend and repeal bylaws for the management of the Center;

2. Sue and be sued;

3. Make contracts and execute all instruments necessary or convenient for carrying out the business of the Center;

4. Acquire, own, hold, dispose of and encumber real or personal property of any nature, including tangible, intangible, commercial or intellectual, or any interest therein;

5. Enter into agreements or other transactions with any federal, state, county or municipal agency, authority or other governmental entity and with any individual, corporation, enterprise, association or any other entity involving research and technology;

6. Acquire real property or an interest therein, by purchase or foreclosure, where such acquisition is necessary or appropriate to protect or secure any investment or loan in which the Center has an interest;

7. Sell, transfer and convey any such property to a buyer, and in the event such sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, to lease such property to a tenant;

8. Invest any funds provided by the state and held in reserve in funds not required for immediate disbursement and invest funds received from gifts, grants, donations and other operations of the

Center in such investments as would be lawful for a private corporation having purposes similar to the Center;

9. Borrow money and give guaranties, provided that the indebtedness and other obligations of the Center shall be payable solely out of the resources of the Center and shall not constitute a pledge of the full faith and credit of the state or any of its revenues;

10. Appoint officers, consultants, agents and advisors, and prescribe their duties and compensation;

11. Appear on its own behalf or on behalf of the Center before boards, commissions, departments or other agencies of municipal, county or state government or federal government;

12. Procure insurance against any losses in connection with its properties in such amounts from such insurers as may be necessary or desirable;

13. Consent, subject to the provisions of any contract with note-holders, whenever it considers it necessary or desirable in the fulfillment of the goals and purposes of the Center, to the modifications, with respect to the rate of interest, time payment or of any installment, of principal and interest or any terms of any contract or agreement of any kind to which the Center is a party;

14. Accept any and all donations, grants, bequests and devises, conditional and otherwise, of money, property, services or other things of value which may be received from the United States or any agency thereof, any governmental agency, or any institution, person, firm or corporation, public or private, to be held, used or applied for any or all of the goals and purposes of the Center, in accordance with the terms and conditions of any such grant;

15. Trade, buy or sell qualified securities;

16. Own, possess and take license in, patents, copyrights and proprietary processes and negotiate and enter into contracts and establish charges for the use of such patents, copyrights and proprietary processes when such patents and licenses for innovation or inventions result from research sponsored by the Center in a private enterprise or when the Center finances a product developed by a private enterprise;

17. Establish policies governing royalty payments to the Center on patents and licenses for innovations or inventions arising in the course of research sponsored by the Center at institutions of higher education and nonprofit research foundations; such royalty policies should reflect an appropriate sharing of legal risk as well as financial return between the Center and such institution or foundation; such patents and licenses shall be in keeping with the patent policies of such institutions or foundations;

18. Conduct studies which are related to economic development, involving product or process innovations;

19. Solicit, study and assist in the preparation of business plans and proposals of new or established enterprises of special importance to the Oklahoma economy;

20. Prepare, publish and distribute such technological studies, reports, bulletins and other materials as it considers appropriate, subject only to the maintenance and responsibility for confidentiality of the client proprietary information, and encourage institutions of higher education to develop and disseminate similar materials;

21. Sponsor, or co-sponsor with both private industry and higher education institutions, special institutes, conferences and demonstrations relating to the stimulation of innovation, science and technologically oriented enterprises;

22. Participate with any state agency or institution of higher education in developing specific goals, programs and performance monitoring systems to assist in the development of basic research, applied research and technology transfer of special importance to the Oklahoma economy;

23. Provide scientific and technological data and information required by the Governor, the Legislature, or its committees, and to state agencies, institutions of higher education and cities, towns, counties and school districts and to private citizens and groups, within the limitations of the resources available to the Center;

24. Provide training and practical experience for Oklahoma researchers in the preparation of applications for peer-reviewed grant competitions;

25. Facilitate public/private partnerships that will support the creation of endowed chairs, scholarships, research grants, and business opportunities;

26. Develop policies and procedures for partnering with and/or between universities offering engineering or technology degrees in Oklahoma to facilitate joint public/private technology research and development projects using resources and facilities of such public higher education institutions or private entities; provided that, the Board shall utilize, and accord lead status to, Rogers State University for coordinating and delivering higher education distance learning opportunities initiated or developed by the Board;

27. Advertise for, accept, and fund proposals from universities, private industries, towns, counties, municipalities, and individuals to achieve its goals and purposes;

28. Collaborate with the various entities to develop initiatives which foster economic development through technological advancement;

29. Create institutes or centers with world-class research teams that support the state's primary economic development thrusts; and

30. Exercise any other powers necessary for the operation and functioning of the Center within the purposes authorized in this act.

B. The Center shall be exempt from all franchise, corporate business and income taxes levied by the state. The manufacture or sale of any products or processes which are the subject of any agreement made by the Center, or any person entering into any agreement with the Center shall not be exempt from any such taxes or taxes applicable to such manufacture or sale.

C. The Center shall include in the annual business plan appropriate administrative policies, including but not limited to policies governing the classification, employment, promotion, suspension, disciplinary action or dismissal of Center employees, purchasing, travel, and reimbursement of employees. All actions governed by said administrative policies shall be examined annually in the independent audit required by Section 5060.22 of this title. The Center shall not be subject to state purchasing laws, except with respect to purchases required for the administrative expenses of the Board, or laws concerning travel or reimbursement of state employees. Professional service contracts executed by the Center shall not be subject to any requirement of law relating to competitive bidding.

Because many of the powers and duties of the Center involve working closely with the private sector, certain employee positions of the Center must be governed, classified and compensated in a manner that compares equally to similar positions in the private sector. Therefore, in the annual business plan, the Board shall list, describe and justify all such positions and their compensation and shall designate and place them in unclassified status, exempt from the provisions of the Oklahoma Personnel Act. All other employees and positions shall be classified and subject to the provisions of the Merit System of Personnel Administration as provided in the Oklahoma Personnel 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 Board have the authority to circumvent, disregard or otherwise disobey specific provisions of law regarding positions in the Center.

D. Upon approval of the Board, the Center shall have the authority to exercise the powers enumerated in subsection A of this section.

Added by Laws 1987, c. 222, § 24, operative July 1, 1987. Amended by Laws 2002, c. 484, § 9, eff. July 1, 2002; Laws 2013, c. 227, § 44, eff. Nov. 1, 2013.

§74-5060.9a. Repealed by Laws 2022, c. 39, § 1, eff. July 1, 2022.

§74-5060.9a-1. Renumbered as § 1-554 of Title 63 by Laws 1998, c. 210, § 9, eff. July 1, 1998.

§74-5060.9b. Renumbered as § 1-555 of Title 63 by Laws 1998, c. 210, § 9, eff. July 1, 1998.

§74-5060.9c. Renumbered as § 1-556 of Title 63 by Laws 1998, c. 210, § 9, eff. July 1, 1998.

§74-5060.9d. Repealed by Laws 1998, c. 210, § 8, eff. July 1, 1998.

§74-5060.9e. Renumbered as § 1-558 of Title 63 by Laws 1998, c. 210, § 9, eff. July 1, 1998.

§74-5060.10. Commercial application of results of research as condition of assistance.

The Oklahoma Center for the Advancement of Science and Technology shall require as a condition to any form of financial or other assistance authorized by this act before such assistance is provided to any person, firm, business enterprise or corporation that any patent, license, copyright, goods, services, proprietary processes or other results of research that result in a commercial application shall be developed or produced by an Oklahoma-based firm or that a legitimate effort shall be made to apply the results of financial or other assistance in a manner that has a reasonable potential to create or enhance employment or other factors contributing to economic growth within Oklahoma. The board of directors of the Oklahoma Center for the Advancement of Science and Technology shall prescribe policies and procedures in order to implement the provisions of this section.

Added by Laws 1987, c. 222, § 25, operative July 1, 1987.

§74-5060.11. Research Support Revolving Fund.

There is hereby created in the State Treasury a revolving fund for the Oklahoma Center for the Advancement of Science and Technology to be designated the "Research Support Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations. The fund shall consist of all monies authorized by law for deposit in such fund including, but not limited to, gifts, grants, private donations, fee revenues and funds by government entities authorized to provide funding for the purposes authorized for the use of the fund. Monies deposited or apportioned to the credit of the fund in excess of that required for implementation of the program or programs for which expenditures from the fund are authorized may be transferred to any other fund under the control of the Center. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma

Center for the Advancement of Science and Technology for purposes authorized by law. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

Added by Laws 1987, c. 222, § 26, operative July 1, 1987. Amended by Laws 1988, c. 246, § 11, operative July 1, 1988; Laws 1995, c. 279, § 2, eff. July 1, 1995; Laws 2012, c. 304, § 1036.

§74-5060.12. Centers of excellence.

A. The purpose of this section is to authorize the establishment of two types of centers of excellence at institutions of higher education or nonprofit research institutions: centers of excellence for basic research and centers of excellence for applied research, development and technology transfer.

B. Centers of excellence for basic research will primarily undertake ongoing basic research that has potential for long-range value to the state's economic development. The centers should build on institutional strengths and conduct activity in areas of research in which the participating institutions of higher education or nonprofit research institutions have achieved or have true promise of attaining a standard of excellence as recognized by national and international peers.

C. Centers of excellence for applied research, development and technology transfer will primarily undertake applied research, development and technology transfer that has long-run potential for commercial development. The centers should build on institutional strengths and conduct activity in areas of research in which the participating institutions of higher education or nonprofit research institutions have achieved or have true promise of attaining a standard of excellence in applied research and development.

D. The Oklahoma Center for the Advancement of Science and Technology (OCAST) shall award funding to centers of excellence in accordance with subsections E and F of this section.

E. OCAST may award funding from the Research Support Revolving Fund for new centers and increased funding for established centers only after:

1. Developing, adopting and publishing the criteria it shall use when evaluating centers of excellence; and

2. Reviewing proposals for new or established centers of excellence containing:

- a. documentation, in the case of applied research, development and technology transfer, that not less than fifty percent (50%) of the center's total funding will be provided by sources other than OCAST and other than state-appropriated money; and, in the case of basic research, documentation that not less than

twenty percent (20%) of the funding for centers conducting basic research will be provided by sources other than OCAST and other than state-appropriated money; machinery or equipment may be considered as part of the matching funds, but must be accompanied by a statement that the center of excellence has received the machinery or equipment, that it is appropriate and useful to the program under review, and either:

- (1) verifying that the machinery or equipment is donated, has only been used in testing to ensure quality control, or used by a wholesaler or retailer for demonstration purposes only and verifying the fair market value of the machinery or equipment on the date of the gift, or
 - (2) detailing the price paid by the center of excellence, with an invoice showing the amount paid for the equipment,
- b. a description of the proposed center's potential contribution to the state's economic development interests,
 - c. an itemized operations budget, and
 - d. other information that may be required by the Oklahoma Science and Technology Research and Development Board.

F. The board may approve proposals to establish new centers of excellence and increase funding for existing centers contingent on the availability of funds and only after the board finds, based upon the proposal submitted, external peer reviews, and such additional investigation as the staff of OCAST shall make and incorporate in its minutes that:

1. Each proposed center of excellence involves higher education institution(s), nonprofit research institution(s), and private enterprise;

2. Each proposed center of excellence is funded at Nine Hundred Thousand Dollars (\$900,000.00), or so much as is needed, per year for five (5) years, above the annual appropriation for OCAST;

3. In the case of applied research, development and technology transfer the proposed center of excellence has the potential to stimulate economic development in Oklahoma by fostering partnership among higher education institutions, nonprofit research institutions, and businesses;

4. The center has the long-run potential to benefit existing and new businesses through innovation and development of new technology; and

5. Approval of the proposal will not create or foster unnecessary duplication of programs, particularly at the graduate level of instruction.

G. Any commercialized research that results from the funding of a center of excellence shall be subject to negotiations and policies pursuant to the provisions of this act.

Added by Laws 1987, c. 222, § 27, operative July 1, 1987. Amended by Laws 1995, c. 279, § 3, eff. July 1, 1995; Laws 2006, c. 297, § 2, eff. Nov. 1, 2006.

§74-5060.13. Challenge funding of research.

A. The Center may use monies from the Research Support Revolving Fund for the purposes of this act by awarding competitive funds, through professional service contracts or otherwise, to institutions of higher education, nonprofit research foundations and private enterprises of special importance to the Oklahoma economy.

B. The Center is authorized to provide challenge funding to Oklahoma higher education institutions for the purpose of assisting such institutions to raise funds in research areas where they have achieved or have true promise of attaining a standard of excellence as recognized by national and international peers. The Center may transfer to the Oklahoma State Regents for Higher Education the endowed chairs established pursuant to paragraph 1 of subsection D of this section, with any funds associated with such endowed chairs, for the purposes specified in Section 3952 of Title 70 of the Oklahoma Statutes.

C. Any higher education institution which desires to obtain such challenge funding authorized in subsection B of this section shall submit an application to the Oklahoma Center for the Advancement of Science and Technology. Such application shall specify the total amount of funds such institution will provide to meet the requirements of the challenge funding and the research merits and economic benefits of the proposals as well as any other information which the Center may deem necessary in order to evaluate the application; provided, however, such institution shall not use state-appropriated funds for the purpose of meeting the requirements of such challenge funding.

D. Funding shall be awarded on the following basis:

1. For endowed chair professional service contracts or grants, the Center shall match Two Dollars (\$2.00) from the More Oklahoma Science and Technology (MOST) Eminent Scholars and Research Equipment Account for every One Dollar (\$1.00) of interest income generated by the endowment for such chair; however, the amount of a state professional service contract or grant for any endowed chair shall not be less than Fifty Thousand Dollars (\$50,000.00) for any one fiscal year. Funding awarded to match such interest shall be limited to endowed chairs created after May 27, 1986; and

2. For research professional service contracts or grants, the Center shall match One Dollar (\$1.00) from the More Oklahoma Science and Technology (MOST) Eminent Scholars and Research Equipment

Account for every One Dollar (\$1.00) of monies that will be raised by such institution for matching purposes. The minimum amount of a state professional service contract or grant for any research project shall not be less than Ten Thousand Dollars (\$10,000.00) and shall be limited to acquiring research equipment. No applicant for a professional service contract or grant for research equipment under this paragraph shall be required to obtain the mandatory matching funding prior to application to the Center for funding. Applicants selected by the Center for funding shall have up to twelve (12) months from the date of selection to obtain the required matching funds. A selected applicant may request an extension of time not to exceed three (3) months to obtain the necessary matching funds. The period for obtaining matching funds shall not exceed a total of fifteen (15) months from the date of selection.

E. Persons selected to hold such endowed chairs or to receive funding for research as provided for in this section shall be selected pursuant to the procedures of the higher education institution which has been awarded such funding.

F. Approval of any challenge funding proposal shall be based upon the proposal submitted, external peer review and such additional investigation as the staff of the Center shall make. Added by Laws 1987, c. 222, § 28, operative July 1, 1987. Amended by Laws 1989, c. 312, § 8, operative July 1, 1989; Laws 1992, c. 324, § 27, eff. July 1, 1992; Laws 1995, c. 279, § 4, eff. July 1, 1995.

§74-5060.14. Oklahoma Health Research Committee.

A. The Oklahoma Center for the Advancement of Science and Technology may use monies from the Research Support Revolving Fund to carry out the purposes of the Oklahoma Center for the Advancement of Science and Technology Act by awarding competitive health research funds, through professional service contracts, to institutions of higher education, nonprofit research foundations and private enterprises of special importance to the Oklahoma economy.

B. There is hereby created within the Oklahoma Center for the Advancement of Science and Technology, the Oklahoma Health Research Committee to be appointed by the Governor which shall consist of nine (9) members, no more than five nor less than three of whom shall be physicians licensed pursuant to the laws of this state. For the initial Committee, three members shall be appointed for a term of two (2) years; three members shall be appointed for a term of four (4) years; and three members shall be appointed for a term of six (6) years. Thereafter members shall be appointed for a term of six (6) years. At all times the Committee shall be composed of at least:

1. One member from the clergy or who has an advanced degree in philosophy from an accredited institution of higher learning;

2. Five members who shall be basic health research scientists each having an established record of basic health science research accomplishment and a demonstrated interest in public service to represent the following areas: Epidemiology, public health or biometrics or psychology; biochemistry, anatomy or nutrition; microbiology, immunology or molecular biology; genetics, pathology, or pharmacology; biology or physiology; and

3. Three members who shall be clinical research scientists having an established record of clinical biomedical science research accomplishment and a demonstrated interest in public service to represent the clinical research disciplines.

The Health Research Committee as constituted prior to the effective date of this act shall be re-created within the Oklahoma Center for the Advancement of Science and Technology. Members of the Committee, formerly within the Oklahoma Department of Commerce, serving terms upon the effective date of this act shall continue to serve such terms.

Upon expiration of any term of office of the Health Research Committee, in making appointments to the Committee appropriate consideration shall be given to representation upon the Committee by race, gender and geographical area.

C. Any vacancy on the Committee shall be filled for the unexpired term within thirty (30) days after the vacancy occurs.

D. No more than three members of the Committee shall have the same primary affiliation with an institution of higher learning or a nonprofit research institution.

E. A basic health research scientist or clinical research scientist shall not be eligible to become a member of the Committee unless said scientist is the inventor of one or more products which have earned more than Two Hundred Thousand Dollars (\$200,000.00) in royalties or other profit within the fifteen (15) years immediately preceding appointment or is the principal investigator for research grants awarded by national health research organizations for at least five (5) years during the fifteen (15) years immediately preceding appointment. Contractual commitments which have been made for a product or products shall qualify in meeting the royalty or profit requirement. Tentative commitments for future funding from national health research organizations shall satisfy the research grant requirement. Research grants awarded by the National Science Foundation, the National Institutes of Health, the American Heart Association, the Lung Association, the American Cancer Society, the Arthritis Foundation, the March of Dimes, and such other organizations that hold a peer-reviewed national competition for the distribution of research funds that the Committee deems acceptable from time to time shall satisfy the research grant requirement. Research grants which only may be awarded to investigators in this state shall not be used to satisfy the research grant time of

support requirement. Service contracts or other grants which do not require submission of a research project or which are not funded competitively on the basis of scientific merit of the research project shall not satisfy the research grant time of support requirement.

F. Members of the Committee shall be reimbursed for expenses incurred in the performance of their duties as provided by the board of directors of the Center.

G. The Committee shall elect from its membership a chair to serve a two-year term and such other officers from its membership as deemed necessary for the performance of the duties of the Committee. The Committee shall hold regular meetings not less than once a quarter and such additional meetings as called by the chair as may be required for the proper discharge of the duties of the Committee. Any action by the Committee shall require the affirmative vote of a majority of its members present. Five members shall constitute a quorum.

Added by Laws 1987, c. 222, § 29, operative July 1, 1987. Amended by Laws 1994, c. 288, § 7, eff. July 1, 1994; Laws 1995, c. 279, § 5, eff. July 1, 1995; Laws 1996, c. 143, § 3, emerg. eff. May 7, 1996; Laws 1998, c. 210, § 7, eff. July 1, 1998.

NOTE: Laws 1994, c. 287, § 8 repealed by Laws 1995, c. 279, § 9, eff. July 1, 1995.

§74-5060.15. Evaluation of health research projects.

The Committee shall evaluate the merits of proposed health research projects, the qualifications of investigators, and the facilities in which proposed health research projects will be performed, and shall advise the Center of its findings.

Added by Laws 1987, c. 222, § 30, operative July 1, 1987.

§74-5060.16. Duties of Center relating to health research.

The Oklahoma Center for the Advancement of Science and Technology, with the advice and consent of the Committee, shall:

1. Establish and operate a state program designed to secure and impartially distribute funds credited to the Research Support Revolving Fund to support professional service contracts for health research projects;

2. Ensure that funding to support health research projects is awarded only on the basis of scientific merit;

3. Design the health research program to ensure the optimum performance of the investigator and the maximum efficiency of the project;

4. Evaluate and approve health research projects to be funded from the Research Support Revolving Fund;

5. Establish a procedure for the referral of proposed health research projects to the Committee for review;

6. Establish procedures for review of proposed health research projects by qualified individuals residing outside this state;

7. Suspend or terminate any professional service contract supporting health research projects for failure by an investigator, institution of higher learning, or nonprofit research institution to comply with the procedures, requirements, or bylaws of the Center; and

8. Enter into contracts to ensure the optimum performance of health research investigators and to ensure the maximum efficiency of proposed health research projects.

Added by Laws 1987, c. 222, § 31, operative July 1, 1987. Amended by Laws 1995, c. 279, § 6, eff. July 1, 1995.

§74-5060.17. Conditions for award of professional service contract to support health research project.

No professional service contract shall be awarded by the Oklahoma Center for the Advancement of Science and Technology to support a health research project unless:

1. The investigators are residents of this state or become residents of this state before the ninetieth day after a professional service contract, pursuant to which they will be functioning as an investigator, has been funded by the Center;

2. The institutions that administer the professional service contracts are primarily located in this state and are able to assume financial responsibility for professional service contracts;

3. The professional service contract will not be transferred to any other institutions within the state without the approval of the Center and will not be transferred to an institution outside this state at any time; and

4. The funds will not be expended for patient care except if patient care is an intrinsic part of a funded professional service contract.

Added by Laws 1987, c. 222, § 32, operative July 1, 1987.

§74-5060.18. Annual conference on commercial application of results of health research projects.

The Oklahoma Center for the Advancement of Science and Technology shall sponsor an annual conference of health research investigators, representatives of institutions of higher learning, nonprofit research institutions, and representatives of industry to accelerate and facilitate the commercial development of new products and services conceived or developed as consequence of professional service contracts supporting health research projects.

Added by Laws 1987, c. 222, § 33, operative July 1, 1987.

§74-5060.19. Criteria for award of funding or professional service contract - Applied research proposals - Small business innovation research - Commercialized research.

A. The Center may use monies from the Research Support Revolving Fund to carry out the purposes of this act by awarding competitive applied research funds, through professional service contracts or otherwise, to institutions of higher education, nonprofit research foundations and private enterprises of special importance to the Oklahoma economy. The Center may use the fund to provide funding for the programs and purposes specified in subsection D of this section.

B. The board shall award funding or professional service contracts only after:

1. Developing, adopting and publishing the criteria it shall use when evaluating research proposals; and

2. Reviewing applied research proposals which present:

- a. documentation, if the proposal is from an institution of higher education or nonprofit research institutions, that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than the Center and other than state-appropriated money; machinery or equipment may be considered as part of the matching funds for the research, but must be accompanied by a statement:
 - (1) that the institution of higher education or nonprofit research institution has received the machinery or equipment and that it is appropriate and useful to the program under review; and either
 - (2) verifying that the equipment or machinery is donated and has only been used in testing to ensure quality control, or used by a wholesaler or retailer for demonstration purposes only and verifying the fair market value of the machinery or equipment on the date of the gift; or
 - (3) detailing the price paid by the institution of higher education or nonprofit research institution, with an invoice showing the amount paid for the machinery or equipment;
- b. documentation, if the proposal is from a private enterprise, that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than the Center and other than state-appropriated money. No portion of the fifty percent (50%) may be provided by in-kind services performed by the enterprise;

- c. a description of the potential commercial application of and the industrial sectors that will likely benefit from the applied research project and the potential to enhance employment opportunities in Oklahoma;
- d. an itemized research budget, time line and research methodology;
- e. a recommendation from the sponsoring institution of higher education, nonprofit research institution or business enterprise; and
- f. other information that may be required by the board.

C. The board may approve such applied research proposals after the board finds, based upon the proposal submitted, external peer review and such additional investigation as the staff of the Center shall make and incorporate in its minutes, that:

- 1. The proposed project is research that leads to innovation, new knowledge or technology and is not training or technical assistance for business firms;
- 2. The project has a reasonable probability to enhance employment opportunities within Oklahoma; and
- 3. The project is technically sound and will produce a measurable result.

D. The Center is directed to develop a small business innovation research (SBIR) matching support program which meets the highest current standards for state matching support to federal SBIR program grants. The Center shall also develop and implement a program to financially support the preparation of SBIR grant proposals by Oklahoma entities. The Center may also develop and implement programs to encourage Oklahoma firms to participate in other federal research and development programs including, but not limited to, the Small Business Technology Transfer (SBTT) program.

E. Any commercialized research that results from Center funding of applied research shall be subject to negotiations and policies pursuant to the provisions of this act.

Added by Laws 1987, c. 222, § 34, operative July 1, 1987. Amended by Laws 1995, c. 279, § 7, eff. July 1, 1995.

§74-5060.20. Information clearinghouse - Technical services - Technical information data bases and industrial liaison offices - Minority business assistance.

A. The Center may use monies from the Research Support Revolving Fund to carry out the purposes of this section.

B. The Oklahoma Center for the Advancement of Science and Technology shall establish a clearinghouse to provide technology transfer and technical referral services and may charge reasonable user fees to recover the costs of providing such services. The Center may fund institutions of higher education to establish technical information data bases and industrial liaison offices

which are easily accessible by both private and public sector organizations.

C. The Center shall provide to private enterprises and individuals, services which include, but are not limited to:

1. Disseminating research and technical information;
2. Referring clients to researchers or laboratories for the purpose of testing and evaluating new products, processes or innovations;
3. Assisting persons developing innovations or new technology in locating enterprises or entrepreneurs that may be interested in applying such innovations or new technologies; and
4. Providing managerial assistance to enterprises requesting such assistance, but particularly to those small enterprises of special importance to the Oklahoma economy.

D. The Center shall encourage business enterprises to use such technology transfer and technical support services as provided by institutions of higher education and especially the state's Small Business Development Centers.

E. The Center shall assist minority businesses in obtaining investments or loans or other means of financial assistance. The terms and conditions of such loans or financial assistance, including the charges for interest and other services, will be consistent with the provisions of this act. The Center shall solicit proposed minority business ventures for review and analysis. Added by Laws 1987, c. 222, § 35, operative July 1, 1987. Amended by Laws 1995, c. 279, § 8, eff. July 1, 1995.

§74-5060.20a. Technology business financing program - Specifications.

The Oklahoma Center for the Advancement of Science and Technology (OCAST), in conjunction with the Commercialization Center, may develop and implement a technology business financing program to provide funding and financing for and to assist qualified Oklahoma enterprises to commercialize new products, services, technology, innovations, and processes. In order to obtain funding or financing from the technology business financing program, a recipient shall be required to obtain separate private investment or funding, and may also be required to pay royalties, fees, interest, profits, or other payments generated or arising from the sale, lease, licensing, distribution, manufacture, marketing, or development of products, services, technology, innovations, and processes, whether alone or in conjunction with others, or generated or arising from a sale, acquisition, merger, or other transfer or takeover of the enterprise. Any such royalties, fees, interest, profits, or other payments or return of funding and financing shall be retained for use in the program. OCAST, in conjunction with the Commercialization Center, shall establish program specifications.

OCAST may contract with the Commercialization Center or other qualified entity to operate and manage the program. Program funds shall not be used to pay administrative, management, or operating expenses of OCAST.

Added by Laws 1998, c. 211, § 4, eff. July 1, 1998. Amended by Laws 2010, c. 464, § 5, eff. July 1, 2010.

§74-5060.20b. Cooperation between the Commercialization Center and technology transfer offices.

It is the intent of the Legislature that the Commercialization Center funded through the Oklahoma Center for the Advancement of Science and Technology (OCAST) and the technology transfer offices within The Oklahoma State System of Higher Education (OSSHE) complement each other's capabilities and work closely to optimize each other's effectiveness. The OSSHE technology transfer offices shall create an entrepreneurial climate on the campuses to maximize opportunities for commercialization of technology resulting from university research. The Commercialization Center shall assist technology-based businesses to start up and grow in Oklahoma.

Added by Laws 1998, c. 211, § 5, eff. July 1, 1998. Amended by Laws 2010, c. 464, § 6, eff. July 1, 2010.

§74-5060.21. Seed-Capital Revolving Fund - Authorized investments - Investment committee.

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Center for the Advancement of Science and Technology to be designated the "Seed-Capital Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations. The fund shall consist of all monies authorized by law for deposit in the fund including but not limited to gifts, grants, private donations and funds by government entities authorized to provide funding for the purposes authorized for use of the fund and with payments on loans made from the fund, rents, dividends paid on shares of stock purchased with monies from the fund, royalty proceeds, or any other form of return on authorized investments made by the Center. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma Center for the Advancement of Science and Technology for use as seed-capital for enterprises and for the purposes set forth in this section, and shall not be used for administrative, management, or operating expenses of the Center. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

B. The Seed-Capital Revolving Fund shall be managed consistent with the long-term goal that revenues earned from investment of the fund be used to cover administrative costs of the fund. The Center

may contract with the Commercialization Center or another entity to manage the Seed-Capital Revolving Fund and to carry out the activities set forth in this section.

C. The Center may use the Seed-Capital Revolving Fund to provide seed-capital to enterprises and to carry out the purposes of the Oklahoma Science and Technology Research and Development Act through authorized investments, including:

1. Loans, loans convertible to equity, and equity;
2. Leaseholds;
3. Management or consultant service agreements;
4. Loans with stock subscription or similar warrants that are beneficially owned by the Center;

5. Loans with stock subscription or similar warrants that are beneficially owned by a party other than the Center;

6. Any other contractual arrangement in which the Center is providing scientific and technological services to any federal, state, county or municipal agency, or to any individual, corporation, enterprise, association or any other entity involving science and technology. The Center, in connection with the provision of any form of financial assistance, may enter into royalty agreements with an enterprise;

7. Participation as a general or limited partner in other seed-capital funds or participation as a limited partner in individual cases as authorized by the board of directors;

8. Royalty or other interests in patents, licenses, trade secrets or other technology; and

9. All other seed-capital investments and qualified securities as defined in the Oklahoma Science and Technology Research and Development Act.

D. The Center may use the Seed-Capital Revolving Fund to purchase qualified securities issued by enterprises engaged in new product or process innovations subject to the conditions set forth in this section.

E. The Center may use the Seed-Capital Revolving Fund to make loans for business incubator facilities in exchange for interests in the enterprises.

F. The Center shall make authorized seed-capital investments in enterprises engaged in new product or process innovations only after:

1. Receipt of an application from the enterprise which contains:

- a. a business plan including a description of the enterprise and its management, product and market,
- b. a statement of the amount, timing and projected use of the capital required,

- c. a statement of the potential economic impact of the enterprise, including the number, location and types of jobs expected to be created, and
- d. such other information as the Center board of directors shall request; and

2. Approval of the investment by the Center. Such approval may be made after the board of directors finds, based upon the application submitted by the enterprise and such additional investigation as the staff of the Center shall make and incorporate in its minutes, or based on the recommendation of the fund manager, if the Center contracts with the Commercialization Center or another entity to manage the Seed-Capital Revolving Fund, that:

- a. the proceeds of the investment or financial assistance will be used only to cover the seed-capital needs of the enterprise except as authorized by this section,
- b. the enterprise has a reasonable chance of success,
- c. the Center's participation is instrumental to the success of the enterprise and will assist in its retention within the state,
- d. the Center's investment is leveraged by at least one additional equity or near-equity investor,
- e. the enterprise has the reasonable potential to enhance employment opportunities within the state,
- f. the entrepreneur and other founders of the enterprise have already made or are contractually committed to make an appropriate financial and time commitment to the enterprise,
- g. any securities to be purchased are qualified securities,
- h. there is a reasonable possibility that the Center will recoup at least its initial investment or financial commitment, and
- i. binding commitments have been made to the Center by the enterprise for adequate reporting of financial data to the Center, which shall include a requirement for an annual report, or if required by the board, an annual audit of the financial and operational records of the enterprise, and for such control on the part of the Center as the board of directors shall consider prudent over the management of the enterprise, so as to protect the investment or financial commitment of the Center, including in the discretion of the board and without limitation, right of access to financial and other records of the enterprise, and membership or representation on the board of directors of the enterprise.

G. The board of directors shall create an investment committee to assist in evaluating potential investments in qualified securities and provision of other forms of authorized financial assistance. The membership of this investment committee shall serve at the pleasure of the board and shall consist of:

1. No more than two members of the board of directors, neither of whom serves on any advisory committee to the Center; and

2. Persons drawn from sources other than the Center who meet standards similar to those applying to the board of directors and who are recognized by their peers for outstanding knowledge and leadership in their fields, all of whom shall serve at the pleasure of the board.

H. The Center shall not make investments in qualified securities issued by enterprises in excess of the amount necessary to own more than forty-nine percent (49%) of qualified securities in any one enterprise at the time such securities are purchased by the Center, after giving effect to the conversion of all outstanding convertible qualified securities of the enterprise; however, in the event of severe financial difficulty of the enterprise, threatening, in the judgment of the board of directors, the investment of the Center therein, a greater percentage of such securities may be owned by the Center.

Added by Laws 1987, c. 222, § 36, operative July 1, 1987. Amended by Laws 1988, c. 246, § 12, operative July 1, 1988; Laws 2010, c. 464, § 7, eff. July 1, 2010; Laws 2012, c. 304, § 1037.

§74-5060.22. Reports - Funding review and recommendations - Funding priorities.

A. The Oklahoma Science and Technology Research and Development Board is authorized and instructed to make an annual report no later than November 1 to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives that shall describe the accomplishments, the expenditures, and the activities of the prior fiscal year. The report shall include elements the Board identifies as hampering the state's economic progress and recommendations for changes. The report shall include an independent audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, latest revised edition, issued by the Comptroller General of the United States, which shall examine, among other things, actions governed by the administrative policies adopted by the Board on behalf of the Oklahoma Center for the Advancement of Science and Technology. The annual report shall specifically account for the ways in which the need, mission and programs of the Center have been carried out, including but not limited to a review of the results of the operations and transactions according to objective measures set

forth in the business plan. The report shall recommend specific changes in the activities of the Center which are necessary to better carry out the need and mission described in the Oklahoma Center for the Advancement of Science and Technology Act. The Board shall distribute its annual report by such means that will make it widely available to those innovative enterprises of special importance to the Oklahoma economy.

B. The Board shall annually review and prepare a report showing how and at what level other states fund technology-based economic development programs. The Board shall recommend an appropriate funding level for Oklahoma which will make these programs nationally competitive with those of other states. The Board's findings and recommendations shall be included in the annual report to be submitted to the Governor and the Legislature.

C. The Center shall adopt a threshold funding level for each of the programs provided for by law. The threshold amount shall provide for funding that is great enough to have a significant impact and carry out the intent of the Legislature. If the funding for these programs falls below the threshold, then no funding shall be provided by the Center to the program funded below threshold level.

D. The Board, on behalf of the Center, shall fund areas of research and development that the Board selects as most likely to stimulate information technology, biotechnology, genetics, meteorology and climate studies, and emerging or developing technology and related jobs; foster patents; result in new patents, copyrights, trademarks, and licenses of value; pursue world-class research teams that support the state's primary economic development thrusts or focus areas; and stimulate private and public investments with the intent to encourage economic development in Oklahoma.

Added by Laws 1987, c. 222, § 37, operative July 1, 1987. Amended by Laws 2002, c. 484, § 11, eff. July 1, 2002; Laws 2010, c. 413, § 29, eff. July 1, 2010; Laws 2013, c. 227, § 45, eff. Nov. 1, 2013.

§74-5060.23. Acquiring ownership of corporation or partnership prohibited - Exceptions.

The Oklahoma Center for the Advancement of Science and Technology shall not be permitted to make an expenditure for purposes of any loan, grant or for purposes of acquiring any form of ownership in a corporation or partnership unless authorized by law including, but not limited to, Section 15 of Article X of the Oklahoma Constitution.

Added by Laws 1987, c. 222, § 38, operative July 1, 1987.

§74-5060.24. Administration and Data Processing Revolving Fund.

There is hereby created in the State Treasury a revolving fund for the Oklahoma Center for the Advancement of Science and

Technology to be designated the "Administration and Data Processing Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations. The fund shall consist of all monies authorized by law for deposit therein, grants, donations or reimbursements that the President of the Center may direct to be deposited therein, proceeds from the sale of surplus property, insurance payments to the agency, receipts pursuant to the Oklahoma Open Records Act, and transfers from other revolving funds of the Center as the President may direct. Monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Center for the administrative costs of all programs of the Center, including all personal and other operating expenses. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

Added by Laws 1988, c. 246, § 13, operative July 1, 1988. Amended by Laws 2012, c. 304, § 1038.

§74-5060.25. Working with OAME to foster competitiveness in national and international markets.

In addition to other functions and responsibilities of the Oklahoma Center for the Advancement of Science and Technology, the Center shall have the authority to work in conjunction with OAME, a private, not-for-profit corporation certified by Oklahoma Futures as qualifying pursuant to the provisions of this act, to foster competitiveness in the national and international markets by small and medium-sized manufacturing firms located in Oklahoma, with a special emphasis on minority business enterprises.

Added by Laws 1992, c. 230, § 5, eff. July 1, 1992.

§74-5060.26. Creation of private, not-for-profit corporation - Powers - Certificate of incorporation and bylaws.

A. A private, not-for-profit corporation may be organized pursuant to the provisions of Title 18 of the Oklahoma Statutes and the provisions of this act to develop the Industrial Extension System in Oklahoma, with a special emphasis on minority business enterprises. Such corporation, upon certification by Oklahoma Futures, shall be known as and may exercise all of the powers of OAME.

B. In addition to the provisions and requirements of Title 18 of the Oklahoma Statutes, the certificate of incorporation and the bylaws of OAME must be certified by Oklahoma Futures and the certificate of incorporation shall:

1. Designate the name of the corporation as the Oklahoma Alliance for Manufacturing Excellence, Inc.;

2. Provide that the exclusive purposes of OAME are public purposes to assist small and medium-sized manufacturing firms, with a special emphasis on minority business enterprises, to gain the ability, through education, technology transfer, and otherwise, to compete successfully at progressively higher levels of value-added in the national and international economy;

3. Provide for the following three classes of membership in OAME which shall have representation on the Board of Directors of OAME:

- a. one class composed of small and medium-sized manufacturing firms located in Oklahoma, and the certificate of incorporation shall provide for the qualifications for membership in such class,
- b. one class composed of large corporations, and the certificate of incorporation shall provide for the qualifications for membership in such class, and
- c. one class composed of state entities, including, but not limited to, the Oklahoma Center for the Advancement of Science and Technology, the Oklahoma Department of Commerce, the Oklahoma Department of Career and Technology Education, and the Oklahoma State Regents for Higher Education;

4. Provide for classes of associate membership which shall not have representation on the Board of Directors of OAME, except as provided in paragraph 5 of this subsection;

5. Provide that the Board of Directors of OAME shall consist of five representatives of members who shall be individuals elected at the first annual meeting of OAME by members of the class composed of small and medium-sized manufacturing firms, and four representatives of members who shall be individuals elected at the first annual meeting of OAME by members of the class composed of large corporations. The Board of Directors also shall include the President of the Oklahoma Center for the Advancement of Science and Technology, the Executive Director of the Oklahoma Department of Commerce, the Director of the Oklahoma Department of Career and Technology Education and the Chancellor of Higher Education as ex officio members. The bylaws of OAME may provide for designees who may serve in the place of any of the directors and the terms under which any such designation will be made. The Board of Directors shall have the power to elect, from time to time, persons to serve as directors who are associate members or are not affiliated with any entity or firm which qualifies for membership in OAME, provided that no more than three (3) of such persons shall serve on the Board of Directors at any time;

6. Have the authority to set membership dues in an amount to be determined by the Board of Directors. No participating state entity shall pay membership dues;

7. Provide for all powers necessary or appropriate to carry out and effectuate its corporate purposes, including, but not limited to, the following:

- a. to maintain an office at such place or places as it may designate,
- b. to make and execute contracts with any individual, corporation, association or any other entity and all other instruments necessary or convenient for the performance of its duties and the exercise of its powers and functions under this act,
- c. to receive funds from any source to carry out the purposes of this act, including, but not limited to, gifts or grants from any department, agency or instrumentality of the United States or of the state for any purpose consistent with the provisions of this act,
- d. to acquire or sell, convey, lease, exchange, transfer or otherwise dispose of its property or any interest therein,
- e. to develop plans and policies to assist small and medium-sized manufacturing companies in Oklahoma,
- f. to enter into contracts to provide assistance to small and medium-sized manufacturing companies, including, but not limited to, the following categories:
 - (1) technology,
 - (2) human resources development,
 - (3) market planning,
 - (4) finance, and
 - (5) inter-firm collaboration,
- g. to assist other organizations providing general business assistance to small and medium-sized manufacturing enterprises,
- h. to establish manufacturing quality and standards certification programs, setting minimum standards and issuing certification to companies meeting such standards,
- i. to develop and distribute information about manufacturing modernization and assistance that is available to support efforts to improve the abilities of small and medium-sized firms to produce and market higher value-added products,
- j. to establish a system to evaluate the effectiveness and efficiency of services provided to small and medium-sized manufacturing firms,
- k. to establish and operate, directly or under contract, an information system designed to access resources that will assist the firms to become more productive,

1. establish a training program for individuals working on behalf of small and medium-sized manufacturing firms, and
- m. to establish special educational and informational programs for its members.

Added by Laws 1992, c. 230, § 6, eff. July 1, 1992. Amended by Laws 2001, c. 33, § 179, eff. July 1, 2001.

§74-5060.27. Annual business plan - Annual report.

OAME shall prepare and submit an annual business plan for approval by the Board of Directors of the Oklahoma Center for the Advancement of Science and Technology. The business plan shall be made a part of the annual business plan of the Center provided for in Section 5060.8 of Title 74 of the Oklahoma Statutes and shall be subject to approval by Oklahoma Futures. OAME shall also prepare an annual report for submission to the Center, which shall include:

1. A synopsis of the activities of OAME during the previous fiscal year; and
2. An examination of quantifiable measures of the results of actions and plans of OAME.

Added by Laws 1992, c. 230, § 7, eff. July 1, 1992.

§74-5060.28. Repealed by Laws 2002, c. 484, § 17, eff. July 1, 2002.

§74-5060.29. Allocation of funds to technology-business incubator.

Contingent upon a total annual appropriation of at least Nine Million Dollars (\$9,000,000.00) to the Oklahoma Center for the Advancement of Science and Technology (OCAST), OCAST shall annually use One Hundred Thousand Dollars (\$100,000.00), or so much of that amount as shall be necessary, in conjunction with the nonprofit Oklahoma Health Center Research Park Corporation to operate a technology-business incubator located in the Oklahoma Health Center Research Park and appropriately equipped to meet the needs of start-up, technology-intensive firms including, but not limited to, biotechnology and bio-medical firms.

Added by Laws 1997, c. 416, § 2, eff. Sept. 1, 1997.

§74-5060.30. Oklahoma Technology Trust Fund.

A. The "Oklahoma Technology Trust Fund" is hereby created. The trust fund shall be administered as follows:

1. The trustees of the trust fund shall consist of seven members of the Oklahoma Science and Technology Research and Development Board who are the presidents of Oklahoma State University, the University of Oklahoma, and the private university offering graduate engineering degrees and the four chief executive officers or senior executive officers of corporations or

foundations. The chair of the board of trustees shall be elected by the trustees from among the four chief executive officers or senior executive officers who also serve on the Oklahoma Science and Technology Research and Development Board.

2. After January 1, 2003, the board of trustees may by unanimous vote expand the number of trustees at any time. No more than three members added by the board of trustees may serve concurrently. The members added by the board of trustees shall be representatives of industries, shall have full voting rights, and shall serve four-year terms. A position added by the board of trustees may be filled at the end of the term by vote of the trustees. A position not filled by the trustees at the end of the term shall be considered abolished.

3. The trust fund principal shall consist of monies received from any monies the Legislature appropriates for, or transfers to, the trust fund and any monies or assets contributed to the trust fund from any other source, public or private. Notwithstanding other provisions of law, income and investment return on trust fund principal shall accrue to the trust fund and may be authorized upon a majority vote of the trustees for use and expenditure by the Oklahoma Science and Technology Research and Development Board. Use of the trust fund principal may be authorized upon a vote of three-fourths of the trustees for use and expenditure by the Oklahoma Science and Technology Research and Development Board.

4. The trustees shall develop procedures for accomplishing transfer of income and investment return to appropriate accounts set up in the Office of the State Treasurer.

5. The trust fund may be dissolved upon an act approved by three-fourths (3/4) of both houses of the Legislature or pursuant to a plan for use of the principal, leading to dissolution of the trust fund, over a ten-year period that has been proposed by the trustees and approved by the Legislature and the Governor. Upon the trust fund's dissolution, any funds in the trust fund shall be placed in the state general revenue fund, unless the Legislature specifically provides otherwise.

B. There is hereby created in the State Treasury a fund for the Oklahoma Center for the Advancement of Science and Technology to be designated the "Oklahoma Technology Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of any monies received by the Center from the Legislature or other sources for the fund. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma Science and Technology Research and Development Board for the purposes of the Center. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment. The

Oklahoma Science and Technology Research and Development Board shall develop procedures for setting up accounts within the fund as necessary in the Office of the State Treasurer. The Board shall place only funds appropriated for or otherwise received for the Center in the accounts for the Center and shall not commingle funds that are not appropriated or otherwise received for the Center with funds appropriated or received for any other purpose of the Center. Added by Laws 2002, c. 484, § 12, eff. July 1, 2002. Amended by Laws 2012, c. 304, § 1039; Laws 2013, c. 227, § 46, eff. Nov. 1, 2013.

§74-5060.40. Science and Technology Council.

A. There is hereby created the Science and Technology Council, to continue until July 1, 2007, in accordance with the provisions of the Oklahoma Sunset Law. The Council shall consist of fourteen (14) members, who shall be appointed by the Governor with the advice and consent of the Senate and serve at the pleasure of the Governor, and the Secretary of Science and Technology Development. The Secretary of Science and Technology Development shall chair the Council, preside at meetings of the Council, arrange the Council's agenda, appoint committees as desired, sign official Council documents, and perform such other duties as may be prescribed by the Council. The Council shall elect to annual terms beginning July 1 a vice-chair and such other officers as the Council deems appropriate. The vice-chair shall perform the duties of the chair during the chair's absence or disability and shall perform such other duties as may be prescribed by the Council. The chair or vice-chair and seven other members shall constitute a quorum.

B. The mission and duties of the Council shall be to search for, review, and identify targeted market opportunities for this state. The Council shall rank opportunities identified, by specific area of opportunity, to determine the best prospects for helping this state develop, advance, and gain recognition of, market leadership. The Council's selections shall be presented to the Board of Directors of the Oklahoma Center for the Advancement of Science and Technology (OCAST).

C. The Council shall be subject to the Oklahoma Open Meeting Act and Oklahoma Open Records Act; provided, the chair or vice-chair may at any time and without prior notice call the Council into executive session for the purpose of examining or discussing proprietary or financial information of research or business entities and may determine that related records remain confidential.

D. Staff assistance and meeting space for the work of the Council shall be provided by the office of the Vice President of Technology Development of the University of Oklahoma and further, when requested by the Secretary of Science and Technology

Development, the Oklahoma Center for the Advancement of Science and Technology.

E. Expenses of the Council shall be paid from the Science and Technology Council Revolving Fund created by Section 2 of this act and for the purposes set forth therein. Council members shall be reimbursed for actual and necessary travel expenses incurred in the performance of their Council duties in accordance with the State Travel Reimbursement Act.

Added by Laws 2001, c. 420, § 1, eff. July 1, 2001.

§74-5060.41. Science and Technology Council Revolving Fund.

There is hereby created in the State Treasury a revolving fund for the Science and Technology Council to be designated the Science and Technology Council Revolving Fund. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of monies appropriated to the Oklahoma Center for the Advancement of Science and Technology designated for the Council and of such gifts or other income as may be designated for the use of the Council. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma Center for the Advancement of Science and Technology for the Council. Purposes for use of the monies shall include, but not be limited to, salaries and other personnel expenses, travel, contracts for marketing analysis, and expertise and other expenses for business plan development. The Center shall review all uses of the monies and provide for audit of the fund by the State Auditor and Inspector at least once every three (3) years.

Added by Laws 2001, c. 420, § 1, eff. July 1, 2001.

§74-5060.42. Repealed by Laws 2002, c. 484, § 17, eff. July 1, 2002.

§74-5060.43. Oklahoma Nanotechnology Applications Project.

A. The Oklahoma Center for the Advancement of Science and Technology may develop and implement a nanotechnology pilot project to assist qualified Oklahoma companies in the process of applying nanotechnology through research, development, and manufacturing to improve current products or create new, cutting-edge products. The project shall be known as the "Oklahoma Nanotechnology Applications Project" (ONAP). The Oklahoma Center for the Advancement of Science and Technology may employ established program processes to award nanotechnology funds or may contract with other qualified entities to operate this pilot project.

B. The Oklahoma Nanotechnology Applications Project is designed to provide Oklahoma with the ability to respond quickly to opportunities in the following technology focuses:

1. Advanced materials/nanotechnology;

2. Agricultural sciences;
3. Aviation/aerospace;
4. Biotechnology and life sciences;
5. Energy and energy-related;
6. Information technology and telecommunications;
7. Sensors and sensor-related; and
8. Meteorological science.

C. The Board shall award nanotechnology funding or professional service contracts only after finding that:

1. The project is technically sound and will produce measurable results;

2. The project leads to innovation, new knowledge, new devices, new products, or processes with preferences given to applications of nanotechnology leading to commercialization;

3. The project has a reasonable probability to enhance employment opportunities within Oklahoma; and

4. The project will enhance services to Oklahoma manufacturers or Oklahoma companies that are in the process of applying nanotechnology.

D. ONAP awards are designed to enable new and existing applications in nanotechnology and to encourage nanotechnology collaboration between industry, institutions of higher education, and nonprofit research institutions.

Added by Laws 2006, c. 76, § 2, eff. July 1, 2006.

§74-5060.44. Oklahoma Center for the Advancement of Science and Technology Intern Partnership for STEM Workforce Pipeline Program.

A. As used in this section:

1. "Applicant organization" means an Oklahoma-based entity that is a nonprofit research foundation or private enterprise of special importance to the Oklahoma economy; and

2. "Eligible student" means an individual currently enrolled in an undergraduate or graduate program at an institution of higher education who is majoring in a science, technology, engineering, and mathematics (STEM) based discipline including, but not limited to, natural sciences, computer science, materials science, engineering, biomedical, biotechnical, data analytics, finance, mathematics, or a support area related to building successful Oklahoma high-tech companies.

B. There is hereby created the Oklahoma Center for the Advancement of Science and Technology Intern Partnership for STEM Workforce Pipeline Program to be administered by the Oklahoma Center for the Advancement of Science and Technology under the governance of the Oklahoma Science and Technology Research and Development Board.

C. The Oklahoma Center for the Advancement of Science and Technology may award competitive internship funds, through

professional service contracts, to applicant organizations to hire qualified student interns to participate in innovative industry projects.

D. To qualify for program internship funds, the applicant organization must provide:

1. Documentation verifying that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than the Oklahoma Center for the Advancement of Science and Technology and other state-appropriated money. Such sources may be in the form of salary, cash, nonstate grant funds, and other sources of funding as defined by the Oklahoma Center for the Advancement of Science and Technology;

2. A description of the potential commercial application of and the industrial sectors that will likely benefit from the project and the potential to enhance employment opportunities in Oklahoma;

3. An itemized research budget, timeline, and research methodology; and

4. Any other information that may be required by the Board.

E. The Board shall award professional service contracts after it determines the applicant organization:

1. Provides a beneficial and meaningful intern experience which includes exposure to real-world application of technology and innovation activities;

2. Involves projects leading to innovation, new knowledge, or technology that will benefit the applicant organization;

3. Has a reasonable probability to enhance employment opportunities within Oklahoma;

4. Is technically sound, will produce a measurable result, and provide a positive impact to the applicant organization; and

5. Does not involve market surveys or research activities that create fundamental or basic information which lack the potential for reasonably short-term commercialization.

F. Based upon the information submitted by the applicant organization, external peer review, and such additional investigation as the staff of the Center shall make, the Board may approve such professional service contracts after the Board finds that:

1. The proposed project is research that leads to innovation, new knowledge, or technology and is not training or technical assistance for business firms;

2. The project has a reasonable probability to enhance employment opportunities within the state; and

3. The project is technically sound and will produce a measurable result.

G. The Oklahoma Center for the Advancement of Science and Technology shall promulgate rules necessary to implement and administer the program authorized in this section.

Added by Laws 2022, c. 272, § 1, eff. July 1, 2022.

§74-5060.50. Repealed by Laws 2007, c. 93, § 14, eff. Nov. 1, 2007.

§74-5060.51. Repealed by Laws 2004, c. 180, § 2, eff. July 1, 2004.

§74-5060.52. Compensation and expenses.

A. Members of the Electronic Commerce Pilot Program Steering Committee created in Section 5060.50 of Title 74 of the Oklahoma Statutes shall receive no compensation for serving on the Committee, but shall receive travel reimbursement as follows:

1. Legislative members of the Committee shall be reimbursed for their necessary travel expenses incurred in the performance of their duties in accordance with Section 456 of Title 74 of the Oklahoma Statutes from the legislative body in which they serve;

2. State agency employees who are members of the Committee shall be reimbursed for travel expenses incurred in the performance of their duties by their respective agencies in accordance with the State Travel Reimbursement Act; and

3. All other Committee members shall be reimbursed by the Department of Central Services for travel expenses incurred in performance of their duties on the Committee, in accordance with the State Travel Reimbursement Act.

Added by Laws 1999, c. 337, § 5 eff. July 1, 1999.

§74-5060.53. Use of monies from Research Support Revolving Fund.

A. The Oklahoma Center for the Advancement of Science and Technology (OCAST) may use monies from the Research Support Revolving Fund to carry out the purposes of the Oklahoma Science and Technology Research and Development Act by awarding competitive basic and applied plant science research funds, through professional service contracts, to institutions of higher education, nonprofit research foundations and private enterprises of special importance to the Oklahoma economy.

B. The Oklahoma Center for the Advancement of Science and Technology, contingent on the availability of funds, and with the advice of the Plant Science Research Committee, shall:

1. Establish and operate a state program designed to secure and impartially distribute funds credited to the Research Support Revolving Fund to support professional service contracts for basic plant science research projects to be awarded only on the basis of scientific and technical merit;

2. Design the basic plant science research program to ensure the optimum performance of the investigator(s) and the maximum efficiency of the project(s);

3. Evaluate and approve basic plant science research projects to be funded from the Research Support Revolving Fund;

4. Establish a procedure for the referral of proposed basic plant science research projects to the Plant Science Research Committee for review;

5. Establish procedures for review of proposed basic plant science research projects by qualified individuals, the majority of whom reside outside of Oklahoma;

6. Suspend or terminate any professional service contract supporting basic plant science research projects for failure by an investigator, institution of higher learning, private enterprise, or nonprofit research institution to comply with the procedures, requirements, or bylaws of the Oklahoma Science and Technology Research and Development (OSTRaD) Board; and

7. Enter into contracts to ensure the optimum performance of plant science research investigators and to ensure the maximum efficiency of proposed plant science research projects.

C. The Board shall award funding or professional service contracts for basic plant science research, contingent on the availability of funds and based upon the proposal submitted; external peer review, the majority of whom must reside outside of Oklahoma; and such additional investigation as the staff of OCAST shall make only after:

1. Developing, adopting and publishing the criteria it shall use when evaluating research proposals; and

2. Ensuring that funding to support basic plant science research projects is awarded only on the basis of scientific and technical merit.

D. The Oklahoma Center for the Advancement of Science and Technology, contingent on the availability of funds, and with the advice of the Plant Science Research Committee, shall establish and operate a state program designed to secure and impartially distribute funds credited to the Research Support Revolving Fund to support professional service contracts for applied plant science research projects.

E. The OSTRaD Board shall award funding or professional service contracts for applied plant science research only after:

1. Developing, adopting and publishing the criteria it shall use when evaluating research proposals; and

2. Reviewing applied plant science research proposals which present:

- a. documentation, if the proposal is from an institution of higher education or nonprofit research institution, that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than OCAST and other than state-appropriated money; machinery or equipment may be considered as part of the matching funds for the research, but must be accompanied by a statement:

- (1) that the institution of higher education or nonprofit research institution has possession of the machinery or equipment and that it is appropriate and useful to the program under review, and either
 - (2) verifying that the equipment or machinery is donated and has only been used in testing to ensure quality control, or used by a wholesaler or retailer for demonstration purposes only and verifying the fair market value of the machinery or equipment on the date of the gift, or
 - (3) detailing the price paid by the institution of higher education or nonprofit research institution, with an invoice showing the amount paid for the machinery or equipment,
- b. documentation, if the proposal is from a private enterprise, that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than OCAST and other than state-appropriated money. No portion of the fifty percent (50%) may be provided by in-kind services performed by the enterprise,
 - c. a description of the potential commercial application of and the industrial sectors that will likely benefit from the applied research project and the potential to enhance employment opportunities in Oklahoma,
 - d. an itemized research budget, time line and research methodology,
 - e. a recommendation from the sponsoring institution of higher education, nonprofit research institution or business enterprise, and
 - f. other information that may be required by the Board.

F. The OSTRaD Board may approve such applied plant science research proposals, contingent on the availability of funds, after the Board finds, based upon the proposal submitted; external peer review, the majority of whom must reside outside of Oklahoma; and such additional investigation as the staff of OCAST shall make and incorporate in its minutes, that:

1. The proposed project is research that leads to innovation, new knowledge or technology and is not training or technical assistance for business firms;

2. The project has a reasonable probability to enhance employment opportunities within Oklahoma; and

3. The project is technically sound and will produce a specified measurable result.

Added by Laws 2006, c. 297, § 3, eff. Nov. 1, 2006.

§74-5060.54. Requirements for professional service contracts to support basic or applied plant science research projects.

No professional service contract shall be awarded by the Oklahoma Center for the Advancement of Science and Technology (OCAST) to support a basic or applied plant science research project unless:

1. The investigators are residents of this state or become residents of this state before the ninetieth day after a professional service contract, pursuant to which they will be functioning as an investigator, has been funded by OCAST;

2. The institutions that administer the professional service contracts are primarily located in this state and are able to assume financial responsibility for professional service contracts; and

3. The professional service contract will not be transferred to any other institutions within the state without the approval of OCAST and will not be transferred to an institution outside of the State of Oklahoma at any time.

Added by Laws 2006, c. 297, § 4, eff. Nov. 1, 2006.

§74-5061.1. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.2. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.3. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.4. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.5. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.6. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.7. Recodified as § 5085.7 of this title by Laws 1991, c. 188, § 16, eff. July 1, 1991.

§74-5061.8. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.9. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.10. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

- b. indicates which, if any, requirements should be eliminated, modified, or consolidated with other requirements, and
- c. explains the need for continuing those requirements not recommended for elimination.

Added by Laws 1998, c. 309, § 6, eff. July 1, 1998.

§74-5058.7. Services optional - Authority of licensing agency.

A. The services offered to persons by the Business License Information Office are optional. Any person may deal directly with a state agency in obtaining information or assistance, or in applying for a license if the person so prefers.

B. The authority for determining whether a requested license shall be issued shall remain with the state agency legally authorized to issue the license.

Added by Laws 1998, c. 309, § 7, eff. July 1, 1998.

§74-5060.1. Short title.

This act shall be known and may be cited as the "Oklahoma Science and Technology Research and Development Act".

Added by Laws 1987, c. 222, § 16, operative July 1, 1987. Amended by Laws 2002, c. 484, § 1, eff. July 1, 2002.

§74-5060.1a. Goals - Oklahoma Science and Technology Research and Development Board.

A. Recognizing the vast, underutilized human and capital resources, both urban and rural, in the State of Oklahoma and the opportunity for economic development through technological advancement, the Legislature and the Governor hereby adopt the following goals:

1. Establishing Oklahoma as a premier information technology and biotechnology center for the twenty-first century;

2. Enhancing the lives of, and expanding opportunities for, all Oklahomans through growth of information technology, biotechnology, nanotechnology and sensors industries and infrastructure throughout the urban and rural areas of the state;

3. Expanding and diversifying Oklahoma's economy and providing new and higher quality jobs for Oklahomans; and

4. Creating public-private partnerships to provide opportunities for development, expansion, and retention of, funding and financing for, and investment in, technology-oriented enterprises in Oklahoma.

B. To further the goals set forth in the Oklahoma Science and Technology Research and Development Act, there is hereby created the Oklahoma Science and Technology Research and Development Board. The Board shall be responsible for the administration and governance of the Oklahoma Center for the Advancement of Science and Technology.

Added by Laws 2002, c. 484, § 2, eff. July 1, 2002. Amended by Laws 2004, c. 63, § 1, eff. Nov. 1, 2004; Laws 2010, c. 464, § 1, eff. July 1, 2010; Laws 2013, c. 227, § 40, eff. Nov. 1, 2013.

§74-5060.2. Statement of need - Oklahoma Center for the Advancement of Science and Technology created.

A. In order to attain the goals as set forth in the Oklahoma Science and Technology Research and Development Act, Oklahoma enterprises need institutions that combine the resources of the public and private sectors to encourage the development of new products, new processes and whole new industries in Oklahoma. The institutions are needed to:

1. Support the development of new or expanded technologies;
2. Provide basic and applied research capital to move innovation to commercial application;
3. Encourage the transfer of technology to firms and farms throughout the geographic regions of the state;
4. Stimulate seed-capital investment in firms that will use innovation, new technologies, or technological advances in profitable commercial applications;
5. Foster competitiveness, productivity and modernization in Oklahoma firms and farms; and
6. Establish public-private partnerships to provide opportunities for development, expansion, and retention of, funding and financing for, and investment in, technology-oriented enterprises in Oklahoma.

B. There is hereby created the Oklahoma Center for the Advancement of Science and Technology. The Oklahoma Center for the Advancement of Science and Technology is hereby constituted an instrumentality of the state and the exercise of the authority and powers conferred by law shall be deemed and held to be the performance of an essential governmental function.

Added by Laws 1987, c. 222, § 17, operative July 1, 1987. Amended by Laws 1992, c. 230, § 1, eff. July 1, 1992; Laws 2002, c. 484, § 3, eff. July 1, 2002; Laws 2010, c. 464, § 2, eff. July 1, 2010; Laws 2012, c. 304, § 1035; Laws 2013, c. 227, § 41, eff. Nov. 1, 2013.

§74-5060.3. Mission and purposes of Oklahoma Center for the Advancement of Science and Technology.

The mission of the Oklahoma Center for the Advancement of Science and Technology shall be to foster innovation in existing and developing businesses by supporting basic and applied research, by facilitating technology transfer between research laboratories and firms and farms, and by providing seed-capital for innovative and technology-oriented firms and their products. The Oklahoma Center for the Advancement of Science and Technology also shall have the

authority to foster enhanced competitiveness in the national and international markets by small and medium-sized manufacturing firms located in Oklahoma by stimulating productivity and modernization of such firms.

Added by Laws 1987, c. 222, § 18, operative July 1, 1987. Amended by Laws 1992, c. 230, § 2, eff. July 1, 1992; Laws 2002, c. 484, § 4, eff. July 1, 2002; Laws 2010, c. 464, § 3, eff. July 1, 2010; Laws 2013, c. 227, § 42, eff. Nov. 1, 2013.

§74-5060.3a. Renumbered as § 85.3 of Title 3 by Laws 2008, c. 180, § 2, eff. Nov. 1, 2008.

§74-5060.4. Definitions.

As used in the Oklahoma Science and Technology Research and Development Act:

1. "COEAT" means Center of Excellence for Aerospace Technology, an initiative within the Oklahoma Aerospace Institute that undertakes applied research, development and technology transfer that has long-term potential for commercial development;

2. "CASQ" means Center of Aerospace Supplier Quality, an initiative within the Oklahoma Aerospace Institute that serves as a conduit between Oklahoma's military installations and the aerospace industry;

3. "Applied research" means those research activities occurring at institutions of higher education, nonprofit research foundations, and in private enterprises which have potential commercial application;

4. "Basic research" means any original investigation for the advancement of scientific knowledge not having a specific commercial objective, but having potential long-range value to commercial interests;

5. "Board" means the Oklahoma Science and Technology Research and Development Board;

6. "Center" or "OCAST" means the Oklahoma Center for the Advancement of Science and Technology;

7. "Commercialization Center" means a private, nonprofit corporation contracting with and funded in part by OCAST to:

- a. attract to, and retain in, Oklahoma technology and technology-based enterprises,
- b. promote and assist with the development and expansion of scientific and technology-based industry in the state,
- c. facilitate the development of incubators for technology-oriented enterprises,
- d. assist technology-based enterprises in developing and expanding their businesses, obtaining financing and funding, attracting capital, including seed capital

and venture capital, and attracting and retaining key management personnel, scientists, and skilled labor, and

- e. develop, operate, and manage programs to facilitate entrepreneurial activity with respect to technology, scientific-based, biomedical, biomedical-technical, and technology-oriented enterprises in this state;

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

9. "Health research project" means a specific examination, experimentation or investigation, or initiative to provide research resources oriented principally toward basic, applied, and developmental scientific inquiry related to the causes, diagnosis, prevention, and treatment of human diseases and disabilities and mental health and emotional disorders, and the rehabilitation of persons afflicted with such diseases, disabilities, and disorders; new knowledge, better understanding, and innovative methods to improve the processes by which health care services are made available and how they may be provided more efficiently, more effectively and at a lower cost, for all the citizens of this state; and the development of new products and services which shall form the basis of new high-technology health research and care industry for this state;

10. "Industrial Extension System" means a coordinated network of public and private manufacturing modernization resources, the purpose of which is to stimulate the competitiveness of Oklahoma small and medium-sized manufacturing firms;

11. "Institutional Review Board" means a committee composed of investigators, lay representatives, and legal counsel, which is established at each institution of higher learning and each nonprofit research institution receiving funds from a health research project, for the express purpose of determining the appropriateness of any research involving human subjects;

12. "Institutions of higher education" means public and private colleges and universities in the state;

13. "Investigator" means a person who proposes research projects and is primarily responsible for the execution of the proposed projects and is employed by or affiliated with an institution of higher education, a nonprofit research institution in this state, or a private enterprise;

14. "Nanotechnology" means technology development at the molecular range (1nm to 100nm) to create and use structures, devices, and systems that have novel properties because of their small size;

15. "New technology" means methods, products, processes and procedures developed through science or research;

16. "Nonprofit research institution" means any not-for-profit public or private facility in this state which has the capabilities for research projects and which is not a subsidiary of any corporation, partnership, or association organized for profit, nor is its stock or assets owned or controlled by a corporation, partnership, or association organized for profit;

17. "OAI" means Oklahoma Aerospace Institute, a strategic partnership that will focus available resources to promote cooperation and collaboration among Oklahoma businesses, manufacturers, military installations, commercial aviation, higher education institutions, nonprofit research institutions, and state government;

18. "OAME" means the Oklahoma Alliance for Manufacturing Excellence, Inc., a corporation to be formed pursuant to the provisions of Title 18 of the Oklahoma Statutes and Section 5060.26 of this title;

19. "ONAP" means the Oklahoma Nanotechnology Applications Project;

20. "OSTRaD" means the Oklahoma Science and Technology Research and Development Act;

21. "Person" means any individual, partnership, corporation or joint venture carrying on business or proposing to carry on business within the state;

22. "Plant science research" means those research activities occurring at institutions of higher education, nonprofit research institutions, and in private enterprises, which have potential commercial application and concern plant productivity, renewable biomass, plant-based environmental applications and chemical platforms, plant-based solutions to improve nutrition, human and/or animal health or performance, process applications, and seed management and the development of new products and services that shall form the basis of new, high-technology plant science/agriculture industry for this state;

23. "Product" means any outcome, device, technique or process, which is or may be developed or marketed commercially and which has advanced beyond the theoretical stage and is in a prototype or practice stage;

24. "Professional service contract" means a written agreement providing funds for the performance of a research project; for salaries and fringe benefits of personnel associated with research programs; for research equipment; for operating expenses associated with a research program; or for services provided in connection with the evaluation of applications submitted to the Center;

25. "Qualified security" means any public or private financial arrangement, involving any note, security, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, preorganization certificate or

subscription, transferable security, investment contract, certificate of deposit for a security, certificate of interest or participation in a patent or application therefor, or in royalty or other payments under such a patent or application, or, in general, any interest or instrument commonly known as a "security" or any certificate for, receipt for, guarantee of, or option, warrant or right to subscribe to or purchase any of the foregoing to the extent allowed by law;

26. "Seed-capital" means funding, capital, and financing that is provided and made available for the creation, development, validation, refinement, protection, manufacturing, marketing, and commercialization of a product, process, concept, invention, or innovation, whether for the startup of a new enterprise or for the expansion, growth, or restructuring of an existing enterprise; and

27. "Technology transfer" means a two-way process by which ideas or inventions for processes or products (developed in research programs usually on a laboratory or pilot-plant scale) are converted to commercial use.

Added by Laws 1987, c. 222, § 19, operative July 1, 1987. Amended by Laws 1992, c. 230, § 3, eff. July 1, 1992; Laws 1994, c. 288, § 6, eff. July 1, 1994; Laws 1995, c. 279, § 1, eff. July 1, 1995; Laws 2002, c. 484, § 5, eff. July 1, 2002; Laws 2006, c. 76, § 1, eff. July 1, 2006; Laws 2006, c. 263, § 2, eff. July 1, 2006; Laws 2007, c. 1, § 79, emerg. eff. Feb. 22, 2007; Laws 2010, c. 464, § 4, eff. July 1, 2010; Laws 2013, c. 227, § 43, eff. Nov. 1, 2013. NOTE: Laws 1994, c. 287, § 7 repealed by Laws 1995, c. 279, § 9, eff. July 1, 1995. Laws 2006, c. 297, § 1 repealed by Laws 2007, c. 1, § 80, emerg. eff. Feb. 22, 2007.

§74-5060.5. Relationship with Oklahoma Futures and Department of Commerce.

In order to fulfill its missions as provided in Section 5060.3 of this title, the Oklahoma Center for the Advancement of Science and Technology shall be subject to the policy development of Oklahoma Futures.

1. Oklahoma Futures shall in no way interfere with the day-to-day administration of the Center, but shall provide long-term oversight by reviewing and approving the Center's five-year plan and annual oversight by reviewing and approving the Center's annual business plan to ensure the Center fulfills the legislative purpose for which it is created.

2. Notwithstanding other provisions of law, the Oklahoma Department of Commerce shall have the authority to expend funds to administer and operate the programs of the Oklahoma Center for the Advancement of Science and Technology until such time as designated by Oklahoma Futures.

Added by Laws 1987, c. 222, § 20, operative July 1, 1987. Amended by Laws 1992, c. 230, § 4, eff. July 1, 1992.

§74-5060.6. Board of directors.

A. The board of directors for the Oklahoma Science and Technology Research and Development (OSTRaD) Board shall consist of nine (9) members and shall be comprised as follows:

1. Four members appointed by the Governor as follows:

- a. two members representing a higher education institution technology transfer office within this state or a scientist or engineer with extensive experience managing applied scientific or technological research, and
- b. two members who are or who have served as executive officers in industries of life sciences, biotech, autonomous systems, aerospace, energy, information technology, other emerging technologies or finance;

2. Two members appointed by the President Pro Tempore of the Senate who are or who have served as executive officers in industries of life sciences, biotech, autonomous systems, aerospace systems, aerospace, energy, information technology, other emerging technologies or finance, one of whom resides within this state in a current U.S. Census Bureau metropolitan statistical area containing at least five hundred thousand (500,000) residents according to the most recent Federal Decennial Census and one of whom resides within this state and outside the metropolitan statistical areas described in this paragraph;

3. Two members appointed by the Speaker of the House of Representatives who are or who have served as executive officers in industries of life sciences, biotech, autonomous systems, aerospace systems, aerospace, energy, information technology, other emerging technologies or finance, one of whom resides within this state in a current U.S. Census Bureau metropolitan statistical area containing at least five hundred thousand (500,000) residents according to the most recent Federal Decennial Census and one of whom resides within this state and outside the metropolitan statistical areas described in this paragraph; and

4. The Secretary of Science and Innovation.

B. The Secretary of Science and Innovation, or a designee of the Governor, shall serve as chair.

C. In making appointments to the Oklahoma Science and Technology Research and Development Board, appropriate consideration shall be given to representation upon the Board by race, gender and geographical area.

D. With the exception of the Secretary of Science and Innovation, all members shall serve a four-year term at the pleasure of their appointing authority.

E. The Board shall meet at least once each calendar quarter and at such other times:

1. Upon call of the chair;
2. Upon call of the chief executive officer of the OSTRaD or the Institute; or
3. Upon written request of a majority of the board members.

F. Five voting members of the Board shall constitute a quorum. A quorum of the Board shall be necessary to transact business. All actions of the board members shall be made by a majority of the quorum present.

G. The members of the Board shall not be subject to the dual-office-holding prohibitions set forth in Section 6 of Title 51 of the Oklahoma Statutes.

Added by Laws 1987, c. 222, § 21, operative July 1, 1987. Amended by Laws 1988, c. 269, § 1; Laws 2002, c. 484, § 6, eff. July 1, 2002; Laws 2004, c. 217, § 1, eff. Nov. 1, 2004; Laws 2005, c. 82, § 1, eff. July 1, 2005; Laws 2010, c. 141, § 1, eff. July 1, 2010; Laws 2021, c. 463, § 1, emerg. eff. May 10, 2021.

§74-5060.7. Executive director and other officers - Meetings - Conflicts of interest - Liability.

A. The position of president of the Oklahoma Center for the Advancement of Science and Technology is hereby reconstituted as the executive director for the Oklahoma Science and Technology Research and Development Board. The president of the Center upon the effective date of this act shall serve as the executive director for the Board at the pleasure of the Board. Subsequent executive directors shall be selected by the Board and shall serve at the pleasure of the Board. The executive director shall serve as the chief executive officer of the Center and the Institute, and shall direct and supervise the administrative affairs and the general management of the Center and the Institute. The Board shall establish criteria for selecting the executive director taking into consideration national standards. The search for the executive director shall be conducted pursuant to the criteria so established.

B. The executive director:

1. May employ and terminate such other officers and employees as designated by the Board including, if necessary, legal counsel to be chosen through a request for proposal process;

2. Shall attend board meetings;

3. Shall appoint a secretary of the Board to keep a record of all proceedings and maintain and be custodian of all financial and operational records, documents and papers filed with the Center and the Institute and of the minute book of the Center and the Institute; and

4. Before accepting any applications as provided for under this act, shall prepare a business plan which shall include the analysis

of funding levels of programs in other states that are shown in the report required in subsection B of Section 5060.22 of this title, and the threshold funding levels specified in subsection C of Section 5060.22 of this title.

C. The meetings of the Board shall be subject to the Open Meeting Act and the Open Records Act. Any information submitted to or compiled by the Center or the Institute with respect to the marketing plans, financial statements, trade secrets, research concepts, methods or products, or any other proprietary information of persons, firms, associations, partnerships, agencies, corporations, institutions of higher education, nonprofit research institutions or other entities shall be confidential, except to the extent that the person or entity which provided such information or which is the subject of such information consents to disclosure. Executive sessions may be held to discuss such materials if deemed necessary by the Board.

D. If a member of the Board, officer, agent or employee of the Center or the Institute has any direct or any indirect interest in any approval, contract or agreement upon which the member, officer, agent or employee may be called upon to act or vote, the board member, officer, agent or employee shall disclose the same to the secretary of the Board prior to the taking of final action by the Board concerning such contract or agreement and shall so disclose the nature and extent of such interest and the acquisition thereof, which disclosure shall be publicly acknowledged by the Board and entered upon the minutes of the Board. A Board member, officer, agent or employee who holds such an interest shall refrain from any further official involvement in regard to such contract or agreement, from voting on any matter pertaining to such contract or agreement, and from communicating with other board members, officers, agents or employees concerning said contract or agreement. Employees of the Center, including employees assigned to the Institute, shall be subject to the provisions of the Ethics Commission rules. Notwithstanding any other provision of law, any contract or agreement entered into in conformity with this subsection shall not be void or invalid by reason of the interest described in this subsection, nor shall any person so disclosing the interest and refraining from further official involvement as provided for in this subsection be guilty of an offense, be removed from office, or be subject to any other penalty on account of such interest. Provided, any approval, contract or agreement made in violation of this section shall give rise to no action against the Board, the Center or the Institute.

Indirect interest shall include pecuniary or competitive advantage which exists or could foreseeably accrue as a result of the act or forbearance of the Board, Center or Institute.

E. No director or any person acting on behalf of the Board, Center or Institute executing any contracts, commitments, or agreements issued pursuant to this act shall be personally liable upon such contracts, commitments, or agreements or be subject to any personal liability or accountability by reason thereof. No director or any person acting on behalf of the Board, Center or Institute shall be personally liable for damage or injury resulting from the performance of duties hereunder.

Added by Laws 1987, c. 222, § 22, operative July 1, 1987. Amended by Laws 2002, c. 484, § 7, eff. July 1, 2002.

§74-5060.8. Annual business plan - Five-year strategic plan.

The Oklahoma Science and Technology Research and Development Board shall develop an annual business plan and a five-year strategic plan for the Center and the Institute.

Added by Laws 1987, c. 222, § 23, operative July 1, 1987. Amended by Laws 2002, c. 484, § 8, eff. July 1, 2002.

§74-5060.9. Powers of Oklahoma Science and Technology Research and Development Board - Tax exemptions - Administrative policies.

A. The Oklahoma Science and Technology Research and Development Board shall have the power to:

1. Make, amend and repeal bylaws for the management of the Center;

2. Sue and be sued;

3. Make contracts and execute all instruments necessary or convenient for carrying out the business of the Center;

4. Acquire, own, hold, dispose of and encumber real or personal property of any nature, including tangible, intangible, commercial or intellectual, or any interest therein;

5. Enter into agreements or other transactions with any federal, state, county or municipal agency, authority or other governmental entity and with any individual, corporation, enterprise, association or any other entity involving research and technology;

6. Acquire real property or an interest therein, by purchase or foreclosure, where such acquisition is necessary or appropriate to protect or secure any investment or loan in which the Center has an interest;

7. Sell, transfer and convey any such property to a buyer, and in the event such sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, to lease such property to a tenant;

8. Invest any funds provided by the state and held in reserve in funds not required for immediate disbursement and invest funds received from gifts, grants, donations and other operations of the

Center in such investments as would be lawful for a private corporation having purposes similar to the Center;

9. Borrow money and give guaranties, provided that the indebtedness and other obligations of the Center shall be payable solely out of the resources of the Center and shall not constitute a pledge of the full faith and credit of the state or any of its revenues;

10. Appoint officers, consultants, agents and advisors, and prescribe their duties and compensation;

11. Appear on its own behalf or on behalf of the Center before boards, commissions, departments or other agencies of municipal, county or state government or federal government;

12. Procure insurance against any losses in connection with its properties in such amounts from such insurers as may be necessary or desirable;

13. Consent, subject to the provisions of any contract with note-holders, whenever it considers it necessary or desirable in the fulfillment of the goals and purposes of the Center, to the modifications, with respect to the rate of interest, time payment or of any installment, of principal and interest or any terms of any contract or agreement of any kind to which the Center is a party;

14. Accept any and all donations, grants, bequests and devises, conditional and otherwise, of money, property, services or other things of value which may be received from the United States or any agency thereof, any governmental agency, or any institution, person, firm or corporation, public or private, to be held, used or applied for any or all of the goals and purposes of the Center, in accordance with the terms and conditions of any such grant;

15. Trade, buy or sell qualified securities;

16. Own, possess and take license in, patents, copyrights and proprietary processes and negotiate and enter into contracts and establish charges for the use of such patents, copyrights and proprietary processes when such patents and licenses for innovation or inventions result from research sponsored by the Center in a private enterprise or when the Center finances a product developed by a private enterprise;

17. Establish policies governing royalty payments to the Center on patents and licenses for innovations or inventions arising in the course of research sponsored by the Center at institutions of higher education and nonprofit research foundations; such royalty policies should reflect an appropriate sharing of legal risk as well as financial return between the Center and such institution or foundation; such patents and licenses shall be in keeping with the patent policies of such institutions or foundations;

18. Conduct studies which are related to economic development, involving product or process innovations;

19. Solicit, study and assist in the preparation of business plans and proposals of new or established enterprises of special importance to the Oklahoma economy;

20. Prepare, publish and distribute such technological studies, reports, bulletins and other materials as it considers appropriate, subject only to the maintenance and responsibility for confidentiality of the client proprietary information, and encourage institutions of higher education to develop and disseminate similar materials;

21. Sponsor, or co-sponsor with both private industry and higher education institutions, special institutes, conferences and demonstrations relating to the stimulation of innovation, science and technologically oriented enterprises;

22. Participate with any state agency or institution of higher education in developing specific goals, programs and performance monitoring systems to assist in the development of basic research, applied research and technology transfer of special importance to the Oklahoma economy;

23. Provide scientific and technological data and information required by the Governor, the Legislature, or its committees, and to state agencies, institutions of higher education and cities, towns, counties and school districts and to private citizens and groups, within the limitations of the resources available to the Center;

24. Provide training and practical experience for Oklahoma researchers in the preparation of applications for peer-reviewed grant competitions;

25. Facilitate public/private partnerships that will support the creation of endowed chairs, scholarships, research grants, and business opportunities;

26. Develop policies and procedures for partnering with and/or between universities offering engineering or technology degrees in Oklahoma to facilitate joint public/private technology research and development projects using resources and facilities of such public higher education institutions or private entities; provided that, the Board shall utilize, and accord lead status to, Rogers State University for coordinating and delivering higher education distance learning opportunities initiated or developed by the Board;

27. Advertise for, accept, and fund proposals from universities, private industries, towns, counties, municipalities, and individuals to achieve its goals and purposes;

28. Collaborate with the various entities to develop initiatives which foster economic development through technological advancement;

29. Create institutes or centers with world-class research teams that support the state's primary economic development thrusts; and

30. Exercise any other powers necessary for the operation and functioning of the Center within the purposes authorized in this act.

B. The Center shall be exempt from all franchise, corporate business and income taxes levied by the state. The manufacture or sale of any products or processes which are the subject of any agreement made by the Center, or any person entering into any agreement with the Center shall not be exempt from any such taxes or taxes applicable to such manufacture or sale.

C. The Center shall include in the annual business plan appropriate administrative policies, including but not limited to policies governing the classification, employment, promotion, suspension, disciplinary action or dismissal of Center employees, purchasing, travel, and reimbursement of employees. All actions governed by said administrative policies shall be examined annually in the independent audit required by Section 5060.22 of this title. The Center shall not be subject to state purchasing laws, except with respect to purchases required for the administrative expenses of the Board, or laws concerning travel or reimbursement of state employees. Professional service contracts executed by the Center shall not be subject to any requirement of law relating to competitive bidding.

Because many of the powers and duties of the Center involve working closely with the private sector, certain employee positions of the Center must be governed, classified and compensated in a manner that compares equally to similar positions in the private sector. Therefore, in the annual business plan, the Board shall list, describe and justify all such positions and their compensation and shall designate and place them in unclassified status, exempt from the provisions of the Oklahoma Personnel Act. All other employees and positions shall be classified and subject to the provisions of the Merit System of Personnel Administration as provided in the Oklahoma Personnel 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 Board have the authority to circumvent, disregard or otherwise disobey specific provisions of law regarding positions in the Center.

D. Upon approval of the Board, the Center shall have the authority to exercise the powers enumerated in subsection A of this section.

Added by Laws 1987, c. 222, § 24, operative July 1, 1987. Amended by Laws 2002, c. 484, § 9, eff. July 1, 2002; Laws 2013, c. 227, § 44, eff. Nov. 1, 2013.

§74-5060.9a. Repealed by Laws 2022, c. 39, § 1, eff. July 1, 2022.

§74-5060.9a-1. Renumbered as § 1-554 of Title 63 by Laws 1998, c. 210, § 9, eff. July 1, 1998.

§74-5060.9b. Renumbered as § 1-555 of Title 63 by Laws 1998, c. 210, § 9, eff. July 1, 1998.

§74-5060.9c. Renumbered as § 1-556 of Title 63 by Laws 1998, c. 210, § 9, eff. July 1, 1998.

§74-5060.9d. Repealed by Laws 1998, c. 210, § 8, eff. July 1, 1998.

§74-5060.9e. Renumbered as § 1-558 of Title 63 by Laws 1998, c. 210, § 9, eff. July 1, 1998.

§74-5060.10. Commercial application of results of research as condition of assistance.

The Oklahoma Center for the Advancement of Science and Technology shall require as a condition to any form of financial or other assistance authorized by this act before such assistance is provided to any person, firm, business enterprise or corporation that any patent, license, copyright, goods, services, proprietary processes or other results of research that result in a commercial application shall be developed or produced by an Oklahoma-based firm or that a legitimate effort shall be made to apply the results of financial or other assistance in a manner that has a reasonable potential to create or enhance employment or other factors contributing to economic growth within Oklahoma. The board of directors of the Oklahoma Center for the Advancement of Science and Technology shall prescribe policies and procedures in order to implement the provisions of this section.

Added by Laws 1987, c. 222, § 25, operative July 1, 1987.

§74-5060.11. Research Support Revolving Fund.

There is hereby created in the State Treasury a revolving fund for the Oklahoma Center for the Advancement of Science and Technology to be designated the "Research Support Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations. The fund shall consist of all monies authorized by law for deposit in such fund including, but not limited to, gifts, grants, private donations, fee revenues and funds by government entities authorized to provide funding for the purposes authorized for the use of the fund. Monies deposited or apportioned to the credit of the fund in excess of that required for implementation of the program or programs for which expenditures from the fund are authorized may be transferred to any other fund under the control of the Center. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma

Center for the Advancement of Science and Technology for purposes authorized by law. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

Added by Laws 1987, c. 222, § 26, operative July 1, 1987. Amended by Laws 1988, c. 246, § 11, operative July 1, 1988; Laws 1995, c. 279, § 2, eff. July 1, 1995; Laws 2012, c. 304, § 1036.

§74-5060.12. Centers of excellence.

A. The purpose of this section is to authorize the establishment of two types of centers of excellence at institutions of higher education or nonprofit research institutions: centers of excellence for basic research and centers of excellence for applied research, development and technology transfer.

B. Centers of excellence for basic research will primarily undertake ongoing basic research that has potential for long-range value to the state's economic development. The centers should build on institutional strengths and conduct activity in areas of research in which the participating institutions of higher education or nonprofit research institutions have achieved or have true promise of attaining a standard of excellence as recognized by national and international peers.

C. Centers of excellence for applied research, development and technology transfer will primarily undertake applied research, development and technology transfer that has long-run potential for commercial development. The centers should build on institutional strengths and conduct activity in areas of research in which the participating institutions of higher education or nonprofit research institutions have achieved or have true promise of attaining a standard of excellence in applied research and development.

D. The Oklahoma Center for the Advancement of Science and Technology (OCAST) shall award funding to centers of excellence in accordance with subsections E and F of this section.

E. OCAST may award funding from the Research Support Revolving Fund for new centers and increased funding for established centers only after:

1. Developing, adopting and publishing the criteria it shall use when evaluating centers of excellence; and

2. Reviewing proposals for new or established centers of excellence containing:

- a. documentation, in the case of applied research, development and technology transfer, that not less than fifty percent (50%) of the center's total funding will be provided by sources other than OCAST and other than state-appropriated money; and, in the case of basic research, documentation that not less than

twenty percent (20%) of the funding for centers conducting basic research will be provided by sources other than OCAST and other than state-appropriated money; machinery or equipment may be considered as part of the matching funds, but must be accompanied by a statement that the center of excellence has received the machinery or equipment, that it is appropriate and useful to the program under review, and either:

- (1) verifying that the machinery or equipment is donated, has only been used in testing to ensure quality control, or used by a wholesaler or retailer for demonstration purposes only and verifying the fair market value of the machinery or equipment on the date of the gift, or
 - (2) detailing the price paid by the center of excellence, with an invoice showing the amount paid for the equipment,
- b. a description of the proposed center's potential contribution to the state's economic development interests,
 - c. an itemized operations budget, and
 - d. other information that may be required by the Oklahoma Science and Technology Research and Development Board.

F. The board may approve proposals to establish new centers of excellence and increase funding for existing centers contingent on the availability of funds and only after the board finds, based upon the proposal submitted, external peer reviews, and such additional investigation as the staff of OCAST shall make and incorporate in its minutes that:

1. Each proposed center of excellence involves higher education institution(s), nonprofit research institution(s), and private enterprise;

2. Each proposed center of excellence is funded at Nine Hundred Thousand Dollars (\$900,000.00), or so much as is needed, per year for five (5) years, above the annual appropriation for OCAST;

3. In the case of applied research, development and technology transfer the proposed center of excellence has the potential to stimulate economic development in Oklahoma by fostering partnership among higher education institutions, nonprofit research institutions, and businesses;

4. The center has the long-run potential to benefit existing and new businesses through innovation and development of new technology; and

5. Approval of the proposal will not create or foster unnecessary duplication of programs, particularly at the graduate level of instruction.

G. Any commercialized research that results from the funding of a center of excellence shall be subject to negotiations and policies pursuant to the provisions of this act.

Added by Laws 1987, c. 222, § 27, operative July 1, 1987. Amended by Laws 1995, c. 279, § 3, eff. July 1, 1995; Laws 2006, c. 297, § 2, eff. Nov. 1, 2006.

§74-5060.13. Challenge funding of research.

A. The Center may use monies from the Research Support Revolving Fund for the purposes of this act by awarding competitive funds, through professional service contracts or otherwise, to institutions of higher education, nonprofit research foundations and private enterprises of special importance to the Oklahoma economy.

B. The Center is authorized to provide challenge funding to Oklahoma higher education institutions for the purpose of assisting such institutions to raise funds in research areas where they have achieved or have true promise of attaining a standard of excellence as recognized by national and international peers. The Center may transfer to the Oklahoma State Regents for Higher Education the endowed chairs established pursuant to paragraph 1 of subsection D of this section, with any funds associated with such endowed chairs, for the purposes specified in Section 3952 of Title 70 of the Oklahoma Statutes.

C. Any higher education institution which desires to obtain such challenge funding authorized in subsection B of this section shall submit an application to the Oklahoma Center for the Advancement of Science and Technology. Such application shall specify the total amount of funds such institution will provide to meet the requirements of the challenge funding and the research merits and economic benefits of the proposals as well as any other information which the Center may deem necessary in order to evaluate the application; provided, however, such institution shall not use state-appropriated funds for the purpose of meeting the requirements of such challenge funding.

D. Funding shall be awarded on the following basis:

1. For endowed chair professional service contracts or grants, the Center shall match Two Dollars (\$2.00) from the More Oklahoma Science and Technology (MOST) Eminent Scholars and Research Equipment Account for every One Dollar (\$1.00) of interest income generated by the endowment for such chair; however, the amount of a state professional service contract or grant for any endowed chair shall not be less than Fifty Thousand Dollars (\$50,000.00) for any one fiscal year. Funding awarded to match such interest shall be limited to endowed chairs created after May 27, 1986; and

2. For research professional service contracts or grants, the Center shall match One Dollar (\$1.00) from the More Oklahoma Science and Technology (MOST) Eminent Scholars and Research Equipment

Account for every One Dollar (\$1.00) of monies that will be raised by such institution for matching purposes. The minimum amount of a state professional service contract or grant for any research project shall not be less than Ten Thousand Dollars (\$10,000.00) and shall be limited to acquiring research equipment. No applicant for a professional service contract or grant for research equipment under this paragraph shall be required to obtain the mandatory matching funding prior to application to the Center for funding. Applicants selected by the Center for funding shall have up to twelve (12) months from the date of selection to obtain the required matching funds. A selected applicant may request an extension of time not to exceed three (3) months to obtain the necessary matching funds. The period for obtaining matching funds shall not exceed a total of fifteen (15) months from the date of selection.

E. Persons selected to hold such endowed chairs or to receive funding for research as provided for in this section shall be selected pursuant to the procedures of the higher education institution which has been awarded such funding.

F. Approval of any challenge funding proposal shall be based upon the proposal submitted, external peer review and such additional investigation as the staff of the Center shall make. Added by Laws 1987, c. 222, § 28, operative July 1, 1987. Amended by Laws 1989, c. 312, § 8, operative July 1, 1989; Laws 1992, c. 324, § 27, eff. July 1, 1992; Laws 1995, c. 279, § 4, eff. July 1, 1995.

§74-5060.14. Oklahoma Health Research Committee.

A. The Oklahoma Center for the Advancement of Science and Technology may use monies from the Research Support Revolving Fund to carry out the purposes of the Oklahoma Center for the Advancement of Science and Technology Act by awarding competitive health research funds, through professional service contracts, to institutions of higher education, nonprofit research foundations and private enterprises of special importance to the Oklahoma economy.

B. There is hereby created within the Oklahoma Center for the Advancement of Science and Technology, the Oklahoma Health Research Committee to be appointed by the Governor which shall consist of nine (9) members, no more than five nor less than three of whom shall be physicians licensed pursuant to the laws of this state. For the initial Committee, three members shall be appointed for a term of two (2) years; three members shall be appointed for a term of four (4) years; and three members shall be appointed for a term of six (6) years. Thereafter members shall be appointed for a term of six (6) years. At all times the Committee shall be composed of at least:

1. One member from the clergy or who has an advanced degree in philosophy from an accredited institution of higher learning;

2. Five members who shall be basic health research scientists each having an established record of basic health science research accomplishment and a demonstrated interest in public service to represent the following areas: Epidemiology, public health or biometrics or psychology; biochemistry, anatomy or nutrition; microbiology, immunology or molecular biology; genetics, pathology, or pharmacology; biology or physiology; and

3. Three members who shall be clinical research scientists having an established record of clinical biomedical science research accomplishment and a demonstrated interest in public service to represent the clinical research disciplines.

The Health Research Committee as constituted prior to the effective date of this act shall be re-created within the Oklahoma Center for the Advancement of Science and Technology. Members of the Committee, formerly within the Oklahoma Department of Commerce, serving terms upon the effective date of this act shall continue to serve such terms.

Upon expiration of any term of office of the Health Research Committee, in making appointments to the Committee appropriate consideration shall be given to representation upon the Committee by race, gender and geographical area.

C. Any vacancy on the Committee shall be filled for the unexpired term within thirty (30) days after the vacancy occurs.

D. No more than three members of the Committee shall have the same primary affiliation with an institution of higher learning or a nonprofit research institution.

E. A basic health research scientist or clinical research scientist shall not be eligible to become a member of the Committee unless said scientist is the inventor of one or more products which have earned more than Two Hundred Thousand Dollars (\$200,000.00) in royalties or other profit within the fifteen (15) years immediately preceding appointment or is the principal investigator for research grants awarded by national health research organizations for at least five (5) years during the fifteen (15) years immediately preceding appointment. Contractual commitments which have been made for a product or products shall qualify in meeting the royalty or profit requirement. Tentative commitments for future funding from national health research organizations shall satisfy the research grant requirement. Research grants awarded by the National Science Foundation, the National Institutes of Health, the American Heart Association, the Lung Association, the American Cancer Society, the Arthritis Foundation, the March of Dimes, and such other organizations that hold a peer-reviewed national competition for the distribution of research funds that the Committee deems acceptable from time to time shall satisfy the research grant requirement. Research grants which only may be awarded to investigators in this state shall not be used to satisfy the research grant time of

support requirement. Service contracts or other grants which do not require submission of a research project or which are not funded competitively on the basis of scientific merit of the research project shall not satisfy the research grant time of support requirement.

F. Members of the Committee shall be reimbursed for expenses incurred in the performance of their duties as provided by the board of directors of the Center.

G. The Committee shall elect from its membership a chair to serve a two-year term and such other officers from its membership as deemed necessary for the performance of the duties of the Committee. The Committee shall hold regular meetings not less than once a quarter and such additional meetings as called by the chair as may be required for the proper discharge of the duties of the Committee. Any action by the Committee shall require the affirmative vote of a majority of its members present. Five members shall constitute a quorum.

Added by Laws 1987, c. 222, § 29, operative July 1, 1987. Amended by Laws 1994, c. 288, § 7, eff. July 1, 1994; Laws 1995, c. 279, § 5, eff. July 1, 1995; Laws 1996, c. 143, § 3, emerg. eff. May 7, 1996; Laws 1998, c. 210, § 7, eff. July 1, 1998.

NOTE: Laws 1994, c. 287, § 8 repealed by Laws 1995, c. 279, § 9, eff. July 1, 1995.

§74-5060.15. Evaluation of health research projects.

The Committee shall evaluate the merits of proposed health research projects, the qualifications of investigators, and the facilities in which proposed health research projects will be performed, and shall advise the Center of its findings.

Added by Laws 1987, c. 222, § 30, operative July 1, 1987.

§74-5060.16. Duties of Center relating to health research.

The Oklahoma Center for the Advancement of Science and Technology, with the advice and consent of the Committee, shall:

1. Establish and operate a state program designed to secure and impartially distribute funds credited to the Research Support Revolving Fund to support professional service contracts for health research projects;

2. Ensure that funding to support health research projects is awarded only on the basis of scientific merit;

3. Design the health research program to ensure the optimum performance of the investigator and the maximum efficiency of the project;

4. Evaluate and approve health research projects to be funded from the Research Support Revolving Fund;

5. Establish a procedure for the referral of proposed health research projects to the Committee for review;

6. Establish procedures for review of proposed health research projects by qualified individuals residing outside this state;

7. Suspend or terminate any professional service contract supporting health research projects for failure by an investigator, institution of higher learning, or nonprofit research institution to comply with the procedures, requirements, or bylaws of the Center; and

8. Enter into contracts to ensure the optimum performance of health research investigators and to ensure the maximum efficiency of proposed health research projects.

Added by Laws 1987, c. 222, § 31, operative July 1, 1987. Amended by Laws 1995, c. 279, § 6, eff. July 1, 1995.

§74-5060.17. Conditions for award of professional service contract to support health research project.

No professional service contract shall be awarded by the Oklahoma Center for the Advancement of Science and Technology to support a health research project unless:

1. The investigators are residents of this state or become residents of this state before the ninetieth day after a professional service contract, pursuant to which they will be functioning as an investigator, has been funded by the Center;

2. The institutions that administer the professional service contracts are primarily located in this state and are able to assume financial responsibility for professional service contracts;

3. The professional service contract will not be transferred to any other institutions within the state without the approval of the Center and will not be transferred to an institution outside this state at any time; and

4. The funds will not be expended for patient care except if patient care is an intrinsic part of a funded professional service contract.

Added by Laws 1987, c. 222, § 32, operative July 1, 1987.

§74-5060.18. Annual conference on commercial application of results of health research projects.

The Oklahoma Center for the Advancement of Science and Technology shall sponsor an annual conference of health research investigators, representatives of institutions of higher learning, nonprofit research institutions, and representatives of industry to accelerate and facilitate the commercial development of new products and services conceived or developed as consequence of professional service contracts supporting health research projects.

Added by Laws 1987, c. 222, § 33, operative July 1, 1987.

§74-5060.19. Criteria for award of funding or professional service contract - Applied research proposals - Small business innovation research - Commercialized research.

A. The Center may use monies from the Research Support Revolving Fund to carry out the purposes of this act by awarding competitive applied research funds, through professional service contracts or otherwise, to institutions of higher education, nonprofit research foundations and private enterprises of special importance to the Oklahoma economy. The Center may use the fund to provide funding for the programs and purposes specified in subsection D of this section.

B. The board shall award funding or professional service contracts only after:

1. Developing, adopting and publishing the criteria it shall use when evaluating research proposals; and

2. Reviewing applied research proposals which present:

- a. documentation, if the proposal is from an institution of higher education or nonprofit research institutions, that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than the Center and other than state-appropriated money; machinery or equipment may be considered as part of the matching funds for the research, but must be accompanied by a statement:
 - (1) that the institution of higher education or nonprofit research institution has received the machinery or equipment and that it is appropriate and useful to the program under review; and either
 - (2) verifying that the equipment or machinery is donated and has only been used in testing to ensure quality control, or used by a wholesaler or retailer for demonstration purposes only and verifying the fair market value of the machinery or equipment on the date of the gift; or
 - (3) detailing the price paid by the institution of higher education or nonprofit research institution, with an invoice showing the amount paid for the machinery or equipment;
- b. documentation, if the proposal is from a private enterprise, that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than the Center and other than state-appropriated money. No portion of the fifty percent (50%) may be provided by in-kind services performed by the enterprise;

- c. a description of the potential commercial application of and the industrial sectors that will likely benefit from the applied research project and the potential to enhance employment opportunities in Oklahoma;
- d. an itemized research budget, time line and research methodology;
- e. a recommendation from the sponsoring institution of higher education, nonprofit research institution or business enterprise; and
- f. other information that may be required by the board.

C. The board may approve such applied research proposals after the board finds, based upon the proposal submitted, external peer review and such additional investigation as the staff of the Center shall make and incorporate in its minutes, that:

- 1. The proposed project is research that leads to innovation, new knowledge or technology and is not training or technical assistance for business firms;
- 2. The project has a reasonable probability to enhance employment opportunities within Oklahoma; and
- 3. The project is technically sound and will produce a measurable result.

D. The Center is directed to develop a small business innovation research (SBIR) matching support program which meets the highest current standards for state matching support to federal SBIR program grants. The Center shall also develop and implement a program to financially support the preparation of SBIR grant proposals by Oklahoma entities. The Center may also develop and implement programs to encourage Oklahoma firms to participate in other federal research and development programs including, but not limited to, the Small Business Technology Transfer (SBTT) program.

E. Any commercialized research that results from Center funding of applied research shall be subject to negotiations and policies pursuant to the provisions of this act.

Added by Laws 1987, c. 222, § 34, operative July 1, 1987. Amended by Laws 1995, c. 279, § 7, eff. July 1, 1995.

§74-5060.20. Information clearinghouse - Technical services - Technical information data bases and industrial liaison offices - Minority business assistance.

A. The Center may use monies from the Research Support Revolving Fund to carry out the purposes of this section.

B. The Oklahoma Center for the Advancement of Science and Technology shall establish a clearinghouse to provide technology transfer and technical referral services and may charge reasonable user fees to recover the costs of providing such services. The Center may fund institutions of higher education to establish technical information data bases and industrial liaison offices

which are easily accessible by both private and public sector organizations.

C. The Center shall provide to private enterprises and individuals, services which include, but are not limited to:

1. Disseminating research and technical information;
2. Referring clients to researchers or laboratories for the purpose of testing and evaluating new products, processes or innovations;
3. Assisting persons developing innovations or new technology in locating enterprises or entrepreneurs that may be interested in applying such innovations or new technologies; and
4. Providing managerial assistance to enterprises requesting such assistance, but particularly to those small enterprises of special importance to the Oklahoma economy.

D. The Center shall encourage business enterprises to use such technology transfer and technical support services as provided by institutions of higher education and especially the state's Small Business Development Centers.

E. The Center shall assist minority businesses in obtaining investments or loans or other means of financial assistance. The terms and conditions of such loans or financial assistance, including the charges for interest and other services, will be consistent with the provisions of this act. The Center shall solicit proposed minority business ventures for review and analysis. Added by Laws 1987, c. 222, § 35, operative July 1, 1987. Amended by Laws 1995, c. 279, § 8, eff. July 1, 1995.

§74-5060.20a. Technology business financing program - Specifications.

The Oklahoma Center for the Advancement of Science and Technology (OCAST), in conjunction with the Commercialization Center, may develop and implement a technology business financing program to provide funding and financing for and to assist qualified Oklahoma enterprises to commercialize new products, services, technology, innovations, and processes. In order to obtain funding or financing from the technology business financing program, a recipient shall be required to obtain separate private investment or funding, and may also be required to pay royalties, fees, interest, profits, or other payments generated or arising from the sale, lease, licensing, distribution, manufacture, marketing, or development of products, services, technology, innovations, and processes, whether alone or in conjunction with others, or generated or arising from a sale, acquisition, merger, or other transfer or takeover of the enterprise. Any such royalties, fees, interest, profits, or other payments or return of funding and financing shall be retained for use in the program. OCAST, in conjunction with the Commercialization Center, shall establish program specifications.

OCAST may contract with the Commercialization Center or other qualified entity to operate and manage the program. Program funds shall not be used to pay administrative, management, or operating expenses of OCAST.

Added by Laws 1998, c. 211, § 4, eff. July 1, 1998. Amended by Laws 2010, c. 464, § 5, eff. July 1, 2010.

§74-5060.20b. Cooperation between the Commercialization Center and technology transfer offices.

It is the intent of the Legislature that the Commercialization Center funded through the Oklahoma Center for the Advancement of Science and Technology (OCAST) and the technology transfer offices within The Oklahoma State System of Higher Education (OSSHE) complement each other's capabilities and work closely to optimize each other's effectiveness. The OSSHE technology transfer offices shall create an entrepreneurial climate on the campuses to maximize opportunities for commercialization of technology resulting from university research. The Commercialization Center shall assist technology-based businesses to start up and grow in Oklahoma.

Added by Laws 1998, c. 211, § 5, eff. July 1, 1998. Amended by Laws 2010, c. 464, § 6, eff. July 1, 2010.

§74-5060.21. Seed-Capital Revolving Fund - Authorized investments - Investment committee.

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Center for the Advancement of Science and Technology to be designated the "Seed-Capital Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations. The fund shall consist of all monies authorized by law for deposit in the fund including but not limited to gifts, grants, private donations and funds by government entities authorized to provide funding for the purposes authorized for use of the fund and with payments on loans made from the fund, rents, dividends paid on shares of stock purchased with monies from the fund, royalty proceeds, or any other form of return on authorized investments made by the Center. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma Center for the Advancement of Science and Technology for use as seed-capital for enterprises and for the purposes set forth in this section, and shall not be used for administrative, management, or operating expenses of the Center. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

B. The Seed-Capital Revolving Fund shall be managed consistent with the long-term goal that revenues earned from investment of the fund be used to cover administrative costs of the fund. The Center

may contract with the Commercialization Center or another entity to manage the Seed-Capital Revolving Fund and to carry out the activities set forth in this section.

C. The Center may use the Seed-Capital Revolving Fund to provide seed-capital to enterprises and to carry out the purposes of the Oklahoma Science and Technology Research and Development Act through authorized investments, including:

1. Loans, loans convertible to equity, and equity;
2. Leaseholds;
3. Management or consultant service agreements;
4. Loans with stock subscription or similar warrants that are beneficially owned by the Center;
5. Loans with stock subscription or similar warrants that are beneficially owned by a party other than the Center;
6. Any other contractual arrangement in which the Center is providing scientific and technological services to any federal, state, county or municipal agency, or to any individual, corporation, enterprise, association or any other entity involving science and technology. The Center, in connection with the provision of any form of financial assistance, may enter into royalty agreements with an enterprise;
7. Participation as a general or limited partner in other seed-capital funds or participation as a limited partner in individual cases as authorized by the board of directors;
8. Royalty or other interests in patents, licenses, trade secrets or other technology; and
9. All other seed-capital investments and qualified securities as defined in the Oklahoma Science and Technology Research and Development Act.

D. The Center may use the Seed-Capital Revolving Fund to purchase qualified securities issued by enterprises engaged in new product or process innovations subject to the conditions set forth in this section.

E. The Center may use the Seed-Capital Revolving Fund to make loans for business incubator facilities in exchange for interests in the enterprises.

F. The Center shall make authorized seed-capital investments in enterprises engaged in new product or process innovations only after:

1. Receipt of an application from the enterprise which contains:
 - a. a business plan including a description of the enterprise and its management, product and market,
 - b. a statement of the amount, timing and projected use of the capital required,

- c. a statement of the potential economic impact of the enterprise, including the number, location and types of jobs expected to be created, and
- d. such other information as the Center board of directors shall request; and

2. Approval of the investment by the Center. Such approval may be made after the board of directors finds, based upon the application submitted by the enterprise and such additional investigation as the staff of the Center shall make and incorporate in its minutes, or based on the recommendation of the fund manager, if the Center contracts with the Commercialization Center or another entity to manage the Seed-Capital Revolving Fund, that:

- a. the proceeds of the investment or financial assistance will be used only to cover the seed-capital needs of the enterprise except as authorized by this section,
- b. the enterprise has a reasonable chance of success,
- c. the Center's participation is instrumental to the success of the enterprise and will assist in its retention within the state,
- d. the Center's investment is leveraged by at least one additional equity or near-equity investor,
- e. the enterprise has the reasonable potential to enhance employment opportunities within the state,
- f. the entrepreneur and other founders of the enterprise have already made or are contractually committed to make an appropriate financial and time commitment to the enterprise,
- g. any securities to be purchased are qualified securities,
- h. there is a reasonable possibility that the Center will recoup at least its initial investment or financial commitment, and
- i. binding commitments have been made to the Center by the enterprise for adequate reporting of financial data to the Center, which shall include a requirement for an annual report, or if required by the board, an annual audit of the financial and operational records of the enterprise, and for such control on the part of the Center as the board of directors shall consider prudent over the management of the enterprise, so as to protect the investment or financial commitment of the Center, including in the discretion of the board and without limitation, right of access to financial and other records of the enterprise, and membership or representation on the board of directors of the enterprise.

G. The board of directors shall create an investment committee to assist in evaluating potential investments in qualified securities and provision of other forms of authorized financial assistance. The membership of this investment committee shall serve at the pleasure of the board and shall consist of:

1. No more than two members of the board of directors, neither of whom serves on any advisory committee to the Center; and

2. Persons drawn from sources other than the Center who meet standards similar to those applying to the board of directors and who are recognized by their peers for outstanding knowledge and leadership in their fields, all of whom shall serve at the pleasure of the board.

H. The Center shall not make investments in qualified securities issued by enterprises in excess of the amount necessary to own more than forty-nine percent (49%) of qualified securities in any one enterprise at the time such securities are purchased by the Center, after giving effect to the conversion of all outstanding convertible qualified securities of the enterprise; however, in the event of severe financial difficulty of the enterprise, threatening, in the judgment of the board of directors, the investment of the Center therein, a greater percentage of such securities may be owned by the Center.

Added by Laws 1987, c. 222, § 36, operative July 1, 1987. Amended by Laws 1988, c. 246, § 12, operative July 1, 1988; Laws 2010, c. 464, § 7, eff. July 1, 2010; Laws 2012, c. 304, § 1037.

§74-5060.22. Reports - Funding review and recommendations - Funding priorities.

A. The Oklahoma Science and Technology Research and Development Board is authorized and instructed to make an annual report no later than November 1 to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives that shall describe the accomplishments, the expenditures, and the activities of the prior fiscal year. The report shall include elements the Board identifies as hampering the state's economic progress and recommendations for changes. The report shall include an independent audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, latest revised edition, issued by the Comptroller General of the United States, which shall examine, among other things, actions governed by the administrative policies adopted by the Board on behalf of the Oklahoma Center for the Advancement of Science and Technology. The annual report shall specifically account for the ways in which the need, mission and programs of the Center have been carried out, including but not limited to a review of the results of the operations and transactions according to objective measures set

forth in the business plan. The report shall recommend specific changes in the activities of the Center which are necessary to better carry out the need and mission described in the Oklahoma Center for the Advancement of Science and Technology Act. The Board shall distribute its annual report by such means that will make it widely available to those innovative enterprises of special importance to the Oklahoma economy.

B. The Board shall annually review and prepare a report showing how and at what level other states fund technology-based economic development programs. The Board shall recommend an appropriate funding level for Oklahoma which will make these programs nationally competitive with those of other states. The Board's findings and recommendations shall be included in the annual report to be submitted to the Governor and the Legislature.

C. The Center shall adopt a threshold funding level for each of the programs provided for by law. The threshold amount shall provide for funding that is great enough to have a significant impact and carry out the intent of the Legislature. If the funding for these programs falls below the threshold, then no funding shall be provided by the Center to the program funded below threshold level.

D. The Board, on behalf of the Center, shall fund areas of research and development that the Board selects as most likely to stimulate information technology, biotechnology, genetics, meteorology and climate studies, and emerging or developing technology and related jobs; foster patents; result in new patents, copyrights, trademarks, and licenses of value; pursue world-class research teams that support the state's primary economic development thrusts or focus areas; and stimulate private and public investments with the intent to encourage economic development in Oklahoma.

Added by Laws 1987, c. 222, § 37, operative July 1, 1987. Amended by Laws 2002, c. 484, § 11, eff. July 1, 2002; Laws 2010, c. 413, § 29, eff. July 1, 2010; Laws 2013, c. 227, § 45, eff. Nov. 1, 2013.

§74-5060.23. Acquiring ownership of corporation or partnership prohibited - Exceptions.

The Oklahoma Center for the Advancement of Science and Technology shall not be permitted to make an expenditure for purposes of any loan, grant or for purposes of acquiring any form of ownership in a corporation or partnership unless authorized by law including, but not limited to, Section 15 of Article X of the Oklahoma Constitution.

Added by Laws 1987, c. 222, § 38, operative July 1, 1987.

§74-5060.24. Administration and Data Processing Revolving Fund.

There is hereby created in the State Treasury a revolving fund for the Oklahoma Center for the Advancement of Science and

Technology to be designated the "Administration and Data Processing Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations. The fund shall consist of all monies authorized by law for deposit therein, grants, donations or reimbursements that the President of the Center may direct to be deposited therein, proceeds from the sale of surplus property, insurance payments to the agency, receipts pursuant to the Oklahoma Open Records Act, and transfers from other revolving funds of the Center as the President may direct. Monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Center for the administrative costs of all programs of the Center, including all personal and other operating expenses. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

Added by Laws 1988, c. 246, § 13, operative July 1, 1988. Amended by Laws 2012, c. 304, § 1038.

§74-5060.25. Working with OAME to foster competitiveness in national and international markets.

In addition to other functions and responsibilities of the Oklahoma Center for the Advancement of Science and Technology, the Center shall have the authority to work in conjunction with OAME, a private, not-for-profit corporation certified by Oklahoma Futures as qualifying pursuant to the provisions of this act, to foster competitiveness in the national and international markets by small and medium-sized manufacturing firms located in Oklahoma, with a special emphasis on minority business enterprises.

Added by Laws 1992, c. 230, § 5, eff. July 1, 1992.

§74-5060.26. Creation of private, not-for-profit corporation - Powers - Certificate of incorporation and bylaws.

A. A private, not-for-profit corporation may be organized pursuant to the provisions of Title 18 of the Oklahoma Statutes and the provisions of this act to develop the Industrial Extension System in Oklahoma, with a special emphasis on minority business enterprises. Such corporation, upon certification by Oklahoma Futures, shall be known as and may exercise all of the powers of OAME.

B. In addition to the provisions and requirements of Title 18 of the Oklahoma Statutes, the certificate of incorporation and the bylaws of OAME must be certified by Oklahoma Futures and the certificate of incorporation shall:

1. Designate the name of the corporation as the Oklahoma Alliance for Manufacturing Excellence, Inc.;

2. Provide that the exclusive purposes of OAME are public purposes to assist small and medium-sized manufacturing firms, with a special emphasis on minority business enterprises, to gain the ability, through education, technology transfer, and otherwise, to compete successfully at progressively higher levels of value-added in the national and international economy;

3. Provide for the following three classes of membership in OAME which shall have representation on the Board of Directors of OAME:

- a. one class composed of small and medium-sized manufacturing firms located in Oklahoma, and the certificate of incorporation shall provide for the qualifications for membership in such class,
- b. one class composed of large corporations, and the certificate of incorporation shall provide for the qualifications for membership in such class, and
- c. one class composed of state entities, including, but not limited to, the Oklahoma Center for the Advancement of Science and Technology, the Oklahoma Department of Commerce, the Oklahoma Department of Career and Technology Education, and the Oklahoma State Regents for Higher Education;

4. Provide for classes of associate membership which shall not have representation on the Board of Directors of OAME, except as provided in paragraph 5 of this subsection;

5. Provide that the Board of Directors of OAME shall consist of five representatives of members who shall be individuals elected at the first annual meeting of OAME by members of the class composed of small and medium-sized manufacturing firms, and four representatives of members who shall be individuals elected at the first annual meeting of OAME by members of the class composed of large corporations. The Board of Directors also shall include the President of the Oklahoma Center for the Advancement of Science and Technology, the Executive Director of the Oklahoma Department of Commerce, the Director of the Oklahoma Department of Career and Technology Education and the Chancellor of Higher Education as ex officio members. The bylaws of OAME may provide for designees who may serve in the place of any of the directors and the terms under which any such designation will be made. The Board of Directors shall have the power to elect, from time to time, persons to serve as directors who are associate members or are not affiliated with any entity or firm which qualifies for membership in OAME, provided that no more than three (3) of such persons shall serve on the Board of Directors at any time;

6. Have the authority to set membership dues in an amount to be determined by the Board of Directors. No participating state entity shall pay membership dues;

7. Provide for all powers necessary or appropriate to carry out and effectuate its corporate purposes, including, but not limited to, the following:

- a. to maintain an office at such place or places as it may designate,
- b. to make and execute contracts with any individual, corporation, association or any other entity and all other instruments necessary or convenient for the performance of its duties and the exercise of its powers and functions under this act,
- c. to receive funds from any source to carry out the purposes of this act, including, but not limited to, gifts or grants from any department, agency or instrumentality of the United States or of the state for any purpose consistent with the provisions of this act,
- d. to acquire or sell, convey, lease, exchange, transfer or otherwise dispose of its property or any interest therein,
- e. to develop plans and policies to assist small and medium-sized manufacturing companies in Oklahoma,
- f. to enter into contracts to provide assistance to small and medium-sized manufacturing companies, including, but not limited to, the following categories:
 - (1) technology,
 - (2) human resources development,
 - (3) market planning,
 - (4) finance, and
 - (5) inter-firm collaboration,
- g. to assist other organizations providing general business assistance to small and medium-sized manufacturing enterprises,
- h. to establish manufacturing quality and standards certification programs, setting minimum standards and issuing certification to companies meeting such standards,
- i. to develop and distribute information about manufacturing modernization and assistance that is available to support efforts to improve the abilities of small and medium-sized firms to produce and market higher value-added products,
- j. to establish a system to evaluate the effectiveness and efficiency of services provided to small and medium-sized manufacturing firms,
- k. to establish and operate, directly or under contract, an information system designed to access resources that will assist the firms to become more productive,

1. establish a training program for individuals working on behalf of small and medium-sized manufacturing firms, and
- m. to establish special educational and informational programs for its members.

Added by Laws 1992, c. 230, § 6, eff. July 1, 1992. Amended by Laws 2001, c. 33, § 179, eff. July 1, 2001.

§74-5060.27. Annual business plan - Annual report.

OAME shall prepare and submit an annual business plan for approval by the Board of Directors of the Oklahoma Center for the Advancement of Science and Technology. The business plan shall be made a part of the annual business plan of the Center provided for in Section 5060.8 of Title 74 of the Oklahoma Statutes and shall be subject to approval by Oklahoma Futures. OAME shall also prepare an annual report for submission to the Center, which shall include:

1. A synopsis of the activities of OAME during the previous fiscal year; and
2. An examination of quantifiable measures of the results of actions and plans of OAME.

Added by Laws 1992, c. 230, § 7, eff. July 1, 1992.

§74-5060.28. Repealed by Laws 2002, c. 484, § 17, eff. July 1, 2002.

§74-5060.29. Allocation of funds to technology-business incubator.

Contingent upon a total annual appropriation of at least Nine Million Dollars (\$9,000,000.00) to the Oklahoma Center for the Advancement of Science and Technology (OCAST), OCAST shall annually use One Hundred Thousand Dollars (\$100,000.00), or so much of that amount as shall be necessary, in conjunction with the nonprofit Oklahoma Health Center Research Park Corporation to operate a technology-business incubator located in the Oklahoma Health Center Research Park and appropriately equipped to meet the needs of start-up, technology-intensive firms including, but not limited to, biotechnology and bio-medical firms.

Added by Laws 1997, c. 416, § 2, eff. Sept. 1, 1997.

§74-5060.30. Oklahoma Technology Trust Fund.

A. The "Oklahoma Technology Trust Fund" is hereby created. The trust fund shall be administered as follows:

1. The trustees of the trust fund shall consist of seven members of the Oklahoma Science and Technology Research and Development Board who are the presidents of Oklahoma State University, the University of Oklahoma, and the private university offering graduate engineering degrees and the four chief executive officers or senior executive officers of corporations or

foundations. The chair of the board of trustees shall be elected by the trustees from among the four chief executive officers or senior executive officers who also serve on the Oklahoma Science and Technology Research and Development Board.

2. After January 1, 2003, the board of trustees may by unanimous vote expand the number of trustees at any time. No more than three members added by the board of trustees may serve concurrently. The members added by the board of trustees shall be representatives of industries, shall have full voting rights, and shall serve four-year terms. A position added by the board of trustees may be filled at the end of the term by vote of the trustees. A position not filled by the trustees at the end of the term shall be considered abolished.

3. The trust fund principal shall consist of monies received from any monies the Legislature appropriates for, or transfers to, the trust fund and any monies or assets contributed to the trust fund from any other source, public or private. Notwithstanding other provisions of law, income and investment return on trust fund principal shall accrue to the trust fund and may be authorized upon a majority vote of the trustees for use and expenditure by the Oklahoma Science and Technology Research and Development Board. Use of the trust fund principal may be authorized upon a vote of three-fourths of the trustees for use and expenditure by the Oklahoma Science and Technology Research and Development Board.

4. The trustees shall develop procedures for accomplishing transfer of income and investment return to appropriate accounts set up in the Office of the State Treasurer.

5. The trust fund may be dissolved upon an act approved by three-fourths (3/4) of both houses of the Legislature or pursuant to a plan for use of the principal, leading to dissolution of the trust fund, over a ten-year period that has been proposed by the trustees and approved by the Legislature and the Governor. Upon the trust fund's dissolution, any funds in the trust fund shall be placed in the state general revenue fund, unless the Legislature specifically provides otherwise.

B. There is hereby created in the State Treasury a fund for the Oklahoma Center for the Advancement of Science and Technology to be designated the "Oklahoma Technology Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of any monies received by the Center from the Legislature or other sources for the fund. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma Science and Technology Research and Development Board for the purposes of the Center. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment. The

Oklahoma Science and Technology Research and Development Board shall develop procedures for setting up accounts within the fund as necessary in the Office of the State Treasurer. The Board shall place only funds appropriated for or otherwise received for the Center in the accounts for the Center and shall not commingle funds that are not appropriated or otherwise received for the Center with funds appropriated or received for any other purpose of the Center. Added by Laws 2002, c. 484, § 12, eff. July 1, 2002. Amended by Laws 2012, c. 304, § 1039; Laws 2013, c. 227, § 46, eff. Nov. 1, 2013.

§74-5060.40. Science and Technology Council.

A. There is hereby created the Science and Technology Council, to continue until July 1, 2007, in accordance with the provisions of the Oklahoma Sunset Law. The Council shall consist of fourteen (14) members, who shall be appointed by the Governor with the advice and consent of the Senate and serve at the pleasure of the Governor, and the Secretary of Science and Technology Development. The Secretary of Science and Technology Development shall chair the Council, preside at meetings of the Council, arrange the Council's agenda, appoint committees as desired, sign official Council documents, and perform such other duties as may be prescribed by the Council. The Council shall elect to annual terms beginning July 1 a vice-chair and such other officers as the Council deems appropriate. The vice-chair shall perform the duties of the chair during the chair's absence or disability and shall perform such other duties as may be prescribed by the Council. The chair or vice-chair and seven other members shall constitute a quorum.

B. The mission and duties of the Council shall be to search for, review, and identify targeted market opportunities for this state. The Council shall rank opportunities identified, by specific area of opportunity, to determine the best prospects for helping this state develop, advance, and gain recognition of, market leadership. The Council's selections shall be presented to the Board of Directors of the Oklahoma Center for the Advancement of Science and Technology (OCAST).

C. The Council shall be subject to the Oklahoma Open Meeting Act and Oklahoma Open Records Act; provided, the chair or vice-chair may at any time and without prior notice call the Council into executive session for the purpose of examining or discussing proprietary or financial information of research or business entities and may determine that related records remain confidential.

D. Staff assistance and meeting space for the work of the Council shall be provided by the office of the Vice President of Technology Development of the University of Oklahoma and further, when requested by the Secretary of Science and Technology

Development, the Oklahoma Center for the Advancement of Science and Technology.

E. Expenses of the Council shall be paid from the Science and Technology Council Revolving Fund created by Section 2 of this act and for the purposes set forth therein. Council members shall be reimbursed for actual and necessary travel expenses incurred in the performance of their Council duties in accordance with the State Travel Reimbursement Act.

Added by Laws 2001, c. 420, § 1, eff. July 1, 2001.

§74-5060.41. Science and Technology Council Revolving Fund.

There is hereby created in the State Treasury a revolving fund for the Science and Technology Council to be designated the Science and Technology Council Revolving Fund. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of monies appropriated to the Oklahoma Center for the Advancement of Science and Technology designated for the Council and of such gifts or other income as may be designated for the use of the Council. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma Center for the Advancement of Science and Technology for the Council. Purposes for use of the monies shall include, but not be limited to, salaries and other personnel expenses, travel, contracts for marketing analysis, and expertise and other expenses for business plan development. The Center shall review all uses of the monies and provide for audit of the fund by the State Auditor and Inspector at least once every three (3) years.

Added by Laws 2001, c. 420, § 1, eff. July 1, 2001.

§74-5060.42. Repealed by Laws 2002, c. 484, § 17, eff. July 1, 2002.

§74-5060.43. Oklahoma Nanotechnology Applications Project.

A. The Oklahoma Center for the Advancement of Science and Technology may develop and implement a nanotechnology pilot project to assist qualified Oklahoma companies in the process of applying nanotechnology through research, development, and manufacturing to improve current products or create new, cutting-edge products. The project shall be known as the "Oklahoma Nanotechnology Applications Project" (ONAP). The Oklahoma Center for the Advancement of Science and Technology may employ established program processes to award nanotechnology funds or may contract with other qualified entities to operate this pilot project.

B. The Oklahoma Nanotechnology Applications Project is designed to provide Oklahoma with the ability to respond quickly to opportunities in the following technology focuses:

1. Advanced materials/nanotechnology;

2. Agricultural sciences;
3. Aviation/aerospace;
4. Biotechnology and life sciences;
5. Energy and energy-related;
6. Information technology and telecommunications;
7. Sensors and sensor-related; and
8. Meteorological science.

C. The Board shall award nanotechnology funding or professional service contracts only after finding that:

1. The project is technically sound and will produce measurable results;

2. The project leads to innovation, new knowledge, new devices, new products, or processes with preferences given to applications of nanotechnology leading to commercialization;

3. The project has a reasonable probability to enhance employment opportunities within Oklahoma; and

4. The project will enhance services to Oklahoma manufacturers or Oklahoma companies that are in the process of applying nanotechnology.

D. ONAP awards are designed to enable new and existing applications in nanotechnology and to encourage nanotechnology collaboration between industry, institutions of higher education, and nonprofit research institutions.

Added by Laws 2006, c. 76, § 2, eff. July 1, 2006.

§74-5060.44. Oklahoma Center for the Advancement of Science and Technology Intern Partnership for STEM Workforce Pipeline Program.

A. As used in this section:

1. "Applicant organization" means an Oklahoma-based entity that is a nonprofit research foundation or private enterprise of special importance to the Oklahoma economy; and

2. "Eligible student" means an individual currently enrolled in an undergraduate or graduate program at an institution of higher education who is majoring in a science, technology, engineering, and mathematics (STEM) based discipline including, but not limited to, natural sciences, computer science, materials science, engineering, biomedical, biotechnical, data analytics, finance, mathematics, or a support area related to building successful Oklahoma high-tech companies.

B. There is hereby created the Oklahoma Center for the Advancement of Science and Technology Intern Partnership for STEM Workforce Pipeline Program to be administered by the Oklahoma Center for the Advancement of Science and Technology under the governance of the Oklahoma Science and Technology Research and Development Board.

C. The Oklahoma Center for the Advancement of Science and Technology may award competitive internship funds, through

professional service contracts, to applicant organizations to hire qualified student interns to participate in innovative industry projects.

D. To qualify for program internship funds, the applicant organization must provide:

1. Documentation verifying that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than the Oklahoma Center for the Advancement of Science and Technology and other state-appropriated money. Such sources may be in the form of salary, cash, nonstate grant funds, and other sources of funding as defined by the Oklahoma Center for the Advancement of Science and Technology;

2. A description of the potential commercial application of and the industrial sectors that will likely benefit from the project and the potential to enhance employment opportunities in Oklahoma;

3. An itemized research budget, timeline, and research methodology; and

4. Any other information that may be required by the Board.

E. The Board shall award professional service contracts after it determines the applicant organization:

1. Provides a beneficial and meaningful intern experience which includes exposure to real-world application of technology and innovation activities;

2. Involves projects leading to innovation, new knowledge, or technology that will benefit the applicant organization;

3. Has a reasonable probability to enhance employment opportunities within Oklahoma;

4. Is technically sound, will produce a measurable result, and provide a positive impact to the applicant organization; and

5. Does not involve market surveys or research activities that create fundamental or basic information which lack the potential for reasonably short-term commercialization.

F. Based upon the information submitted by the applicant organization, external peer review, and such additional investigation as the staff of the Center shall make, the Board may approve such professional service contracts after the Board finds that:

1. The proposed project is research that leads to innovation, new knowledge, or technology and is not training or technical assistance for business firms;

2. The project has a reasonable probability to enhance employment opportunities within the state; and

3. The project is technically sound and will produce a measurable result.

G. The Oklahoma Center for the Advancement of Science and Technology shall promulgate rules necessary to implement and administer the program authorized in this section.

Added by Laws 2022, c. 272, § 1, eff. July 1, 2022.

§74-5060.50. Repealed by Laws 2007, c. 93, § 14, eff. Nov. 1, 2007.

§74-5060.51. Repealed by Laws 2004, c. 180, § 2, eff. July 1, 2004.

§74-5060.52. Compensation and expenses.

A. Members of the Electronic Commerce Pilot Program Steering Committee created in Section 5060.50 of Title 74 of the Oklahoma Statutes shall receive no compensation for serving on the Committee, but shall receive travel reimbursement as follows:

1. Legislative members of the Committee shall be reimbursed for their necessary travel expenses incurred in the performance of their duties in accordance with Section 456 of Title 74 of the Oklahoma Statutes from the legislative body in which they serve;

2. State agency employees who are members of the Committee shall be reimbursed for travel expenses incurred in the performance of their duties by their respective agencies in accordance with the State Travel Reimbursement Act; and

3. All other Committee members shall be reimbursed by the Department of Central Services for travel expenses incurred in performance of their duties on the Committee, in accordance with the State Travel Reimbursement Act.

Added by Laws 1999, c. 337, § 5 eff. July 1, 1999.

§74-5060.53. Use of monies from Research Support Revolving Fund.

A. The Oklahoma Center for the Advancement of Science and Technology (OCAST) may use monies from the Research Support Revolving Fund to carry out the purposes of the Oklahoma Science and Technology Research and Development Act by awarding competitive basic and applied plant science research funds, through professional service contracts, to institutions of higher education, nonprofit research foundations and private enterprises of special importance to the Oklahoma economy.

B. The Oklahoma Center for the Advancement of Science and Technology, contingent on the availability of funds, and with the advice of the Plant Science Research Committee, shall:

1. Establish and operate a state program designed to secure and impartially distribute funds credited to the Research Support Revolving Fund to support professional service contracts for basic plant science research projects to be awarded only on the basis of scientific and technical merit;

2. Design the basic plant science research program to ensure the optimum performance of the investigator(s) and the maximum efficiency of the project(s);

3. Evaluate and approve basic plant science research projects to be funded from the Research Support Revolving Fund;

4. Establish a procedure for the referral of proposed basic plant science research projects to the Plant Science Research Committee for review;

5. Establish procedures for review of proposed basic plant science research projects by qualified individuals, the majority of whom reside outside of Oklahoma;

6. Suspend or terminate any professional service contract supporting basic plant science research projects for failure by an investigator, institution of higher learning, private enterprise, or nonprofit research institution to comply with the procedures, requirements, or bylaws of the Oklahoma Science and Technology Research and Development (OSTRaD) Board; and

7. Enter into contracts to ensure the optimum performance of plant science research investigators and to ensure the maximum efficiency of proposed plant science research projects.

C. The Board shall award funding or professional service contracts for basic plant science research, contingent on the availability of funds and based upon the proposal submitted; external peer review, the majority of whom must reside outside of Oklahoma; and such additional investigation as the staff of OCAST shall make only after:

1. Developing, adopting and publishing the criteria it shall use when evaluating research proposals; and

2. Ensuring that funding to support basic plant science research projects is awarded only on the basis of scientific and technical merit.

D. The Oklahoma Center for the Advancement of Science and Technology, contingent on the availability of funds, and with the advice of the Plant Science Research Committee, shall establish and operate a state program designed to secure and impartially distribute funds credited to the Research Support Revolving Fund to support professional service contracts for applied plant science research projects.

E. The OSTRaD Board shall award funding or professional service contracts for applied plant science research only after:

1. Developing, adopting and publishing the criteria it shall use when evaluating research proposals; and

2. Reviewing applied plant science research proposals which present:

- a. documentation, if the proposal is from an institution of higher education or nonprofit research institution, that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than OCAST and other than state-appropriated money; machinery or equipment may be considered as part of the matching funds for the research, but must be accompanied by a statement:

- (1) that the institution of higher education or nonprofit research institution has possession of the machinery or equipment and that it is appropriate and useful to the program under review, and either
 - (2) verifying that the equipment or machinery is donated and has only been used in testing to ensure quality control, or used by a wholesaler or retailer for demonstration purposes only and verifying the fair market value of the machinery or equipment on the date of the gift, or
 - (3) detailing the price paid by the institution of higher education or nonprofit research institution, with an invoice showing the amount paid for the machinery or equipment,
- b. documentation, if the proposal is from a private enterprise, that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than OCAST and other than state-appropriated money. No portion of the fifty percent (50%) may be provided by in-kind services performed by the enterprise,
 - c. a description of the potential commercial application of and the industrial sectors that will likely benefit from the applied research project and the potential to enhance employment opportunities in Oklahoma,
 - d. an itemized research budget, time line and research methodology,
 - e. a recommendation from the sponsoring institution of higher education, nonprofit research institution or business enterprise, and
 - f. other information that may be required by the Board.

F. The OSTRaD Board may approve such applied plant science research proposals, contingent on the availability of funds, after the Board finds, based upon the proposal submitted; external peer review, the majority of whom must reside outside of Oklahoma; and such additional investigation as the staff of OCAST shall make and incorporate in its minutes, that:

1. The proposed project is research that leads to innovation, new knowledge or technology and is not training or technical assistance for business firms;

2. The project has a reasonable probability to enhance employment opportunities within Oklahoma; and

3. The project is technically sound and will produce a specified measurable result.

Added by Laws 2006, c. 297, § 3, eff. Nov. 1, 2006.

§74-5060.54. Requirements for professional service contracts to support basic or applied plant science research projects.

No professional service contract shall be awarded by the Oklahoma Center for the Advancement of Science and Technology (OCAST) to support a basic or applied plant science research project unless:

1. The investigators are residents of this state or become residents of this state before the ninetieth day after a professional service contract, pursuant to which they will be functioning as an investigator, has been funded by OCAST;

2. The institutions that administer the professional service contracts are primarily located in this state and are able to assume financial responsibility for professional service contracts; and

3. The professional service contract will not be transferred to any other institutions within the state without the approval of OCAST and will not be transferred to an institution outside of the State of Oklahoma at any time.

Added by Laws 2006, c. 297, § 4, eff. Nov. 1, 2006.

§74-5061.1. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.2. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.3. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.4. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.5. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.6. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.7. Recodified as § 5085.7 of this title by Laws 1991, c. 188, § 16, eff. July 1, 1991.

§74-5061.8. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.9. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.10. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5061.11. Repealed by Laws 1991, c. 188, § 15, eff. July 1, 1991.

§74-5062.1. Short title.

Sections 50 through 70 of this act shall be known and may be cited as the "Oklahoma Development Finance Authority Act".
Added by Laws 1987, c. 222, § 49, operative July 1, 1987.

§74-5062.2. Statement of need - Oklahoma Development Finance Authority created - Status

A. Lack of response in this state to fundamental changes in national and international markets has created an economic hardship as manifested by high levels of unemployment and bankruptcy. Structural changes in global capital markets and real goods markets have had a profound impact on the availability of long-term capital for Oklahoma's agricultural and industrial enterprises and for infrastructure finance. There exists a need to improve, repair, replace and expand Oklahoma's infrastructure, which is vital to the welfare of Oklahomans and to the economic development of the state.

B. It is hereby found that there exists in the state an immediate and urgent need to provide the means and methods for providing financing:

1. to complement the state's private financial institutions to better serve their customers in ways which contribute to a strengthened and diversified Oklahoma economy;

2. to promote and develop the expansion of existing and the establishment of new agricultural enterprises and industrial enterprises for the purpose of further alleviating unemployment within the state and for providing additional employment;

3. to promote and target resources of the state to further the development of export trade of state products for the purpose of the economic development of the state and for providing additional employment therefrom;

4. to assure the development of reliable, affordable, efficient and environmentally compatible sources of energy for all types of public and private consumption;

5. to provide health care facilities for the citizens and inhabitants of the state;

6. to provide capital improvement facilities for the benefit of the citizens and inhabitants of the state;

7. to provide, in conjunction with the Oklahoma Department of Commerce, 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 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;

8. to provide educational facilities for educational institutions within the state;

9. to provide for such additional facilities, enterprises and projects as herein authorized; and

10. to provide for short-term advance funding and the purchase of the obligations of political subdivisions throughout the state.

C. Any public trust organized pursuant to Title 60 of the Oklahoma Statutes for the benefit of the entire State of Oklahoma which has Seven Hundred Fifty Million Dollars (\$750,000,000.00) or more of issued and outstanding indebtedness, and if such indebtedness has been issued for three (3) or more distinct purposes, shall become eligible to become the Oklahoma Development Finance Authority as provided by this act. Such trust may amend its indenture to conform with the provisions of this act and, upon certification by the Governor, such trust shall be known as and exercise all of the powers of the Oklahoma Development Finance Authority as provided by law. After the certification of the trust as the Oklahoma Development Finance Authority, the trustees of such trust shall, with addition of other persons as provided by law, become the board of directors of the Oklahoma Development Finance Authority. The Oklahoma Development Finance Authority is hereby constituted an instrumentality of the state and the exercise of the authority and powers conferred by this act shall be deemed and held to be the performance of an essential governmental function.

Added by Laws 1987, c. 222, § 50, operative July 1, 1987.

§74-5062.3. Mission of Oklahoma Development Finance Authority - Public policy.

A. The mission of the Oklahoma Development Finance Authority shall be to take into account and develop its policies based upon the following findings:

1. Fundamental changes have occurred in national and international markets for goods and services produced by the citizens of this state. These changes have created an economic hardship for this state as manifested by the increasing number of business failures and bankruptcies, both personal and corporate, and the high levels of unemployment in agricultural and industrial enterprises;

2. There exists a need to improve, repair, replace and expand the infrastructure of the state and its political subdivisions, which is vital to the health, safety and welfare of the citizens of the state as well as to economic growth and development; and

3. Structural changes in global capital markets and real goods markets have had a strong impact on the availability of long-term capital in this state.

B. It is hereby declared to be the public policy and responsibility of this state to promote the health, welfare, safety and economic security of its inhabitants through the retention of existing employment and alleviation of unemployment in all phases of agricultural enterprises and industrial enterprises, for the development of reliable, affordable, efficient and environmentally compatible sources of energy for all types of public and private consumption, for providing health care facilities, for providing capital improvement facilities, for providing educational facilities for the benefit of educational institutions within the state and for such other facilities and projects as herein provided.

C. It is hereby found that the public policies and responsibilities of the state as set forth in this act cannot be fully attained without the use of public financing and that such public financing can best be provided by the creation of a state development finance authority with comprehensive and extensive powers therein, which authority shall have the power to issue bonds to provide financing for qualified agricultural enterprises, capital improvements, educational facilities, industrial enterprises, energy conservation facilities, energy distribution facilities, energy generating facilities and facilities, health care facilities, pollution control facilities, recreational facilities and waste water facilities, and that all of the foregoing are public purposes and uses for which public moneys may be borrowed, expended, advanced, loaned and granted.

Added by Laws 1987, c. 222, § 51, operative July 1, 1987.

§74-5062.4. Relationship with Oklahoma Futures - Annual business plan.

The Oklahoma Development Finance Authority shall exercise the powers granted to it in a manner consistent with each five-year plan developed by Oklahoma Futures for the activities and programs of the Authority. The Oklahoma Development Finance Authority shall submit a proposed schedule of activities and goals to Oklahoma Futures in order to facilitate development of the first five-year plan provisions applicable to the Authority.

The board of directors shall develop an annual business plan for the Oklahoma Development Finance Authority. The business plan shall be submitted to Oklahoma Futures for its approval and shall be included in the annual report of Oklahoma Futures. The business plan shall be consistent with the goals of the recurring five-year policy plan as provided by law. Oklahoma Futures shall approve such policy plan before it is implemented. The board of directors 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.

Added by Laws 1987, c. 222, § 52, operative July 1, 1987.

§74-5062.5. Definitions.

As used in the Oklahoma Development Finance Authority Act:

1. "Authority" means the Oklahoma Development Finance Authority;

2. "Agricultural enterprise" means facilities for farms, ranches, other agricultural, silvicultural or aquacultural commodity operations, and related businesses and industries, including but not limited to, grain elevators, shipping heads, livestock pens, warehouses and other storage facilities, related transportation facilities, drainage facilities and any related facilities hereto;

3. "Board of directors" means and includes the board of directors of the Authority created by this act;

4. "Bonds" means any bonds, notes, obligations, debentures, interim certificates, grant and revenue anticipation notes, interest in a lease, lease certificates of participation or other evidences of indebtedness, whether or not the interest on which is includable in the gross income of the recipients thereof for federal income tax purposes, issued by the Authority pursuant to this act;

5. "Educational facilities" means any facility intended by an educational institution in furtherance of its educational program, including, but not limited to, classrooms, laboratories, administrative buildings, equipment and other property for use therein or thereon;

6. "Energy conservation facilities" means any facility designated for the purchasing and installation of energy conservation equipment or facilities, including building modifications;

7. "Energy distribution facilities" means an energy distribution system owned, in whole or in part, by an individual, municipality, corporation or other governmental or business entity and which uses alcohol, peat, solar, waste, water and related dams, wind, wood, coal or natural gas;

8. "Energy generating facilities" means (a) for a system which does not generate electricity, an energy generating system owned, in whole or in part, by an individual, municipality, corporation or other governmental or business entity, and which systems uses biomass, peat, solar, waste, water and related dams, wind, wood or coal, or which is an energy conservation project; or (b) for a system which does generate electricity, an energy generating system which uses alcohol, peat, solar, waste, water and related dams, wind, wood or coal, and which is owned, in whole or in part, by an individual, municipality, corporation or other business or governmental entity;

9. "Facilities" means any real property, including, without limitation, any land, building, fixture, improvement, easement, right-of-way, water right, land lying under the water or air right, and any personal property, including without limitation any leasehold, inventory, account receivable, patent, license, franchise, machinery, equipment, merchandise, raw material, supply, product, work in process or stock in trade, or mixed property of any and every kind including, but not limited to, buildings, rights-of-way, roads, streets, waterways, transportation systems, ports and terminals, pipes, pipelines, reservoirs, utilities, pollution control systems, toxic and solid waste disposal systems, health care facilities for furnishing any physical or mental health care, materials, commodities, equipment, fixtures, machinery, furniture, furnishings, instrumentalities, tourism facilities in the form of amusement parks, entertainment parks, theme parks, or museums, and other real, personal or mixed property of every kind or any preliminary studies and surveys related thereto;

10. "Financing assistance" or "financial assistance" means the making of, entering into or providing for guarantees, leases, insurance, financing credits, loans, letters of credit, financing assistance payments, grants or other financial aid;

11. "Financial document" means a lease, installment sale agreement, conditional sale agreement, note, mortgage, chattel mortgage, loan agreement or other instrument pertaining to an extension of financial assistance;

12. "Industrial enterprise" means facilities for manufacturing, producing, research, processing, assembling, repairing, extracting, warehousing and distributing goods, facilities for any service profession, facilities for communications, computer services, transportation and corporate and management offices and services provided in connection with any of the foregoing, in isolation or in any combination that involve the creation of new or additional employment or the retention of existing employment, and industrial parks;

13. "Operating capital" means start-up costs of general administration for a temporary period not to exceed one (1) year for qualified enterprises as defined in the bylaws or by resolution of the Authority;

14. "Political subdivision" means any incorporated city or town, school district, county, special district or public trust where a city, town, school district, county or special district is a beneficiary and all their institutions, agencies or instrumentalities;

15. "Pollution" means any form of environmental pollution, including, but not limited to, water pollution, air pollution, radiation contamination, noise pollution or pollution caused by solid waste disposal;

16. "Pollution control facilities" means any facilities for the purpose of reducing, abating, preventing, controlling, or eliminating pollution caused or produced by the operation of any manufacturing, industrial, or commercial enterprise or any utility plant or useful for the purpose of removing or treating any substance in processed material, which material would cause pollution if used without such removal or treatment;

17. "Project" means any facility used for or in connection with any of the following: industrial enterprises, agricultural enterprises, capital improvements, health-care facilities, educational facilities, pollution control facilities, energy conservation facilities, energy distribution facilities, energy generating facilities, recreational facilities, tourism facilities in the form of amusement parks, entertainment parks, theme parks, or museums, short-term advance funding, waste water facilities;

18. "Short-term advance funding" shall mean the financing of temporary cash shortfalls of the state or political subdivisions;

19. "State" means the State of Oklahoma or any office, department, agency, authority, commission, board, institution, hospital, college, university, public trust where the state is the beneficiary or other instrumentality thereof;

20. "Waste water" shall mean any water containing sewage, industrial wastes, or other wastes or contaminants derived from the prior use of such water, and shall include, without limiting the generality of the foregoing, surface water of the type storm sewers are designed to collect and dispose of; and

21. "Waste water facilities" shall mean any facility for the purpose of treating, neutralizing, disposing of, stabilizing, cooling, segregating or holding waste water, including, without limiting the generality of the foregoing, facilities for the treatment and disposal of sewage, industrial wastes, or other wastes, waste water, and the residue thereof; facilities for the temporary or permanent impoundment of waste water, both surface and underground; and sanitary sewers or other collection systems, whether on the surface or underground, designed to transport waste water together with the equipment and furnishings thereof and their appurtenances and systems, whether on the surface or underground including force mains and pumping facilities therefor.

Added by Laws 1987, c. 222, § 53, operative July 1, 1987. Amended by Laws 1989, c. 350, § 5, operative July 1, 1989.

§74-5062.6. Oklahoma Development Finance Authority and Oklahoma Industrial Finance Authority.

A. Upon certification by the Governor of a public trust as qualifying to become the Oklahoma Development Finance Authority, the board of trustees of such trust shall become the governing board of the Oklahoma Development Finance Authority with the addition of two

(2) other persons. From and after the effective date of this act, the Governor, the board of directors of the Oklahoma Development Finance Authority and the board of directors of the Oklahoma Industrial Finance Authority, governed by Section 851 of this title, shall begin the consolidation of the membership of the boards of both authorities. The Oklahoma Development Finance Authority is authorized to amend its trust indenture, to provide that its board shall be composed of the members of the board of directors of the Oklahoma Industrial Finance Authority except for the State Treasurer of Oklahoma and to provide that the terms of office of the board of directors of the Oklahoma Development Finance Authority shall be identical to the terms of the Oklahoma Industrial Finance Authority. Any director of the Oklahoma Development Finance Authority who is in office upon the effective date of this act, and who is not also at that time a member of the board of directors of the Oklahoma Industrial Finance Authority, shall finish the term for which he or she was appointed. Upon the end of such a director's term, or upon such a director vacating his or her office, the Governor shall appoint a member of the board of directors of the Oklahoma Industrial Finance Authority to fill the vacancy, or to the new term. The qualifications for the board of directors of the Oklahoma Development Finance Authority shall be identical to the qualifications for the board of directors of the Oklahoma Industrial Finance Authority. As soon as the two boards of directors of each authority are composed of the same members, the boards shall be considered as consolidated. From and after that consolidation, persons appointed to the board of directors of the Oklahoma Industrial Finance Authority shall also become directors of the Oklahoma Development Finance Authority. Even though the membership of each board shall be identical, the authorities shall be considered and treated as separate legal entities. The funds of each authority shall not be commingled and shall be separately accounted for. This consolidation of board membership shall not be construed as effecting a merger of estates or otherwise be construed to terminate the trust status of the Oklahoma Development Finance Authority. The Oklahoma Development Finance Authority shall continue to exist as a public trust, created under the Oklahoma Public Trust Act. The S.S.C. Development Authority is hereby authorized to amend its trust indenture to permit the members of the Oklahoma Industrial Finance Authority to become the governing board of such trust. Any such amendment shall not affect the separate legal status of such trust. The governing and administrative powers of the Oklahoma Development Finance Authority shall be vested in the governing board as provided by this section.

B. Each appointive member may receive reimbursement for expenses pursuant to the provisions of the State Travel Reimbursement Act. In addition, each appointive member shall

receive a monthly stipend of Three Hundred Dollars (\$300.00) if, during the month, the member attended a meeting of the board of directors at which a quorum was present. Provided, a member who is also to receive a stipend for attending, during said month, a board meeting of the Oklahoma Industrial Finance Authority shall not receive a stipend pursuant to this subsection for said month except to the extent that payment to the member may be divided between the two boards in proportion to the service rendered by the member to each board.

C. Members shall annually elect from among the membership a chair, vice-chair, secretary and treasurer, and may elect an assistant secretary or assistant secretaries who need not be members of the board. Four members of the board shall constitute a quorum and the affirmative vote of the majority of members present at a meeting of the board shall be necessary and sufficient for any action taken by the board, except that the affirmative vote of at least four members shall be required for the approval of any resolution authorizing the issuance of any bonds or approving any loan transaction pursuant to Section 5062.1 et seq. of this title.

D. No vacancy in the membership of the board shall impair the right of a quorum to exercise all rights and perform all the duties of the board. Any action taken by the board may be authorized by resolution at any regular, special, or emergency meeting and shall take effect upon the date the chair or vice-chair certifies the action of the Authority by affixing a signature to the resolution unless some other date is otherwise provided in the resolution.

E. The board may delegate to its employees, persons under contract to provide administrative or staff services to the board, its members and/or officers of the Authority such duties as it deems necessary or convenient to carry out the purposes of this act. The board may contract with the Oklahoma Industrial Finance Authority to provide all or part of the board's administrative and staff services. Funds of the Oklahoma Development Finance Authority may be paid to the Oklahoma Industrial Finance Authority for services reasonably attributable to the operation of the Oklahoma Development Finance Authority.

F. Except as otherwise provided by law, no part of the funds of the Authority shall inure to the benefit of, or be distributed to its employees, officers, or board of directors, except that the Authority shall be authorized and empowered to pay its employees and agents reasonable compensation and benefits.

G. The meetings of the board of directors of the Oklahoma Development Finance Authority shall be subject to the Oklahoma Open Meeting Act and the Oklahoma Open Records Act. Any information submitted to or compiled by the Oklahoma Development Finance Authority with respect to the marketing plans, financial statements, trade secrets or any other commercially sensitive information of

persons, firms, associations, partnerships, agencies, corporations or other entities shall be confidential, except to the extent that the person or entity which provided such information or which is the subject of such information consents to disclosure. Executive sessions may be held to discuss such materials if deemed necessary by the board of directors.

H. The Authority shall assist minority businesses in obtaining financial assistance. The terms and conditions of loans or other means of financial assistance, including the charges for interest and other services, will be consistent with the provisions of this act. The Authority shall solicit proposed minority business ventures for review and analysis.

I. The Authority shall not be subject to state laws regulating the classification, employment, promotion, suspension, disciplinary action or dismissal of state employees. The Oklahoma Development Finance Authority shall not be subject to the provisions of the Oklahoma Central Purchasing Act. The Oklahoma Development Finance Authority shall be subject to the provisions of law governing administrative procedures pursuant to Title 75 of the Oklahoma Statutes.

J. If a member of the board of directors, officer, agent or employee of the Oklahoma Development Finance Authority has any direct or any indirect interest in any approval, contract or agreement upon which the member, officer, agent or employee may be called upon to act or vote, the board member, officer, agent or employee shall disclose the same to the secretary of the Authority prior to the taking of final action by the Authority concerning such contract or agreement and shall so disclose the nature and extent of such interest and his or her acquisition thereof, which disclosure shall be publicly acknowledged by the Authority and entered upon the minutes of the Authority. If a board member, officer, agent or employee holds such an interest, he or she shall refrain from any further official involvement in regard to such contract or agreement, from voting on any matter pertaining to such contract or agreement, and from communicating with other board members, officers, agents or employees concerning said contract or agreement. Employees of the Oklahoma Development Finance Authority shall be subject to the provisions of Rule 257:20-1-4, Rules of the Ethics Commission, 74 O.S. 2001, Ch. 62, App., in the same manner as other state employees. Notwithstanding any other provision of law, any contract or agreement entered into in conformity with this subsection shall not be void or invalid by reason of the interest described in this subsection, nor shall any person so disclosing the interest and refraining from further official involvement as provided for in this subsection be guilty of an offense, be removed from office, or be subject to any other penalty on account of such interest. Provided, any approval, contract or agreement made in

violation of this section shall give rise to no action against the Authority.

Indirect interest shall include pecuniary or competitive advantage which exists or could foreseeably accrue as a result of the act or forbearance of the Authority.

Added by Laws 1987, c. 222, § 54, operative July 1, 1987. Amended by Laws 1989, c. 374, § 5, emerg. eff. June 6, 1989; Laws 1991, c. 305, § 2, emerg. eff. May 30, 1991; Laws 1994, c. 285, § 2, eff. July 1, 1994; Laws 2004, c. 67, § 1, emerg. eff. April 7, 2004.

§74-5062.6a. Program Development and Credit Review Committee - Creation - Membership - Meetings - Personal interest in contracts - Personal liability - Duties.

A. There is hereby created the Program Development and Credit Review Committee within the Oklahoma Development Finance Authority. The committee shall be composed of three (3) members as follows:

1. One member who is designated by the board of directors of the Oklahoma Development Finance Authority;
2. One member who is the Oklahoma State Bond Advisor; and
3. One member who is jointly selected by the Oklahoma State Bond Advisor and by the designee of the Oklahoma Development Finance Authority; provided, the Oklahoma Development Finance Authority shall contract for the services of said member.

B. The Oklahoma Development Finance Authority shall provide all staff support required by the committee.

C. The meetings of the committee shall be subject to the Open Meeting Act, Section 301 et seq. of Title 25 of the Oklahoma Statutes, and the Open Records Act, Section 24A.1 et seq. of Title 51 of the Oklahoma Statutes. Any information submitted to or compiled by the committee with respect to the marketing plans, financial statements, trade secrets or any other commercially sensitive information of persons, firms, associations, partnerships, agencies, corporations or other entities shall be confidential, except to the extent that the person or entity which provided such information or which is the subject of such information consents to disclosure. Executive sessions may be held to discuss such materials if deemed necessary by the members of the committee.

D. If a member of the committee has any direct or any indirect interest in any approval, contract or agreement upon which the member may be called upon to act or vote, the member shall disclose the same to the committee prior to the taking of final action by the committee concerning such contract or agreement and shall so disclose the nature and extent of such interest and the member's acquisition thereof, which disclosure shall be publicly acknowledged by the committee and entered upon the minutes of the committee. If a member holds such an interest, the member shall refrain from any further official involvement in regard to such contract or

agreement, from voting on any matter pertaining to such contract or agreement, and from communicating with other members concerning said contract or agreement. Notwithstanding any other provision of law, any contract or agreement entered into in conformity with this subsection shall not be void or invalid by reason of the interest described in this subsection, nor shall any person so disclosing the interest and refraining from further official involvement as provided for in this subsection be guilty of an offense, be removed from office, or be subject to any other penalty on account of such interest. Provided, any approval, contract or agreement made in violation of this section shall give rise to no action against the committee. Indirect interest shall include pecuniary or competitive advantage which exists or could foreseeably accrue as a result of the act or forbearance of the committee.

E. No member of the committee may be subject to any personal liability or accountability for having acted within the course and scope of the person's membership on the committee. The committee shall indemnify any member of the committee against expenses actually and necessarily incurred by the member in connection with the defense of any action or proceeding in which the member is made a party by reason of past or present association with the committee and the subject of which was within the course and scope of the person's membership on the committee.

F. The committee, except for actions taken by the Oklahoma Development Finance Authority pursuant to Section 5 of this act and Section 5063.4i of this title, shall:

1. Prior to any action by the Oklahoma Development Finance Authority, review and approve all program development uses of the Credit Enhancement Reserve Fund;

2. Prior to any action by the Oklahoma Development Finance Authority, review and approve all commitments of the Credit Enhancement Reserve Fund;

3. Facilitate implementation of subsection H of Section 5062.6 of this title; and

4. Review the Rules Regarding the Administration of the Credit Enhancement Reserve Fund and related regulations and policies as implemented by the Oklahoma Development Finance Authority to determine the adequacy and sufficiency of such rules, regulations and policies for fulfilling the intents and purposes of the Credit Enhancement Reserve Fund Act, Section 5063.1 et seq. of this title. The committee shall prepare and provide to the Executive and Legislative Bond Oversight Commissions and the Oklahoma Development Finance Authority a written finding on such determination.

G. The Oklahoma Development Finance Authority may accept or reject approvals of the committee, but may not modify the approvals.

H. On any application for financing proposed to be supported pursuant to the Credit Enhancement Reserve Fund Act, except for the

Quality Jobs Investment Program established by Section 5 of this act and Section 5063.4i of this title, the application and any relevant materials considered by the Oklahoma Development Finance Authority when making a determination concerning the proposed financing shall be reviewed by the committee for the purpose of evaluating and assigning a credit rating based upon the risk of the venture and the ultimate risk of loss exposure to the Credit Enhancement Reserve Fund.

I. The committee, except for actions taken by the Oklahoma Development Finance Authority pursuant to Section 5 of this act and Section 5063.4i of this title, shall examine the credit analysis and due diligence on each such proposed financing and shall prepare and provide a written report to the Commissions and the Oklahoma Development Finance Authority concerning the credit rating and concerning sufficient compliance with the Rules Regarding the Administration of the Credit Enhancement Reserve Fund.

Added by Laws 1990, c. 342, § 6, emerg. eff. May 30, 1990. Amended by Laws 1993, c. 275, § 46, eff. July 1, 1994; Laws 1994, c. 285, § 3, eff. July 1, 1994.

§74-5062.7. President - Appointment - Powers and duties.

A. The board of directors of the Oklahoma Development Finance Authority shall appoint a president who shall direct and supervise the administrative affairs and the general management of the Authority. The board shall establish criteria for selecting the president taking into consideration national standards for similar positions in similar institutions in other states. The search for the president shall be conducted pursuant to the criteria so established. The president's salary shall be set by the board of directors. The board may appoint the same person who is serving as, or is appointed to be, the chief executive officer or president of the Oklahoma Industrial Finance Authority. The board is authorized to pay the full salary of the president or may agree to share in this expense with the Oklahoma Industrial Finance Authority.

B. The president:

1. May employ and terminate such other officers and employees as designated by the board of directors, including, if necessary, legal counsel;

2. Shall attend board meetings;

3. Shall appoint a secretary to keep a record of all proceedings and maintain and be custodian of all financial and operational records, documents and papers filed with the Authority and of the minute book of the Authority; and

4. Shall perform other duties directed by action of the board of directors of the Authority in carrying out the purposes of this act.

Added by Laws 1987, c. 222, § 55, operative July 1, 1987. Amended by Laws 1994, c. 285, § 4, eff. July 1, 1994.

§74-5062.8. See the following versions:

OS 74-5062.8v1 (SB 1050, Laws 2021, c. 204, § 13).

OS 74-5062.8v2 (SB 1049, Laws 2021, c. 203, § 12).

§74-5062.8a. Repealed by Laws 2019, c. 320, § 5.

§74-5062.8v1. Powers of authority.

The Oklahoma Development Finance Authority is hereby granted, has and may exercise all powers necessary or appropriate to carry out and effectuate its corporate purposes including, without limiting the generality thereof, the following:

1. To adopt, amend and repeal rules and regulations, policies and procedures for the regulation of its affairs and the conduct of its business;

2. To sue and be sued in its own name;

3. To have an official seal and power to alter that seal at will;

4. To maintain an office at such place or places within this state as it may designate;

5. To adopt, amend and repeal bylaws and rules and regulations, not inconsistent with the Oklahoma Development Finance Authority Act, to carry into effect the powers and purposes of the Authority and the conduct of its business;

6. To make and execute contracts with any individual, corporation, whether profit or nonprofit, association or any other entity and all other instruments necessary or convenient for the performance of its duties and the exercise of its powers and functions under the Oklahoma Development Finance Authority Act;

7. To employ underwriters, bond or other legal counsel, financial advisors, consultants, a financial institution to serve as trustee, paying agent or in any fiduciary capacity in connection with any program, indenture or general resolution of the Authority, or any other experts and to determine their qualifications, duties and compensation subject to the provisions of the Oklahoma Development Finance Authority Act for advice and oversight of the State Bond Advisor; provided, however, after July 1, 1987, the Authority shall not employ or contract with any person, partnership, corporation, trust or other entity for underwriting services for issuance of bonded indebtedness if that entity has served as financial advisor to the Authority concerning the consideration of that issuance.

When engaging the services of underwriters, bond or other legal counsel, financial advisors, consultants, a financial institution to serve as trustee, paying agent or in any fiduciary capacity in

connection with any program, indenture or general resolution of the Authority, or any other experts, the board shall be governed by the provisions of subsection C of Section 695.7 of Title 62 of the Oklahoma Statutes except when engaging such services in connection with a program whose purpose is to provide financing for a single, private entity which has previously selected providers of any such services prior to making application to the Authority; provided, such financing for the program shall not be backed by the Credit Enhancement Reserve Fund;

8. To procure insurance against any loss in connection with its property and other assets in such amounts and from such insurers as it deems desirable;

9. To borrow money and to issue bonds, whether or not the interest thereon is to be includable in the gross income of the recipients thereof for federal income tax purposes including, without limitation, to provide on a pooled or consolidated basis financing for the purposes and projects herein provided and to provide for the security and sources of payments therefor;

10. To receive and accept aid or contributions from any source of money, property, labor or other things of value to be held, used and applied to carry out the purposes of the Oklahoma Development Finance Authority Act subject to the conditions upon which the grants and contributions are made including, but not limited to, gifts or grants from any department, agency or instrumentality of the United States or of the state for any purpose consistent with the Oklahoma Development Finance Authority Act;

11. To obtain from any department or agency of the United States of America or nongovernmental insurer any insurance or guaranty, to the extent now or hereafter available, as to, or of, or for, the payment or repayment of, interest or principal, or both, or any part thereof, on any bonds issued by the Authority, or on any municipal securities of political subdivisions purchased or held by the Authority, pursuant to the Oklahoma Development Finance Authority Act; and, notwithstanding any other provisions of the Oklahoma Development Finance Authority Act, to enter into any agreement or contract whatsoever with respect to any such insurance or guaranty, except to the extent that the same would in any way impair or interfere with the ability of the Authority to perform and fulfill the terms of any agreement made with the owners of the bonds of the Authority;

12. To sell, convey, lease, exchange, transfer or otherwise dispose of, all or any of its property or any interest therein, wherever situated;

13. To provide financing assistance for the purposes and projects herein provided;

14. To acquire, purchase, hold, store, advertise, market, sell, trade, barter, exchange, distribute, transport, process, utilize and

contract in all manner with respect thereto and for commodities, products and services, and real or personal property or any interest therein and to contract for, issue and utilize letters of credit and other credit facilities and incur indebtedness and to arrange, form, make, guarantee, issue, remit, receive, receipt, process and collect payments and equivalents, howsoever nominated, in connection with or for purposes of any of the foregoing and for the purpose of executing and fulfilling the purposes of the Authority;

15. To acquire, reacquire, construct, reconstruct, extend, rent, lease, purchase, use, loan, borrow, install, equip, maintain, operate, renovate, refurbish, enlarge, remodel, convey, sell, at public or private sale, encumber, alleviate, transfer, exchange, dispose of and/or resell, any property, real, personal or mixed, improvements, buildings, equipment, chattels, furnishings, fixtures, trade fixtures, and any and all other facilities and/or property of whatever nature including any and all rights to or therein for use by corporations, individuals, cooperatives, partnerships, associations or proprietary companies for any of or for the purpose of executing and/or fulfilling the purposes of the Authority, and to plan, establish, develop, construct, enlarge, improve, extend, maintain, equip, operate, lease, furnish, provide, supply, regulate, hold, store and administer property, buildings, improvements and facilities of every nature, which may be useful in pursuing, promoting, executing and/or fulfilling the aforementioned purposes;

16. To the extent permitted under its contract with the owners of bonds, to consent to any modification with respect to rate of interest, time and payment of any installment of principal or interest security or any other term of any contract, mortgage, contract or agreement of any kind to which the Authority is a party;

17. To purchase its own bonds at such price or prices as the Authority shall determine, subject to any agreement with the owners of bonds;

18. To enter into financial documents with others for the purpose of receiving revenues to pay the bonds authorized by the Oklahoma Development Finance Authority Act; to lease, sell or otherwise dispose of any or all of its projects to others for such revenues and upon such terms and conditions as the Authority may deem advisable, and to grant options to renew any financing agreement with respect to project and to grant options to buy any project at such price or prices as the Authority deems desirable;

19. To lend money to the state or political subdivisions through the purchase by the Authority of obligations of the state or political subdivisions;

20. To collect fees and charges in connection with its loans, commitments and servicing including, but not limited to, reimbursement of costs of financing as the Authority shall determine to be reasonable and as shall be approved by the Authority;

21. To provide services, technical assistance and advice to this state and political subdivisions and to enter into contracts with this state and political subdivisions to provide such services. The state and its political subdivisions are hereby authorized to enter into contracts with the Authority for such services and to pay for such services as may be provided them;

22. To contract, cooperate or join with any one or more other governments or public agencies, or with the state, any political subdivisions of this state or the United States, to perform any administrative service, activity or undertaking which any such contracting party is authorized by law to perform including the issuance of bonds;

23. To lend money or otherwise extend credit to any person and exercise all powers of a lender or creditor;

24. To invest any funds available to the Authority, whether or not from the proceeds of bonds, in such securities or pursuant to such agreements or other arrangements as the Authority shall determine, subject to any agreements with bond owners or other creditors of the Authority;

25. To purchase, trade or sell foreign or domestic currencies or the right to acquire such currency in the future;

26. To exercise all other powers and functions necessary or appropriate to carry out the duties and purposes set forth in the Oklahoma Development Finance Authority Act;

27. To provide loans made pursuant to notes, bonds, revenue bonds or other appropriate forms of indebtedness to unregulated utilities pursuant to the February 2021 Unregulated Utility Consumer Protection Act; and

28. To issue ratepayer-backed bonds pursuant to the February 2021 Regulated Utility Consumer Protection Act.

Added by Laws 1987, c. 222, § 56, operative July 1, 1987. Amended by Laws 1989, c. 374, § 6, emerg. eff. June 6, 1989; Laws 2010, c. 461, § 1, emerg. eff. June 10, 2010; Laws 2021, c. 204, § 13, emerg. eff. April 23, 2021.

§74-5062.8v2. Powers of authority.

The Oklahoma Development Finance Authority is hereby granted, has and may exercise all powers necessary or appropriate to carry out and effectuate its corporate purposes including, without limiting the generality thereof, the following:

1. To adopt, amend and repeal rules and regulations, policies and procedures for the regulation of its affairs and the conduct of its business;

2. To sue and be sued in its own name;

3. To have an official seal and power to alter that seal at will;

4. To maintain an office at such place or places within this state as it may designate;

5. To adopt, amend and repeal bylaws and rules and regulations, not inconsistent with the Oklahoma Development Finance Authority Act, to carry into effect the powers and purposes of the Authority and the conduct of its business;

6. To make and execute contracts with any individual, corporation, whether profit or nonprofit, association or any other entity and all other instruments necessary or convenient for the performance of its duties and the exercise of its powers and functions under the Oklahoma Development Finance Authority Act;

7. To employ underwriters, bond or other legal counsel, financial advisors, consultants, a financial institution to serve as trustee, paying agent or in any fiduciary capacity in connection with any program, indenture or general resolution of the Authority, or any other experts and to determine their qualifications, duties and compensation subject to the provisions of the Oklahoma Development Finance Authority Act for advice and oversight of the State Bond Advisor; provided, however, after July 1, 1987, the Authority shall not employ or contract with any person, partnership, corporation, trust or other entity for underwriting services for issuance of bonded indebtedness if that entity has served as financial advisor to the Authority concerning the consideration of that issuance.

When engaging the services of underwriters, bond or other legal counsel, financial advisors, consultants, a financial institution to serve as trustee, paying agent or in any fiduciary capacity in connection with any program, indenture or general resolution of the Authority, or any other experts, the board shall be governed by the provisions of subsection C of Section 695.7 of Title 62 of the Oklahoma Statutes except when engaging such services in connection with a program whose purpose is to provide financing for a single, private entity which has previously selected providers of any such services prior to making application to the Authority, provided such financing for the program shall not be backed by the Credit Enhancement Reserve Fund;

8. To procure insurance against any loss in connection with its property and other assets in such amounts and from such insurers as it deems desirable;

9. To borrow money and to issue bonds, whether or not the interest thereon is to be includable in the gross income of the recipients thereof for federal income tax purposes including, without limitation, to provide on a pooled or consolidated basis financing for the purposes and projects herein provided and to provide for the security and sources of payments therefor;

10. To receive and accept aid or contributions from any source of money, property, labor or other things of value to be held, used

and applied to carry out the purposes of the Oklahoma Development Finance Authority Act subject to the conditions upon which the grants and contributions are made including, but not limited to, gifts or grants from any department, agency or instrumentality of the United States or of the state for any purpose consistent with the Oklahoma Development Finance Authority Act;

11. To obtain from any department or agency of the United States of America or nongovernmental insurer any insurance or guaranty, to the extent now or hereafter available, as to, or of, or for, the payment or repayment of, interest or principal, or both, or any part thereof, on any bonds issued by the Authority, or on any municipal securities of political subdivisions purchased or held by the Authority, pursuant to the Oklahoma Development Finance Authority Act; and, notwithstanding any other provisions of the Oklahoma Development Finance Authority Act, to enter into any agreement or contract whatsoever with respect to any such insurance or guaranty, except to the extent that the same would in any way impair or interfere with the ability of the Authority to perform and fulfill the terms of any agreement made with the owners of the bonds of the Authority;

12. To sell, convey, lease, exchange, transfer or otherwise dispose of all or any of its property or any interest therein, wherever situated;

13. To provide financing assistance for the purposes and projects herein provided;

14. To acquire, purchase, hold, store, advertise, market, sell, trade, barter, exchange, distribute, transport, process, utilize and contract in all manner with respect thereto and for commodities, products and services, and real or personal property or any interest therein and to contract for, issue and utilize letters of credit and other credit facilities and incur indebtedness and to arrange, form, make, guarantee, issue, remit, receive, receipt, process and collect payments and equivalents, howsoever nominated, in connection with or for purposes of any of the foregoing and for the purpose of executing and fulfilling the purposes of the Authority;

15. To acquire, reacquire, construct, reconstruct, extend, rent, lease, purchase, use, loan, borrow, install, equip, maintain, operate, renovate, refurbish, enlarge, remodel, convey, sell, at public or private sale, encumber, alleviate, transfer, exchange, dispose of and/or resell, any property, real, personal or mixed, improvements, buildings, equipment, chattels, furnishings, fixtures, trade fixtures and any and all other facilities and/or property of whatever nature including any and all rights to or therein for use by corporations, individuals, cooperatives, partnerships, associations or proprietary companies for any of or for the purpose of executing and/or fulfilling the purposes of the Authority, and to plan, establish, develop, construct, enlarge, improve, extend,

maintain, equip, operate, lease, furnish, provide, supply, regulate, hold, store and administer property, buildings, improvements and facilities of every nature, which may be useful in pursuing, promoting, executing and/or fulfilling the aforementioned purposes;

16. To the extent permitted under its contract with the owners of bonds, to consent to any modification with respect to rate of interest, time and payment of any installment of principal or interest security or any other term of any contract, mortgage, contract or agreement of any kind to which the Authority is a party;

17. To purchase its own bonds at such price or prices as the Authority shall determine, subject to any agreement with the owners of bonds;

18. To enter into financial documents with others for the purpose of receiving revenues to pay the bonds authorized by the Oklahoma Development Finance Authority Act; to lease, sell or otherwise dispose of any or all of its projects to others for such revenues and upon such terms and conditions as the Authority may deem advisable, and to grant options to renew any financing agreement with respect to project and to grant options to buy any project at such price or prices as the Authority deems desirable;

19. To lend money to the state or political subdivisions through the purchase by the Authority of obligations of the state or political subdivisions;

20. To collect fees and charges in connection with its loans, commitments and servicing including, but not limited to, reimbursement of costs of financing as the Authority shall determine to be reasonable and as shall be approved by the Authority;

21. To provide services, technical assistance and advice to this state and political subdivisions and to enter into contracts with this state and political subdivisions to provide such services. The State of Oklahoma and its political subdivisions are hereby authorized to enter into contracts with the Authority for such services and to pay for such services as may be provided them;

22. To contract, cooperate or join with any one or more other governments or public agencies, or with the state, any political subdivisions of this state or the United States, to perform any administrative service, activity or undertaking which any such contracting party is authorized by law to perform including the issuance of bonds;

23. To lend money or otherwise extend credit to any person and exercise all powers of a lender or creditor;

24. To invest any funds available to the Authority, whether or not from the proceeds of bonds, in such securities or pursuant to such agreements or other arrangements as the Authority shall determine, subject to any agreements with bond owners or other creditors of the Authority;

25. To purchase, trade or sell foreign or domestic currencies or the right to acquire such currency in the future;

26. To exercise all other powers and functions necessary or appropriate to carry out the duties and purposes set forth in the Oklahoma Development Finance Authority Act;

27. To provide loans to unregulated utilities pursuant to the February 2021 Unregulated Utility Consumer Protection Act; and

28. To issue securitized bonds pursuant to the February 2021 Regulated Utility Consumer Protection Act.

Added by Laws 1987, c. 222, § 56, operative July 1, 1987. Amended by Laws 1989, c. 374, § 6, emerg. eff. June 6, 1989; Laws 2010, c. 461, § 1, emerg. eff. June 10, 2010; Laws 2021, c. 203, § 12, emerg. eff. April 23, 2021.

§74-5062.9. Liability of Authority personnel - Indemnification of legal expenses.

No member of the Authority, no member of the board and no officer or employee of the Authority may be subject to any personal liability or accountability for having acted within the course and scope of his membership, office or employment to carry out any power or duty pursuant to this act. The Authority shall indemnify any member of the Authority, any member of the board of the Authority and any employee of the Authority against expenses actually and necessarily incurred by him in connection with the defense of any action or proceeding in which he is made a party by reason of past or present association with the Authority and the subject of which was within the course and scope of his membership, office or employment.

Added by Laws 1987, c. 222, § 57, operative July 1, 1987.

§74-5062.10. Bonds.

A. The Authority shall have the power and is hereby authorized to borrow money and to issue its bonds in such principal amounts as the Authority determines shall be necessary to provide sufficient funds for: (a) the providing of financing for all or any part of any projects of the state or any of its political subdivisions as authorized under this act; (b) the providing of financing assistance to the state or political subdivisions as authorized under this act; (c) the payment of interest on bonds of the Authority; (d) the establishment of reserves to secure the bonds; and (e) all other expenditures of the Authority incident to and necessary or convenient to carry out its purposes and powers, including the payment of any credit enhancement fees and costs of issuance incurred in connection with the issuance of bonds. The Authority shall have the power to make expenditures for purposes of insuring and securing holders of bonds as provided in this act.

B. The Authority shall have the power to refund any bonds and any bonds, notes or other obligations heretofore or hereafter issued

by any other issuer of bonds in the state if the Authority is authorized hereunder to issue bonds for the purpose the refunded bonds were issued by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and to issue bonds partly to refund bonds then outstanding and partly for any of its corporate purposes. Refunding bonds may be issued in such amount as the Authority may determine, but not exceeding an amount sufficient to refund the principal amount of the bonds or notes to be refunded, together with any unpaid interest accrued and to accrue thereon and any premiums, expenses and commissions incurred in connection with the issuance of such refunding bonds and any reserve established in connection with the issuance of such refunding bonds. The refunding bonds may be sold and the proceeds applied to the purchase, redemption, or payment of the bonds to be refunded or exchanged for the bonds to be refunded, all as determined by the Authority.

C. All bonds of the Authority shall be either (i) general obligations of the Authority, secured by any and all moneys and revenues of the Authority, (ii) special and limited obligations of the Authority, secured and payable solely out of the revenues and receipts derived pursuant to a financing agreement, or (iii) both general and special limited obligations, as may be designated in the proceedings of the Authority under which the bonds shall be authorized to be issued.

D. The bonds shall be authorized by resolution or resolutions of the Authority, shall be dated such date or dates, and shall mature at such time or times as such resolution or resolutions may provide. The bonds shall bear interest at such rate or rates or contain terms providing for the means of determining such rate or rates, including variations in such rates, but not to exceed an average interest rate of fourteen percent (14%) per annum if the interest thereon is not includable in the gross income of the recipients thereof for federal income tax purposes or eighteen percent (18%) per annum if the interest thereon is includable in the gross income of recipients thereof for federal income tax purposes, be in such denomination, be in such form, either coupon or registered, or in book-entry form, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such term of redemption, including redemptions prior to maturity, as such resolution or resolutions may provide. The bonds of the Authority may be sold by the Authority at public or private sale, and at the price or prices as the Authority shall determine.

E. Any resolution or resolutions authorizing any bonds or any issue thereof may contain provisions, which shall be a part of the contract or contracts with the owners thereof, as to:

1. pledging all or any part of the revenues to secure the payment of the bonds or of any issue thereof, subject to such agreements with bondowners as may then exist;

2. pledging all or any part of the assets of the Authority, including mortgages and obligations securing the same, to secure the payment of the bonds or of any issue of bonds, subject to the agreements with bondowners as may then exist;

3. the use and disposition of the gross income from assets of any type owned by the Authority and payment of principal of assets of any type owned by the Authority;

4. the setting aside of reserves or sinking funds and the regulations and disposition thereof;

5. limitations on the purpose to which the proceeds of sale of bonds may be applied and pledging the proceeds to secure the payment of the bonds;

6. limitations on the issuance of additional bonds; the terms upon which additional bonds may be issued and secured; and the refunding of outstanding or other bonds;

7. the procedure, if any, by which the terms of any contract with bondowners may be amended or abrogated, the amount of bonds the owners of which must consent thereto, and the manner in which the consent may be given;

8. vesting in a trustee such property, rights, powers and duties in trust as the Authority may determine, which may include any or all of the rights, powers, and duties of the trustee appointed by the bondowners pursuant to this act and limiting or abrogating the right of bondowners to appoint a trustee under this act or limiting the rights, powers, and duties of the trustee;

9. defining the acts or omissions to act which shall constitute a default in the obligations and duties of the Authority to the owners of the bonds and providing for the rights and remedies of the owners of the bonds in the event of default, including as a matter of right the appointment of a receiver; but the rights and remedies shall not be inconsistent with the general laws of the state and other provisions of this act; and

10. any other matters, of like or different character, which in any way affect the security or protection of the owners of the bonds.

F. Any pledge made by the Authority shall be valid and binding from the time when the pledge is made. The revenues, monies, or property so pledged and thereafter received by the Authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Authority, irrespective of trust indenture whether the parties have

notice thereof. Neither the resolution, trust indenture nor any other instrument by which a pledge is created need be recorded.

G. Bonds of the Authority may be secured by resolution of the Authority or a trust indenture or similar document by and between the Authority and a corporate trustee, which may be any bank having the power of a trust company or any trust company within or without the state. Such resolution, trust indenture or similar document may contain such provisions for protecting and enforcing the rights and remedies of the bondowners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the Authority in relation to the exercise of its corporate powers and the custody, safeguarding and application of all monies. The Authority may provide by the resolution or trust indenture for the payment of the proceeds of the bonds and the revenues to the trustee under the trust indenture or other depository, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine.

H. Whether or not the bonds are of the form and character as to be negotiable instruments under the terms of the Uniform Commercial Code, the bonds are hereby made negotiable instruments within the meaning of and for all the purposes of the Uniform Commercial Code, subject only to the provisions of the bonds relating to registration.

I. In the event that any of the members or officers of the Authority shall cease to be members or officers of the Authority prior to the delivery of any bonds or coupons signed by them, their signatures or facsimiles thereof shall nevertheless be valid and sufficient for all purposes, the same as if such members or officers had remained in office until such delivery.

J. Neither the members of the Authority nor any other person executing the bonds issued under this act shall be subject to personal liability or accountability by reason of the issuance thereof.

K. The Authority shall have the power to provide for the replacement of lost, destroyed, or mutilated bonds.

L. Except as provided by the Credit Enhancement Reserve Fund Act, bonds issued pursuant to the provisions of this act shall never constitute an indebtedness of the state within the meaning of any state constitutional provision or statutory limitation, but such bonds shall be indebtedness payable solely from sources indicated on the bond documents, and shall never constitute nor give rise to a pecuniary liability of this state or unspecified funds of the Authority or a charge against the general credit of the state or taxing powers of the state, and such fact shall be plainly stated on the face of each bond.

Added by Laws 1987, c. 222, § 58, operative July 1, 1987.

§74-5062.11. Tax exemption for bonds.

The bonds authorized pursuant to the Oklahoma Development Finance Authority Act and the income therefrom, whether or not the interest on which is subject to federal income taxation, shall be exempt from all taxation in this state except for inheritance, estate or transfer taxes; all legal instruments and all security agreements and financing agreements made pursuant to the provisions of this act shall be exempt from Oklahoma stamp, mortgage and transfer taxes.

Added by Laws 1987, c. 222, § 59, operative July 1, 1987.

§74-5062.12. Insurance fund.

The Oklahoma Development Finance Authority is authorized to create an insurance fund consisting solely of funds deposited pursuant to Section 81 of this act. Said insurance fund shall be held in the custody of one or more banks or trust companies having a principal place of business in this state. The insurance fund shall be held as security for the holders of bonds issued pursuant to the provisions of this act. It shall be governed by a trust agreement entered into by the Authority with the trustees. The trust agreement may contain such provisions and limitations as to the investment and disbursement of monies in the insurance fund; the payment of expenses of the insurance fund; the appointment, resignation, and discharge of trustees; the delegation of enforcement and collection powers under the insurance agreements to the trustee; the duties of the trustees, amendments of the trust agreement, and such other lawful provisions and limitations as may be deemed appropriate by the Authority. The trust agreement may pledge premiums and other monies which may be deposited in the insurance fund. Such pledge shall be valid and binding from the time when the pledge is made. The premiums and other monies so pledged and thereafter received by the insurance fund or by the trustees in its behalf shall immediately be subject to the lien of such pledge and shall be valid and binding as against all parties having claims of any kind against the insurance fund, irrespective of whether such parties have notice thereof. The Authority may also use the funds deposited pursuant to Section 81 of this act to purchase insurance which shall be pledged for the security of the holders of any bonds issued under this act or to enter into agreements with credit facilities in order to enhance the security of any holders of bonds. In any case in which insurance is pledged as security, whether obtained through the insurance funds authorized to be created pursuant to the provisions of this section or purchased with monies deposited pursuant to Section 81 of this act, any description of such insurance shall expressly indicate the limitation of the liability of the Authority and that neither the credit nor taxing

power of this state or any political subdivision thereof shall be available to satisfy any obligations with respect thereto.
Added by Laws 1987, c. 222, § 60, operative July 1, 1987.

§74-5062.13. Investment in securities of Oklahoma Development Finance Authority.

The bonds, debentures, notes or other evidence of indebtedness of the Oklahoma Development Finance Authority are hereby made securities in which all public officers and bodies of this state, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks, savings associations, including savings and loan associations and building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or who may hereafter be authorized to invest in bonds or other obligations of this state may properly and legally invest funds including capital in their control or belonging to them. Notwithstanding any other provision of law, the bonds, debentures, notes or other evidence of indebtedness of the Authority are also hereby made securities which may be deposited with and may be received by all public officers and bodies of this state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of this state are now or may hereafter be authorized.

Added by Laws 1987, c. 222, § 61, operative July 1, 1987.

§74-5062.14. Authority - State tax exemption.

The Oklahoma Development Finance Authority shall be and is hereby exempt from all franchise, corporate, business and other taxes of any nature levied by the state, provided that nothing herein shall be construed to exempt from such taxes any person receiving financing assistance from the Authority.

Added by Laws 1987, c. 222, § 62, operative July 1, 1987.

§74-5062.15. Pledge against limitation or alteration of rights of bond owners.

The State of Oklahoma does hereby pledge to and agree with the owners of any bonds issued under this act that the state will not limit or alter the rights hereby vested in the Authority to fulfill the terms of any agreements made with the owners thereof or in any way impair the rights and remedies of the owners until the bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the owners, are fully met and discharged. The Authority is authorized to include

this pledge and agreement of the state in any agreement with the owners of the bonds.

Added by Laws 1987, c. 222, § 63, operative July 1, 1987.

§74-5062.16. Covenant and consent to inclusion of interest on bonds in gross income.

The Authority may covenant and consent that the interest on certain of its bonds shall be includable under the Internal Revenue Code of 1986, as amended, or any subsequent corresponding internal revenue law of the United States in the gross income of the owners thereof to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the United States is includable in the gross income of the owners thereof under said Internal Revenue Code or any such subsequent law. Nothing contained herein shall be construed to covenant or consent or to authorize any covenant or consent to the application of any other provision of any other laws, federal or state, to the Authority or to its bonds or to the elimination or modification in any way of any other exemption, privilege or immunity thereof.

Added by Laws 1987, c. 222, § 64, operative July 1, 1987.

§74-5062.17. Construction of act.

This act shall be liberally construed. Nothing contained herein is or shall be construed as a restriction or limitation upon any powers which the Authority might otherwise have under any other law of this state heretofore or hereafter enacted, and the provisions of this act are cumulative to such powers. The provisions hereof do and shall be construed to provide a complete, additional and alternative method for the doing of the things authorized and shall be regarded as supplemental and additional to powers conferred by any other laws.

Added by Laws 1987, c. 222, § 65, operative July 1, 1987.

§74-5062.18. Bonds of Oklahoma Development Finance Authority not to compete with bonds of certain state agencies.

Notwithstanding any provision herein to the contrary, the Oklahoma Development Finance Authority shall not participate in financing programs nor issue bonds which compete with or are similar in nature to those obligations authorized for issuance by the Oklahoma Turnpike Authority, the Oklahoma Housing Finance Agency, the Oklahoma Water Resources Board, the Grand River Dam Authority, the Oklahoma Student Loan Authority and the Oklahoma Municipal Power Authority, without the prior consent of said authorities.

Added by Laws 1987, c. 222, § 66, operative July 1, 1987.

§74-5062.19. Annual report - Matters included - Compliance with G.A.O. auditing standards.

A. Within sixty (60) days after the end of each fiscal year, the Oklahoma Development Finance Authority shall, in its annual report, account for:

1. The manner in which the purpose as described in Section 5062.1 et seq. of this title has been carried out by the Oklahoma Development Finance Authority;

2. A list of all bonds issued by the Authority and an itemized list of costs of issuance and an evaluation of the extent to which the purposes of the bond proceeds have been realized;

3. A list of all loans made by the Authority and a description of projects financed;

4. Documentation and estimates of jobs created and jobs preserved as a result of loans made by the Authority;

5. Estimates of the multiplier effects on the local and/or statewide economy of loans made by the Authority;

6. An analysis by size, sector and location of the targeting of loans by the Authority to agricultural enterprises, industrial enterprises, and to the state and any of its political subdivisions;

7. A preliminary financial report showing the financial condition of the Authority at the end of the fiscal year; provided, an independent audit in accordance with generally accepted accounting principles shall be undertaken by an accounting firm or individual holding a permit to practice public accounting in this state and shall be submitted to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, Oklahoma Futures and the Office of the State Auditor and Inspector in accordance with the requirements set forth for financial statement audits in Section 212A of this title. The audit shall include:

a. a statement of the aggregate dollar amount, if any, of obligations which are backed by the Credit Enhancement Reserve Fund and which are more than ninety (90) days delinquent in their payments, and

b. a statement of payments made from the Credit Enhancement Reserve Fund, and

c. a statement on the loss rate percentage derived by dividing the outstanding principal balance of unpaid obligations of the Credit Enhancement Reserve Fund by the amount of payments made from the fund during the fiscal year; and

8. Policy recommendations for programs which will enhance the economic growth and development of the state.

B. All public accountants and certified public accountants, as a condition of being approved by the Oklahoma Development Finance Authority to perform the annual independent audit required pursuant to this section, shall comply with the most recent "Governmental Auditing Standards" of the Standards for Audit of Governmental

Organizations, Programs, Activities, and Functions, issued by the United States General Accounting Office. A copy of the peer review performed in accordance with the above standards shall be filed with the Authority. Should the results of the peer review indicate that material deficiencies exist in the audit work performed by the reviewed auditing firm, the Oklahoma State Board of Public Accountancy shall so notify the Authority, which shall immediately remove the reviewed firm from any approved list of auditors maintained by the Authority for a period of at least two (2) years or until such time as the firm has demonstrated satisfactory correction of the deficiencies reported in the peer review. Added by Laws 1987, c. 222, § 67, operative July 1, 1987. Amended by Laws 1989, c. 374, § 7, emerg. eff. June 6, 1989; Laws 1996, c. 290, § 19, eff. July 1, 1996.

§74-5062.20. Annual report - Publication - Distribution - Contents - Recommendations.

The Oklahoma Development Finance Authority shall publish and present an annual report to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and Oklahoma Futures, setting forth in detail the operations and transactions conducted by it pursuant to this or to other legislation. The annual report shall specifically account for the ways the need, mission and programs of the Authority described in Section 5062.1 et seq. of this title have been carried out, including but not limited to, a review of the results of the Authority's operations and transactions according to objective measures set forth in the Authority's business plan. The report shall recommend specific changes in the activities of the Authority which are necessary to better carry out the need and mission described in Section 5062.1 et seq. of this title. The Authority shall distribute its annual report by such means that will make it widely available to those innovative enterprises of special importance to the Oklahoma economy.

Added by Laws 1987, c. 222, § 68, operative July 1, 1987. Amended by Laws 1989, c. 374, § 8, emerg. eff. June 6, 1989.

§74-5062.21. Evaluation of Authority's performances.

Seven (7) years after the Oklahoma Development Finance Authority has begun operations, Oklahoma Futures shall review, analyze and evaluate the extent to which the Authority has achieved its statutory need and mission. The evaluation shall include, but not be limited to, an examination of quantifiable results of the Authority's programs and plans.

Added by Laws 1987, c. 222, § 69, operative July 1, 1987.

§74-5062.22. Cooperation and services of other state officers and agencies.

All officers, departments, boards, agencies, divisions, and commissions of this state including, but not limited to, the Oklahoma Department of Commerce, the State Department of Health, the Department of Transportation, the Oklahoma Securities Commission and the Office of the Attorney General, shall cooperate with and render such services, as feasible, to the Oklahoma Development Finance Authority as may be within the area of their respective governmental functions as fixed or established by law, and as may be requested by the Authority. The cost and expenses of any such services shall be met and provided by the Authority if such services are of the type for which a fee is usually charged.

Added by Laws 1987, c. 222, § 70, operative July 1, 1987.

§74-5062.30. Short title.

Sections 2 through 8 of this act shall be known and may be cited as the "Military Base Protection and Expansion Incentive Act".

Added by Laws 2007, c. 349, § 2, emerg. eff. June 4, 2007.

§74-5062.31. Legislative findings.

The Legislature finds:

1. It is in the best interest of the State of Oklahoma to ensure the continued location and expansion of established military bases and facilities in this state;

2. Growth to political subdivisions as a result of the presence and expansion of military bases and facilities requires improved and expanded municipal and school infrastructure and facilities; and

3. Political subdivisions that serve military bases are in critical need of capital improvement projects, and the financing of such projects constitutes an important public purpose.

Added by Laws 2007, c. 349, § 3, emerg. eff. June 4, 2007. Amended by Laws 2008, c. 217, § 7, emerg. eff. May 20, 2008.

§74-5062.32. Definitions.

As used in the Military Base Protection and Expansion Incentive Act:

1. "Authority" means the Oklahoma Development Finance Authority;

2. "Capital project" means the acquisition, construction, expansion, replacement, or renovation of a municipal, county or school district facility, including real property, buildings, and other fixed assets. Capital project shall not include furnishings or equipment that is not a fixed asset; and

3. "Qualified issuer" means a municipality, county, school district, or public trust of which a municipality, county or school district is the beneficiary that:

- a. is located in or adjacent to a county that is home to a military installation receiving military or mission expansion from the 2005 Base Realignment and Closure Commission (BRAC) recommendations, and
- b. encompasses all or part of a school district that is entitled to receive federal impact aid dollars or federal payment in lieu of tax dollars for the most recently completed school year.

Added by Laws 2007, c. 349, § 4, emerg. eff. June 4, 2007. Amended by Laws 2008, c. 217, § 8, emerg. eff. May 20, 2008.

§74-5062.33. Loan program - Funding for issuers.

There is hereby created a loan program, the purpose of which is to protect and retain established military bases and facilities and to support additional and expanded employment at such bases and facilities. The program shall provide funding to qualified issuers to finance capital projects needed as a result of growth due to or in connection with an established military base.

Added by Laws 2007, c. 349, § 5, emerg. eff. June 4, 2007. Amended by Laws 2008, c. 217, § 9, emerg. eff. May 20, 2008.

§74-5062.34. Oklahoma Development Finance Authority - Issuance of bonds - Titles and Liens - Deferrals.

A. When a qualified issuer that is or will be impacted by growth at a military installation, proposes to acquire or construct a capital project, the Oklahoma Development Finance Authority may serve as conduit issuer for the capital project in the form of loans, lease-purchase agreements, or other forms of indebtedness.

B. For the capital projects described in subsection A of this section, the Authority may issue bonds to provide funding:

1. To acquire real property, together with improvements thereon;

2. To construct buildings and other improvements to real property;

3. To provide repairs, renovations, and improvements to real property and other fixed assets; and

4. To defease or refund bonds or other obligations of a qualified issuer which were issued to finance a capital project as defined herein; and further, to fund necessary bond reserves and to pay costs of issuance of any obligations issued under this act.

C. The Authority shall not issue bonds for loans, lease-purchase agreements, or other forms of indebtedness for a qualified issuer pursuant to the Military Base Protection and Expansion Incentive Act except upon the certification by the qualified issuer that it has received or will receive an amount sufficient to repay the indebtedness as a result of a voter-approved incentive derived from a tax levy. Further, the qualified issuer shall certify that it

will not use the proceeds of general obligation bonds to pay the interest on any lease-purchase obligations.

D. The Authority may hold title to the new real property and improvements and place liens on improved existing real property until such time as any obligations issued for the purpose of the capital project are retired or defeased and may lease the real property and improvements to the qualified issuer. Upon final redemption or defeasance of the obligations created pursuant to this section, title to the real property and improvements thereon shall be transferred from the Authority to the qualified issuer.

E. The Authority may defer principal payments on loans made pursuant to the Military Base Protection and Expansion Incentive Act for a period not to exceed five (5) years.

Added by Laws 2007, c. 349, § 6, emerg. eff. June 4, 2007. Amended by Laws 2008, c. 217, § 10, emerg. eff. May 20, 2008.

§74-5062.35. Appropriations - Repayment - Bonds.

A. It is the intent of the Legislature to appropriate monies to the Oklahoma Department of Commerce in a total amount not to exceed Five Million Dollars (\$5,000,000.00) per year for the purpose of funding interest payments of obligations issued by the Authority pursuant to this act during the initial five (5) years of the obligations. The appropriated funds shall be deposited in the Military Base Protection and Expansion Bond Fund.

B. Upon the completion of the periods, if any, during which principal payments are deferred and during which interest payments are made from the Military Base Protection and Expansion Bond Fund for a qualified issuer, the qualified issuer shall pay all principal, interest, and other appropriate costs associated with the issuance of the obligations. Payments may be in the form of lease payments to the Authority as described in subsection D of Section 5062.34 of this title.

C. Bonds issued by the Authority under this act must be delivered no later than June 30, 2010. No monies will be provided pursuant to this section after June 30, 2015, for interest payments on bonds issued under this act.

Added by Laws 2007, c. 349, § 7, emerg. eff. June 4, 2007. Amended by Laws 2008, c. 217, § 11, emerg. eff. May 20, 2008.

§74-5062.36. Military Base Protection and Expansion Bond Fund - Separate accounts.

A. There is hereby created within the State Treasury a special fund for the Department of Commerce to be designated as the "Military Base Protection and Expansion Bond Fund". All monies deposited into the fund shall be used and expended by the Department solely to pay interest on bonds issued pursuant to the terms of this

act. The Department shall enter into agreements as necessary to carry out the purposes of this act.

B. The Department may establish separate accounts within the Military Base Protection and Expansion Bond Fund as may be required to separately record transactions involving each qualified issuer that applies to participate in the loan program created by this act and to provide for the distribution of monies deposited in the fund. Added by Laws 2007, c. 349, § 8, emerg. eff. June 4, 2007. Amended by Laws 2008, c. 217, § 12, emerg. eff. May 20, 2008.

§74-5063.1. Short title.

Sections 5063.1 through 5063.19, including Sections 5063.4a through 5063.4i, of this title shall be known and may be cited as the "Credit Enhancement Reserve Fund Act". Added by Laws 1987, c. 222, § 71, operative July 1, 1987. Amended by Laws 1993, c. 275, § 38, eff. July 1, 1994; Laws 1994, c. 285, § 6, eff. July 1, 1994.

§74-5063.2. Definitions.

All terms used in the Credit Enhancement Reserve Fund Act shall have the meanings set forth in the Oklahoma Development Finance Authority Act, except as expressly referred to below. In addition, as used in the Credit Enhancement Reserve Fund Act, the following words shall have the following meanings:

1. "Act" means the Credit Enhancement Reserve Fund Act;
 2. "Bonds" means the Credit Enhancement Reserve Fund General Obligation Bonds authorized pursuant to Section 81 of this act; and
 3. "Fund" means the Credit Enhancement Reserve Fund.
- Added by Laws 1987, c. 222, § 72, operative July 1, 1987.

§74-5063.3. Credit Enhancement Reserve Fund - Creation - Management, administration and utilization - Legislative intent.

A. There is hereby created a fund to be known as the Credit Enhancement Reserve Fund. The Fund shall be managed, administered and utilized by the Oklahoma Development Finance Authority in accordance with the provisions of this act.

B. It is the intent of the Legislature that the Fund be self-supporting from insurance premiums charged to borrowers and that such charges be based on sound actuarial practices. The proceeds of obligations to which credit enhancement is granted shall be used, except for unusual circumstances with exceptionally strong public benefits, for expansion capital to businesses and to make improvements or additions to real or personal property in the case of private or nonprofit use borrowers. Use of the Fund for business buyouts or refinancing shall be minimal. The Authority shall give reasonable priority to loans in rural areas. In implementing the provisions of the Credit Enhancement Reserve Fund Act, the Authority

shall generally limit the granting of credit enhancement by the Fund to high to moderate credit quality revenue bonds or other obligations issued by the Authority, except as provided in Section 5 of this act and Sections 5063.4b and 5063.4i of this title. High to moderate credit quality means revenue bonds or other obligations of the Authority judged to be of low to moderate risk, meaning that an obligation to which credit enhancement is granted demonstrates a strong likelihood of repayment according to its terms. Credit quality shall be determined by the Program Development and Credit Review Committee. To the extent possible, the Fund shall be leveraged with private financial assistance for Fund-backed obligations for private or nonprofit borrowers.

Added by Laws 1987, c. 222, § 73, operative July 1, 1987. Amended by Laws 1990, c. 342, § 7, emerg. eff. May 30, 1990; Laws 1993, c. 275, § 39, eff. July 1, 1994; Laws 1994, c. 285, § 7, eff. July 1, 1994.

§74-5063.4. Fund - Use and expenditures - Credit enhancement - Rules and regulations for administration.

A. The Fund shall be employed by the Oklahoma Development Finance Authority solely to secure the payment of principal, interest and premium, if any, on the revenue bonds and other financial obligations issued by the Authority pursuant to the Oklahoma Development Finance Authority Act, for the specific purpose of enhancing and supporting the credit of such revenue bonds and other financial obligations. Such other financial obligations may include guarantees, loans, letters of credit or other similar obligations issued by the Authority pursuant to the Oklahoma Development Finance Authority Act, and may include commitments by the Authority for the Fund to secure loans made by private financial institutions. Except for the financial obligation provided in Section 5 of this act and Section 5063.4i of this title, each such other financial obligation must be secured by a first lien security interest on real estate, equipment or inventory, and, except as provided in Section 5 of this act and Sections 5063.4i and 5063.4b of this title, the amount of the commitment by the Fund shall not exceed twenty-five percent (25%) of the value of the collateral securing each such financial transaction. No portion of the monies or other assets deposited to the Fund shall be expended or otherwise used by the Authority in meeting its day-to-day operating expenses, in paying the cost of issuance of the Authority's revenue bonds or other financial obligations, or in supporting any other activity of the Authority not directly related to the Credit Enhancement Reserve Fund or to enhancing the credit of the Authority's revenue bonds and other financial obligations.

B. The Authority shall administer the Fund prudently and according to good insurance practice. Such administration will

minimize the loss experience of the Fund, assure the future viability of the Fund, and assure the continuing availability of the proceeds of general obligation bonds issued pursuant to Section 5063.11 of this title as a credit enhancement vehicle for bond issues in this state on an ongoing basis. Accordingly, the granting of credit enhancement by the Fund shall be based on principles of insurability generally applied in the credit enhancement/insurance industry. The Authority is authorized and directed to adopt initial rules and regulations governing the credit enhancement activities and administration of the Fund, including rules and regulations dealing with the subjects of project feasibility, credit evaluation, collateral evaluation, reinsurance, maximum risk retention by the Fund, avoidance of adverse risk selection, and all other factors deemed relevant by the Authority to the decision whether the Fund should provide credit enhancement to a particular issue of debt, to what extent, on what terms, and for what premium rate.

C. The initial rules and regulations for administration of the Fund promulgated by the Authority pursuant to subsection B of this section shall be subject to the approval of the Legislature in accordance with the requirements of the Oklahoma Administrative Procedures Act.

D. No general obligation bonds may be issued pursuant to Section 5063.11 of this title except upon the approval by a vote of the people of the State of Oklahoma authorizing the Oklahoma Development Finance Authority to issue general obligation bonds for the purposes set forth in this act and unless and until initial rules and regulations governing administration of the Fund have been adopted by the Authority. The Authority by resolution or other appropriate action of the Authority shall determine each issue of bonds or portions thereof with respect to which the benefits of the act shall inure.

E. The Authority is authorized to amend the initial rules and regulations governing administration of the Fund, either by addition of new rules and regulations, or a change or repeal of existing rules and regulations; provided, that such amendment, whether by addition, change or repeal, shall be subject to the approval of the Legislature in accordance with the requirements of the Oklahoma Administrative Procedures Act.

F. Except as provided in subparagraph b of paragraph 4 of subsection A of Section 695.8 of Title 62 of the Oklahoma Statutes, credit enhancement by the Fund for any bonds or other financial obligations issued by the Authority pursuant to law shall also require approval of the Executive Bond Oversight Commission and the Legislative Bond Oversight Commission as provided by law. Added by Laws 1987, c. 222, § 74, operative July 1, 1987. Amended by Laws 1989, c. 374, § 9, emerg. eff. June 6, 1989; Laws 1990, c.

342, § 8, emerg. eff. May 30, 1990; Laws 1993, c. 275, § 40, eff. July 1, 1994; Laws 1994, c. 285, § 8, eff. July 1, 1994.

§74-5063.4a. Portfolio mix categories.

A. Credit enhancement granted by the Oklahoma Development Finance Authority shall be categorized by use as portfolio mix categories as follows:

1. Industrial, agribusiness, and other private activity;
2. Infrastructure and other publicly owned facilities of governmental entities;
3. Health care and other nonprofit-owned facilities; and
4. The Quality Jobs Investment Program established pursuant to Section 5062.8a of this title.

B. The balance, as determined by the total principal amount authorized pursuant to Section 5063.11 of this title less the amount of Credit Enhancement Reserve Fund applications approved by the Bond Oversight Commissions prior to June 9, 1990, less the amount allocated pursuant to Section 5063.4i of this title, shall be allocated to the portfolio mix categories as follows:

1. Twenty-five percent (25%) of said balance shall be allocated to the industrial, agribusiness, and other private activity portfolio mix category; and
2. Seventy-five percent (75%) of said balance shall be allocated to the infrastructure and other publicly owned facilities of governmental entities portfolio mix category, health care and other nonprofit-owned facilities portfolio mix category; provided, no more than twenty percent (20%) of this allocation may be used for health care and other nonprofit-owned facility projects.

C. The Authority is authorized to credit enhance and secure the payment of principal, interest and premium, if any, on the revenue bonds and other financial obligations issued pursuant to the Oklahoma Development Finance Authority Act, the Local Development Financing Act and the Credit Enhancement Reserve Fund Act. Except as used for the Small Business Credit Enhancement Program, the original principal amount of a credit enhancement commitment of the Authority granted to obligations in the industrial, agribusiness, and other private activity portfolio mix category shall not exceed Two Million Five Hundred Thousand Dollars (\$2,500,000.00).

D. To maximize use of the credit enhancement resource and to assure the viability of the Fund, the Fund shall have a balanced portfolio by loan size. In the case of the industrial, agribusiness, and other private activity portfolio mix category, the Fund shall strive to achieve a cumulative average loan size of less than One Million Dollars (\$1,000,000.00).

E. Notwithstanding any other provisions of this act, any obligations issued pursuant to the Local Development Financing Act

may be allocated to any of the portfolio mix categories pursuant to this section and Section 5063.4 of this title.

Added by Laws 1990, c. 342, § 9, emerg. eff. May 30, 1990. Amended by Laws 1991, c. 123, § 2, emerg. eff. April 29, 1991; Laws 1993, c. 275, § 41, eff. July 1, 1994; Laws 1994, c. 285, § 9, eff. July 1, 1994; Laws 2004, c. 527, § 4, eff. July 1, 2004.

§74-5063.4b. Small Business Credit Enhancement Program - Creation - Requirements.

There is hereby created the Small Business Credit Enhancement Program. Twenty-five percent (25%) of the amount allocated to the industrial, agribusiness, and other private activity portfolio mix category pursuant to Section 9 of this act shall be used for the Small Business Credit Enhancement Program. Credit enhancements provided pursuant to this section shall be subject to the following requirements:

1. The original principal amount of credit enhancement on behalf of any borrower shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00);
2. The Authority may insure no more than eighty-five percent (85%) of a loan, and at least twenty-five percent (25%) of the loan proceeds shall be used for improvements and not more than twenty-five percent (25%) of the loan proceeds may be used to refinance existing obligations of a borrower;
3. The borrower:
 - a. in the case of an existing business, at the time application is made for financing assistance, employs twenty (20) persons or less or has gross sales not exceeding One Million Five Hundred Thousand Dollars (\$1,500,000.00) per year, or
 - b. in the case of a new business, at the time application is made for financing assistance, projects that, during the first twelve (12) months of operation, it is reasonably expected will employ twenty (20) persons or less or have gross sales not exceeding One Million Five Hundred Thousand Dollars (\$1,500,000.00);
4. Borrowers shall be for-profit entities; and
5. Repayment of loans of less than One Hundred Thousand Dollars (\$100,000.00) may be secured by less than full collateral if the borrower or the principals of the borrower have good credit records as determined by the Authority.

Added by Laws 1990, c. 342, § 10, emerg. eff. May 30, 1990.

§74-5063.4c. Security requirements.

Except as otherwise provided in Section 6 of this act, at the time of loan origination, the Oklahoma Development Finance Authority shall require such security from the applicant as it deems necessary

in the circumstances of the insurance commitment. Except for the infrastructure and other publicly owned facilities of governmental entities and Quality Jobs Investment Program portfolio mix categories, such security will include, but not be limited to:

1. A first mortgage or coordinate first mortgage on real property, facilities or systems and fixtures located thereon; or
2. A second mortgage on real property, facilities or systems and fixtures located thereon, provided the amount thereof may not exceed One Million Dollars (\$1,000,000.00).

Added by Laws 1990, c. 342, § 11, emerg. eff. May 30, 1990. Amended by Laws 1993, c. 275, § 42, eff. July 1, 1994; Laws 2002, c. 299, § 16, emerg. eff. May 23, 2002.

§74-5063.4d. Limitations on principal amount of underlying loan.

A. At the time of the Authority's issuance of credit enhancement on its revenue bonds or other obligations, the principal amount of the underlying loan for industrial, agribusiness, and other private activity portfolio mix category and health care and other nonprofit-owned facilities portfolio mix category financings, excluding infrastructure and other publicly owned facilities of government entities and Quality Jobs Investment Program portfolio mix category financings, shall be subject to the following limitations:

1. For costs of financing or refinancing real property, including soft costs associated with the construction or development of the facilities and the insurance premium, the principal amount of the underlying loan will not exceed ninety percent (90%) of the lower of:

- a. the actual certified and documented costs of such projects, or
- b. the appraised (as built) fair market value of the real property as indicated in an independent appraisal by an appraiser acceptable to the Authority;

2. For costs of financing the acquisition of personal property, machinery and equipment, the principal amount of the loan will not exceed seventy-five percent (75%) of the actual certified or documented installation cost, including the expense of delivery, refurbishing and installation. The Authority may require an independent appraisal in connection with establishing a fair market value of such personal property and in such case, the principal amount of the loan may not exceed seventy-five percent (75%) of the lower of:

- a. the fair market value of such personal property, or
- b. its documented installed costs;

3. The principal amount of a loan, or portions thereof, secured by accounts receivable, inventory, other current assets and other personal property will not exceed fifty percent (50%) of the value

of the collateral as determined by the Oklahoma Development Finance Authority; and

4. The principal amount of a loan, or portions thereof, secured by cash or cash equivalents or by eligible investment securities will not exceed one hundred percent (100%) of their market value.

B. The maximum amount of an insurance commitment in enhancing a public sector entity financing or refinancing of facilities or program participation will not exceed one hundred percent (100%) of the entity's cost of financing, refinancing or program participation.

C. The provisions of this section shall not apply to credit enhancement of less than One Hundred Thousand Dollars (\$100,000.00) done pursuant to the Small Business Credit Enhancement Program.

D. Limitations on the authorized amounts as established in this section and in Section 5063.4a of this title notwithstanding, the Authority may increase such amounts to provide a cash reserve or to secure a letter of credit or surety bond equal to six-months' principal and interest payments on its revenue bonds or other obligations which fund the underlying loan.

Added by Laws 1990, c. 342, § 12, emerg. eff. May 30, 1990. Amended by Laws 1991, c. 123, § 3, emerg. eff. April 29, 1991; Laws 1993, c. 275, § 43, eff. July 1, 1994.

§74-5063.4e. Coinsurers.

In addition to its other powers and except as applied to Section 5063.4d of this title, the Oklahoma Development Finance Authority may select a coinsurer to insure a percentage of each loan in a pool or in the portfolio of loans for which Credit Enhancement Reserve Fund-backed bonds have been or may be issued, provided that the Authority may also select a coinsurer to insure individual nonpooled loans should such loans be credit enhanced or supported by the Credit Enhancement Reserve Fund. The Authority may contract to pay losses up to a stated limit and permitting principal reductions to be applied to reduce the liability of the coinsurer until its liability is extinguished.

Added by Laws 1990, c. 342, § 13, emerg. eff. May 30, 1990; Laws 1991, c. 305, § 3, emerg. eff. May 30, 1991.

§74-5063.4f. Reserve fund.

The Oklahoma Development Finance Authority may grant credit enhancement to the funding of reserve fund backed loan guarantee programs in accordance with criteria and standards established by the Authority pursuant to rules. Private financial institutions to which credit enhancements have been granted on behalf of loans made to borrowers may be required to partially secure a reserve fund.

Added by Laws 1990, c. 342, § 14, emerg. eff. May 30, 1990.

§74-5063.4g. Provisions not applicable to certain Credit Enhancement Reserve Fund applications - Validation.

The provisions of Section 5062.6a, subsection B of Section 5063.3 and Sections 5063.4a through 5063.4f of this title shall not apply to Credit Enhancement Reserve Fund applications approved by the Bond Oversight Commissions prior to June 9, 1990, and such previously approved applications are confirmed, validated and ratified.

Added by Laws 1990, c. 342, § 15, emerg. eff. May 30, 1990; Laws 1991, c. 1, § 2, emerg. eff. Feb. 13, 1991.

§74-5063.4h. Debt-service reserve.

To establish a debt-service reserve for those revenue bonds approved for Credit Enhancement Reserve Fund insurance by the Bond Oversight Commissions prior to June 9, 1990, the Oklahoma Development Finance Authority may increase the amounts of credit enhancement, the revenue bonds and the underlying loans in an amount sufficient to provide a cash reserve or to secure a letter of credit or surety bond equal to six-months' principal and interest on the revenue bonds, plus a rounding factor if necessary. The total amount of any such increase shall not exceed ten percent (10%) of the revenue bond amount approved by the Commissions.

Added by Laws 1991, c. 123, § 4, emerg. eff. April 29, 1991.

§74-5063.4i. Allocation to the Quality Jobs Investment Program.

Forty percent (40%) of the amount authorized pursuant to Section 5063.11 of this title is hereby allocated and may be used for the Quality Jobs Investment Program pursuant to Section 5 of this act.

Added by Laws 1993, c. 275, § 44, eff. July 1, 1994. Amended by Laws 1994, c. 285, § 10, eff. July 1, 1994.

§74-5063.5. Assets of Fund to be maintained in separate accounts.

The monies and other assets designated by the board of directors as being deposited to the Fund shall be maintained in accounts separated from all other monies and assets of the Oklahoma Development Finance Authority, and shall be accounted for separately in the financial statements prepared by or for the Authority.

Added by Laws 1987, c. 222, § 75, operative July 1, 1987.

§74-5063.6. Deposit of certain revenues into Fund.

The board of directors may annually designate for deposit to the Fund such portion of the fees and other revenues received by the Oklahoma Development Finance Authority as are not committed for support of programs or operating expenses of the Authority, and are not obligated or required to pay principal, interest and premium, if any, on the bonds issued by the Authority.

Added by Laws 1987, c. 222, § 76, operative July 1, 1987.

§74-5063.7. Deposit of certain gifts, grants, loans and other aid into Fund.

The board of directors shall have the power to designate for deposit to the Fund such portion as it deems appropriate of any gifts, grants, loans or other aid made available to the Oklahoma Development Finance Authority by the federal government, the state or any state agency, any person, corporation, foundation or other legal entity.

Added by Laws 1987, c. 222, § 77, operative July 1, 1987.

§74-5063.8. Deposit of general obligation bond proceeds into Fund.

The board of directors shall designate for deposit to the Credit Enhancement Reserve Fund the net proceeds of any general obligation bonds issued by the Oklahoma Development Finance Authority pursuant to Section 5063.11 of this title. The board of directors shall by resolution or other appropriate action designate an issue of bonds authorized to be issued pursuant to the Oklahoma Development Finance Authority Act, Section 5062.1 et seq. of this title, as having the security afforded by the act.

Added by Laws 1987, c. 222, § 78, operative July 1, 1987. Amended by Laws 1989, c. 374, § 10, emerg. eff. June 6, 1989.

§74-5063.9. Investment interest and earnings as part of Fund.

All interest and other earnings generated by the investment of the monies and other assets of the Fund shall remain a part of the Fund, except for that portion of such interest and other earnings as may be payable to a private investment manager or investment advisor pursuant to this act.

Added by Laws 1987, c. 222, § 79, operative July 1, 1987.

§74-5063.10. Depositories for Fund assets.

The monies or other assets designated a part of the Fund shall be deposited in such account or accounts in such depository or depositories as the board of directors may direct by resolution.

Added by Laws 1987, c. 222, § 80, operative July 1, 1987.

§74-5063.11. General obligation bonds - Authority to issue -
Written plan for issuance.

A. The Oklahoma Development Finance Authority is hereby authorized to issue bonds of the State of Oklahoma, to be known as Credit Enhancement Reserve Fund General Obligation Bonds, in a total principal amount not to exceed One Hundred Million Dollars (\$100,000,000.00) for the sole purpose of generating monies to be deposited to the Fund.

B. The Oklahoma Development Finance Authority shall not issue Credit Enhancement Reserve Fund General Obligation Bonds unless and

until the Authority has determined that there are insufficient monies in the Credit Enhancement Reserve Fund to cover imminent losses on revenue bonds or other obligations insured by the Fund. In such instances, the Authority shall, prior to the issuance of any State of Oklahoma Credit Enhancement Reserve Fund General Obligation Bonds, submit to the Executive Bond Oversight Commission and Legislative Bond Oversight Commission a written plan describing the need for the issuance of the bonds.

Added by Laws 1987, c. 222, § 81, operative July 1, 1987. Amended by Laws 1989, c. 374, § 11, emerg. eff. June 6, 1989; Laws 1990, c. 342, § 16, emerg. eff. May 30, 1990; Laws 1993, c. 275, § 45, eff. July 1, 1994.

§74-5063.12. Term of bonds - Direct or private placement sale - Notice of sale - Bids and bidding.

The bonds shall have such terms and may be issued in accordance with the applicable provisions of the Oklahoma Development Finance Authority Act, Section 5062.1 et seq. of this title, except that the bonds shall mature no later than twenty-five (25) years after the date of such bonds and shall be sold in one or a combination of the following methods:

1. By direct or private placement sale, provided bids are solicited from a register of no less than five (5) institutions maintained by the Authority, including entities of the State of Oklahoma having the legal ability to invest in general obligations of the State of Oklahoma. The Authority shall award the sale, if any, to the bidder offering to purchase the bonds at a price which results in the lowest net interest cost to the state as determined by computing the total interest cost from date to maturity, and deducting therefrom any premium bid and adding thereto the amount of any discount bid; or

2. By public sale on sealed bids, after notice published by the chairman of the board of directors of the Authority for at least one insertion not less than ten (10) days before the date of sale in a newspaper of general circulation in this state and in a financial newspaper or journal published in the Borough of Manhattan, City and State of New York. The Authority shall award the sale, if any, to the bidder offering to purchase the bonds at a price which results in the lowest net interest cost to the state as determined by computing the total interest cost from date to maturity, and deducting therefrom any premium bid and adding thereto the amount of any discount bid. The Authority shall reserve the right to reject all bids. The notice shall contain such other terms and provisions as the Authority determines to be desirable.

Added by Laws 1987, c. 222, § 82, operative July 1, 1987. Amended by Laws 1989, c. 374, § 12, emerg. eff. June 6, 1989.

§74-5063.13. Resolution of board of directors - Trust indentures.

A. All bonds issued hereunder shall be authorized by resolution of the board of directors. Each such resolution shall contain such terms, covenants and conditions applicable to the bonds as are deemed desirable. All bonds issued under this act shall be on a parity as to security. The resolution of the board may provide for the execution and delivery by the Oklahoma Development Finance Authority of a trust indenture or trust indentures, with a bank or banks located within or without the state, containing any of the terms, covenants and conditions referred to above, which trust indenture or trust indentures shall be binding upon the state, and its officers and officials, to the extent set forth in this act.

B. Any resolution or trust indenture adopted or executed under this section shall provide that power is reserved to apply to the payment of debt service on the bonds issued or secured thereunder all or any part of the Authority's revenues, from whatever source derived, and, to the extent of such revenues, to release from any requirement of such resolution or trust indenture other revenues and resources of the state including without limitation, the general revenue funds required to be appropriated pursuant to this act. Added by Laws 1987, c. 222, § 83, operative July 1, 1987.

§74-5063.14. Signing bond - Seal - Delivery.

Each bond shall be signed by the facsimile signatures of the chairman of the board of directors of the Oklahoma Development Finance Authority and the Secretary of the board of the Authority, and shall have affixed or imprinted thereon the seal of the Authority. Delivery of the bonds so executed shall be valid, notwithstanding any change in persons holding such offices occurring after the bonds have been executed.

Added by Laws 1987, c. 222, § 84, operative July 1, 1987.

§74-5063.15. Sale of bonds - Fiscal agents and legal counsel.

Bonds at any time sold under the provisions of Section 5063.1 et seq. of this title shall be sold in the manner prescribed in Section 5063.12 of this title. The Authority may employ, if it determines that such action is desirable, fiscal agents and legal counsel and may pay them reasonable compensation out of the proceeds of the bonds subject to the review and approval of the State Bond Advisor in the same manner as provided for approval of similar expenditures made by the Authority.

Added by Laws 1987, c. 222, § 85, operative July 1, 1987. Amended by Laws 1989, c. 374, § 13, emerg. eff. June 6, 1989.

§74-5063.16. Bonds as general obligation of state.

All bonds issued pursuant to the Credit Enhancement Reserve Fund Act shall be direct general obligations of the State of Oklahoma,

for the payment for the debt service on which the full faith and credit of the State of Oklahoma are hereby irrevocably pledged so long as any such bonds are outstanding. The bonds shall be payable from the General Revenue Fund of this state, and such amount of general revenue funds as is necessary is hereby pledged to the payment of debt service on the bonds, and shall be and remain pledged for such purposes.

Added by Laws 1987, c. 222, § 86, operative July 1, 1987.

§74-5063.17. Debt service - Appropriations - Reserve funds.

A. Before the commencement of each legislative session, the Director of the Office of Management and Enterprise Services shall determine the estimated amount required during the next fiscal year for payment of the debt service on the bonds issued under this act, after making deductions therefrom of estimated monies to be available to the Fund from other sources therefor, and shall certify such estimated amount to the Governor. The Governor shall thereupon promptly prepare and submit to the Legislature his request for an appropriation to meet the debt service on the bonds during such fiscal year. The Legislature shall appropriate funds and provide for timely payment of the maturing debt service of bonds issued under this act.

B. The Authority shall have the power to establish and maintain reserve funds to provide for payment of debt service on the bonds. Monies credited to the reserve funds shall be used only for the purpose of paying debt service on the bonds, either at maturity or on redemption prior to maturity. The reserve funds shall be held and used to ensure prompt payment of debt service on the bonds in such manner and pursuant to such conditions as may be specified by the Authority in the resolution or trust indenture authorizing or securing such bonds. Monies in the reserve funds over and above the amounts necessary to ensure the prompt payment of debt service on the bonds, and the establishment and maintenance of a reserve fund, may be used for the redemption of bonds prior to maturity in the manner and in accordance with the provisions pertaining to redemption prior to maturity, as set forth in the resolution or trust indenture authorizing or securing such bonds.

Added by Laws 1987, c. 222, § 87, operative July 1, 1987. Amended by Laws 2012, c. 304, § 1040.

§74-5063.18. State tax exemption.

The bonds authorized pursuant to this act, and interest thereon, shall be exempt from all taxation in this state except for inheritance, estate or transfer taxes; and all security agreements and financing agreements made pursuant to the provisions of this act shall be exempt from Oklahoma stamp and transfer taxes.

Added by Laws 1987, c. 222, § 88, operative July 1, 1987.

§74-5063.19. Investment in securities of Oklahoma Development Finance Authority.

The bonds issued pursuant to this act are hereby made securities in which all public officers and bodies of this state, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks, savings associations, including savings and loan associations and building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or who may hereafter be authorized to invest in bonds or other obligations of this state may properly and legally invest funds including capital in their control or belonging to them. Notwithstanding any other provision of law, said bonds are also hereby made securities which may be deposited with and may be received by all public officers and bodies of this state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of this state are now or may hereafter be authorized.

Added by Laws 1987, c. 222, § 89, operative July 1, 1987.

§74-5063.20. Repealed by Laws 1991, c. 123, § 5, emerg. eff. April 29, 1991.

§74-5063.21. Short title.

Sections 1 through 4 of this act shall be known and may be cited as the "Oklahoma Beginning Agricultural Producer Pool Act".

Added by Laws 1993, c. 233, § 1, eff. July 1, 1993.

§74-5063.22. Beginning Agricultural Producer Pool Program.

The Oklahoma Development Finance Authority shall establish, develop criteria for and implement a program for participation in the Beginning Agricultural Producer Pool provided for in Section 695.24 of Title 62 of the Oklahoma Statutes.

Added by Laws 1993, c. 233, § 2, eff. July 1, 1993.

§74-5063.23. Borrower eligibility criteria.

To be eligible for the Beginning Agricultural Producer Pool provided for in Section 695.24 of Title 62 of the Oklahoma Statutes, a borrower must:

1. Be a resident of Oklahoma;
2. Be, or one of the borrowers must be, the principal operator of the farm;
3. Have sufficient education, training or experience in the type of farming for which the loan is desired;

4. Have a total net worth, including total assets minus total liabilities of the borrower's spouse and dependents, of less than Two Hundred Thousand Dollars (\$200,000.00) in 1992 and an amount in subsequent years determined by multiplying Two Hundred Thousand Dollars (\$200,000.00) by the cumulative inflation rate in years subsequent to 1992 as determined by the United States All-Items Consumer Price Index;

5. Demonstrate a need for the loan;

6. Demonstrate an ability to repay the loan;

7. Certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;

8. Certify that farming will be the principal occupation of the borrower;

9. Agree to participate in a farm management program approved by the Commissioner of Agriculture for at least the first five (5) years of the loan, if an approved program is available within forty-five (45) miles from the borrower's residence;

10. Agree to file an approved soil and water conservation plan with the soil conservation service office in the county where the land is located;

11. Agree that the original principal amount of funding pursuant to this act shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00); and

12. Meet such other requirements as deemed necessary by the Oklahoma Development Finance Authority.

Added by Laws 1993, c. 233, § 3, eff. July 1, 1993.

§74-5063.24. Publication and distribution of information - Interagency agreements.

A. The Department of Agriculture shall provide for the publication and statewide distribution to the public of information regarding the Beginning Agricultural Producer Pool Program provided for in Section 2 of this act.

B. The Department of Agriculture and the Oklahoma Development Finance Authority may enter into interagency agreements necessary to implement the provisions of the Oklahoma Beginning Agricultural Producer Pool Act.

Added by Laws 1993, c. 233, § 4, eff. July 1, 1993.

§74-5064.1. Short title.

This act shall be known and may be cited as the "Inventors Assistance Act".

Added by Laws 1987, c. 121, § 1, eff. Nov. 1, 1987.

§74-5064.2. Legislative findings.

The Legislature recognizes the numerous benefits to the state's economic base from the establishment of businesses by inventors and

the numerous benefits provided by inventors which include industrial diversification, broadening of the economic base, a great proliferation of jobs, providing financial benefits to our citizens through a greatly expanded tax base and new products and processes for the nation's consumers.

It is estimated that ninety-five percent (95%) of all inventions are never authoritatively considered primarily because inventors are unfamiliar with the business environment or financial structure necessary for implementing their proposals.

The Legislature therefore recognizes a need to encourage and assist inventors and, at the same time, to position this state as a leader in advanced and high technology and to foster a climate for those leaders of this state, the nation and the world.

Added by Laws 1987, c. 121, § 2, eff. Nov. 1, 1987.

§74-5064.3. Definitions.

As used in Section 5064.1 et seq. of this title:

1. "Commercial stage" means the point at which the product has advanced beyond the theoretical and prototype stage and is capable of being manufactured or reduced to practice commercially;

2. "Inventor" means any person who perceives a new concept which may result in a product or patentable process;

3. "Person" means any individual, sole proprietor, partnership or corporation;

4. "Product" means any device, technique or process;

5. "Proposal" means a plan provided by the inventor which includes technical and descriptive information on the concept; and

6. "Royalties" means all things of value received by an inventor in connection with the licensing, rental or sale of a product patented, in patent pending, or trademarked pursuant to federal law.

Added by Laws 1987, c. 121, § 3, eff. Nov. 1, 1987. Amended by Laws 1988, c. 313, § 2, emerg. eff. July 1, 1988.

§74-5064.4. Program - Establishment - Purposes.

A. The Oklahoma Department of Commerce shall establish a program to provide assistance to inventors. On July 1, 1998, all powers, duties, responsibilities, files, and records relating to the inventors assistance program shall be transferred to the Oklahoma Center for the Advancement of Science and Technology (OCAST).

B. The program shall be designed to:

1. Attract inventors from throughout this state, the nation and other countries and encourage them to submit their proposals for review and evaluation;

2. Provide assistance to inventors whose proposals are accepted which shall include patent searches, market analysis, product research and development, assistance in obtaining financing,

business counseling, and any other assistance necessary to develop the product to the commercial stage which is not prohibited by the Constitution or laws of this state and further to protect both the state and the inventor, this section would require a provisional patent application or patent application be on file with the U.S. Patent Office before the state will review proposal;

3. Provide assistance and training to inventors to enable the manufacturing, marketing and distribution of their product;

4. Direct inventors to the Inventors Development Society, the Oklahoma Inventors Congress, or other similar organizations for assistance; and

5. Improve the entrepreneurial skills of the state's workforce in order to foster innovation, product development and new high quality jobs.

Added by Laws 1987, c. 121, § 4, eff. Nov. 1, 1987. Amended by Laws 1994, c. 322, § 28, emerg. eff. June 8, 1994; Laws 1998, c. 250, § 1, eff. July 1, 1998.

§74-5064.5. Powers.

The Oklahoma Center for the Advancement of Science and Technology (OCAST) shall have the power to:

1. Enter into contracts on a competitive bid basis with public and private agencies, institutions, organizations and individuals for the purpose of providing assistance to and services for inventors and entrepreneurs as required by Section 5064.1 et seq. of this title;

2. Solicit the support and contributions of public and private agencies, organizations, institutions and individuals;

3. Receive and administer funds for the purpose of operating the inventors and entrepreneurs program;

4. Advertise and promote the inventors and entrepreneurs program;

5. Collect reasonable fees based on actual direct and indirect costs for programmatic services extended to users of the inventors and entrepreneurs program; and

6. Promulgate rules to implement the provisions of Section 5064.1 et seq. of this title.

Added by Laws 1987, c. 121, § 5, eff. Nov. 1, 1987. Amended by Laws 1994, c. 322, § 29, emerg. eff. June 8, 1994; Laws 1998, c. 250, § 2, eff. July 1, 1998.

§74-5064.6. Proposals - Contracts.

A. The Oklahoma Center for the Advancement of Science and Technology (OCAST) shall charge a filing fee of One Hundred Dollars (\$100.00) for each proposal submitted for review and evaluation.

B. After review and evaluation, proposals shall be accepted or rejected for development under the inventors assistance program.

OCAST shall not charge for any services to aid in the development of the product. Services may include patent searches, market analysis, product research and development, assistance in obtaining financing, including financing from private sources, and business counseling, if needed. Provided, OCAST shall receive a fee not to exceed an amount equal to ten percent (10%) of all royalties from any product developed under the inventors assistance program for a period of ten (10) years from the first day after royalties are received from the commercial licensing, rental or sale of the product.

C. Before services to aid in the development of the product shall commence, OCAST shall enter into a contract with the inventor which shall include, in addition to any other provisions consistent with the provisions of Section 5064.1 et seq. of this title:

1. The services which OCAST will provide to aid in the development of the product;

2. Any other services which OCAST will assist the inventor in obtaining and for which the inventor shall be liable pursuant to written consent;

3. Authorization for OCAST to receive a fee not to exceed an amount equal to ten percent (10%) of all royalties from the product for a period of ten (10) years; and

4. An agreement from the inventor that all products developed under the program shall be researched, developed, manufactured, packaged and distributed from this state to the extent that it is economically feasible. Provided, the fee not to exceed an amount equal to ten percent (10%) of all royalties from products developed under this program wherever manufactured shall accrue to this state pursuant to the provisions of Section 5064.1 et seq. of this title. Added by Laws 1987, c. 121, § 6, eff. Nov. 1, 1987. Amended by Laws 1988, c. 313, § 3, emerg. eff. July 1, 1988; Laws 1998, c. 250, § 3, eff. July 1, 1998.

§74-5064.7. Incentives for inventors and businesses.

A. The following incentives shall be available to inventors for products developed and manufactured in this state and to instate manufacturers of said products; provided, to qualify for the incentives, the product shall be patented or have patent pending pursuant to federal law and shall be registered with the Oklahoma Center for the Advancement of Science and Technology (OCAST):

1. Royalty earned by an inventor from a product developed and manufactured in this state shall be exempt from state income tax for a period of seven (7) years from January 1 of the first year in which such royalty is received as long as the manufacturer remains in the state; and

2. An instate manufacturer of a product developed in this state by an inventor shall be eligible for a tax credit, as provided for in Section 2357.4 of Title 68 of the Oklahoma Statutes. In addition

such manufacturer may exclude from Oklahoma taxable income, or in the case of an individual, the Oklahoma adjusted gross income, sixty-five percent (65%) of the cost of depreciable property purchased and utilized directly in manufacturing the product. The maximum exclusion shall not exceed Five Hundred Thousand Dollars (\$500,000.00). If the exclusion allowed by this paragraph exceeds the Oklahoma taxable income, or in the case of an individual, the Oklahoma adjusted gross income, the amount of the exclusion that is in excess of such income may be carried forward as an exclusion against subsequent Oklahoma taxable income or in the case of an individual, subsequent Oklahoma adjusted gross income, for a period not to exceed four (4) years. For the purposes of this paragraph, "depreciable property" means machinery, fixtures, equipment, buildings, or substantial improvements thereto, placed in service in this state during the taxable year.

B. The Oklahoma Tax Commission, in conjunction with the Oklahoma Center for the Advancement of Science and Technology, shall promulgate rules to implement the provisions of this section. Added by Laws 1987, c. 121, § 7, eff. Nov. 1, 1987. Amended by Laws 1988, c. 313, § 4, emerg. eff. July 1, 1988; Laws 1998, c. 250, § 4, eff. July 1, 1998.

§74-5064.8. Inventors and Entrepreneurs Program Fund.

A. There is hereby created in the State Treasury a separate revolving fund for the Oklahoma Department of Commerce, to be designated the "Inventors and Entrepreneurs Program Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Department for implementation of this act from all funds appropriated thereto by the Legislature, all fees received pursuant to this act, any federal funds, gifts, private and matching funds and all contributions dedicated thereto from private, state, federal or whatever source. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Department for the purpose of implementing this act; however, monies expended for administrative costs shall not exceed five percent (5%) of the total amount of monies in said fund. Any amount in said fund not directly needed to implement the provisions of this act shall go to the General Revenue Fund of the state. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

B. On July 1, 1998, the Inventors and Entrepreneurs Program Fund shall be abolished and any unencumbered funds remaining in the Inventors and Entrepreneurs Program Fund shall be transferred to the credit of the OCAST Research Support Revolving Fund. Any unexpended funds remaining in the Inventors and Entrepreneurs Program Fund

after November 1, 1998, shall be transferred to the credit of the OCAST Research Support Revolving Fund.

Added by Laws 1987, c. 121, § 8, eff. Nov. 1, 1987. Amended by Laws 1988, c. 313, § 5, emerg. eff. July 1, 1988; Laws 1994, c. 322, § 30, emerg. eff. June 8, 1994; Laws 1998, c. 250, § 5, eff. July 1, 1998; Laws 2012, c. 304, § 1041.

§74-5064.9. Reports.

The President of the Oklahoma Center for the Advancement of Science and Technology (OCAST) shall include in OCAST's annual report on program outcomes program information including:

1. The number of seminars and training programs held for inventors and entrepreneurs and the number of persons attending such seminars and programs;

2. The number of inventors and entrepreneurs assisted; and

3. The number of jobs created and preserved as a result of this program.

Added by Laws 1987, c. 121, § 9, eff. Nov. 1, 1987. Amended by Laws 1994, c. 322, § 31, emerg. eff. June 8, 1994; Laws 1998, c. 250, § 6, eff. July 1, 1998.

§74-5065.1. Repealed by Laws 1993, c. 155, § 4, eff. July 1, 1993.

§74-5065.2. Repealed by Laws 1993, c. 155, § 4, eff. July 1, 1993.

§74-5065.3. Repealed by Laws 1993, c. 155, § 4, eff. July 1, 1993.

§74-5065.4. Repealed by Laws 1993, c. 155, § 4, eff. July 1, 1993.

§74-5065.5. Repealed by Laws 1993, c. 155, § 4, eff. July 1, 1993.

§74-5065.6. Repealed by Laws 1993, c. 155, § 4, eff. July 1, 1993.

§74-5065.7. Repealed by Laws 1993, c. 155, § 4, eff. July 1, 1993.

§74-5065.8. Repealed by Laws 1993, c. 155, § 4, eff. July 1, 1993.

§74-5066.1. Short title.

This act shall be known and may be cited as the "Product Development Act".

Added by Laws 1992, c. 246, § 2, emerg. eff. May 21, 1992.

§74-5066.2. Definitions.

As used in this act:

1. "Commercial stage" means the point at which the product has advanced beyond the theoretical and prototype stage and is capable of being manufactured or reduced to practice commercially;