

INCENTIVE EVALUATION COMMISSION**Regular Meeting****Minutes****August 27, 2026, 10:00 AM****Oklahoma State Capitol****Senate Conference Room 4s.9****Oklahoma City, OK 73105****MEMBERS PRESENT:**

Lyle Roggow, Chair Designee, Select Oklahoma and Economic Development Partnership, Inc.

Carlos Johnson, CPA, Appointed by the Oklahoma Accountancy Board

Earl Sears, Appointed by the Speaker of the House of Representatives

Rita Armer, Auditor/CPA, Appointed by the Governor

Dr. Michael Scott, Economist, Appointed by the Senate President Pro Tempore

Jon Chiappe, Secretary of Commerce Designee, Ex officio, nonvoting

Mark Wood, Executive Director, OMES, Ex officio, nonvoting

MEMBERS ABSENT:

Zack Taylor, Chair, Oklahoma Tax Commission, Ex officio, nonvoting

STAFF AND GUESTS:

Beverly Hicks, OMES

Amanda Hall, TSC

Randall Bauer, PFM

Andrea Frymire, HFC

Lorena Massey, OTC, Commission Counsel

Keili McEwen, The Auctor Group

♦ *Office of Management and Enterprise Services (OMES)* ♦ *Public Financial Management Group Consulting LLC (PFM)*
♦ *OK Tax Commission (OTC)* ♦ *Housing for Communities (HFC)* ♦ *The State Chamber (TSC)*

1. Announcement of filing of meeting notice and posting of the agenda in accordance with the Open Meeting Act:

Chairman Lyle Roggow confirmed that a meeting notice was filed with the Secretary of State and that the agenda was posted in accordance with the Open Meeting Act.

2. Call to order and establish a quorum:

Chairman Roggow called this regular meeting to order at 10:02 a.m. A roll call was taken, and a quorum was confirmed.

3. Approval of minutes from the April 9, 2026 commission meeting:

Earl Sears moved to approve the April meeting minutes. Rita Armer seconded the motion. The following votes were recorded, and the motion passed:

Ms. Armer, yes; Dr. Scott, yes; Mr. Sears, yes; Mr. Roggow, yes.

4. **Update on evaluation process for the 2026 Year-Eleven Incentives, by PFM Consultant Randall Bauer and PFM Incentive Evaluation Team.**

- ☐ **Computer Services & Data Processing Tax Exemption** (*Last evaluated: 2023*)
- ☐ **Oklahoma Affordable Housing Tax Credit** (*2022*)
- ☐ **Construction Materials Tax Exemption** (*2023*)
- ☐ **Credit for Investments in Clean-Burning or Electric Vehicle Property** (*2021*)
- ☐ **Ethanol Fuel Retailer Tax Credit** (*2021*)
- ☐ **Tax Deduction for Eligible Investors** (*New*)
- ☐ **Capital Gains Deduction** (*2022*)
- ☐ **Public Private Partnership (P3) Pooled Finance** (*2023*)
- ☐ **Business Expansion Incentive Program (BEIP)** (*2023*)
- ☐ **Oklahoma Innovation Expansion Program (OIEP)** (*2023*)
- ☐ **Quick Action Closing Fund** (*2022*)
- ☐ **Strategic Industrial Development Enhancement (SIDE) Act** (*New*)

Mr. Bauer provided an update on PFM's evaluation of the 2026 Year-Eleven incentives. He stated that PFM was evaluating 10 incentives for the 2026 evaluation cycle and noted that the Pooled Finance evaluation includes three separate and distinct programs.

He reported that data and information requests were submitted to the administering agencies in early April, followed by meetings with internal stakeholders in April and June. PFM also conducted virtual meetings with the State Chamber and local chambers of commerce in Oklahoma and Tulsa counties in July and received written stakeholder comments.

Mr. Bauer explained that PFM had provided Commissioners with non-public working drafts of the evaluations in August. He stated that the working drafts did not contain findings, recommendations, or economic impact analyses, which were still in progress, and were intended to familiarize Commissioners with the background and content of the evaluations. He noted that the working drafts represented approximately two-thirds of the anticipated final evaluation content and that public draft evaluations were scheduled to be provided by October 1, 2026.

Mr. Bauer reviewed preliminary observations from the evaluations. He discussed growth in Oklahoma's data center industry in connection with the Computer Services and Data Processing Tax Exemption; utilization of the Oklahoma Affordable Housing Tax Credit and the number of affordable housing units associated with the credit; limited utilization of the Construction Materials Tax Exemption and its relationship to the Quality Jobs Program; and declining use of the Credit for Investments in Clean-Burning or Electric Vehicle Property and the Ethanol Fuel Retailer Tax Credit.

Mr. Bauer also discussed the Tax Deduction for Eligible Investors, noting that utilization could not be fully quantified because the incentive did not have a separate tax-return line until 2024 and

that administration had transferred to the Oklahoma Center for the Advancement of Science and Technology. He discussed the Capital Gains Deduction, including its level of utilization and the difficulty of determining whether the deduction influences taxpayers' investment decisions.

Mr. Bauer reviewed the three programs included in the Pooled Finance evaluation—the Business Expansion Incentive Program (BEIP), Oklahoma Innovation Expansion Program (OIEP), and Public Private Partnership (P3) Pooled Finance. He discussed growth and investment associated with BEIP, funding and private investment associated with OIEP, and infrastructure investments associated with P3. He also discussed the Quick Action Closing Fund, including its use in conjunction with other economic development investments, the difficulty of determining the impact attributable solely to the fund, the cost-benefit and return-on-investment analyses conducted by the Oklahoma Department of Commerce, and the enforcement of clawback provisions.

Mr. Bauer provided an initial overview of the Strategic Industrial Development Enhancement (SIDE) Act, which is being evaluated for the first time. He discussed the program's focus on industrial parks and economic development projects, eligibility requirements related to certain railroad and terminal facilities, and the range and leverage of awards.

Commissioner Sears asked about the funding available through the Quick Action Closing Fund and the amount available for projects. Commissioner Chiappe stated that the Legislature had appropriated \$25 million the previous year and clarified that the appropriation did not necessarily represent the amount remaining in the fund. Mr. Bauer explained that the fund is supported by a portion of Quality Jobs payments and legislative appropriations and discussed the Commission's consideration of whether sufficient controls are in place to ensure an incentive does not exceed the state's ability to support it.

Chairman Roggow noted that the working drafts provided to Commissioners did not yet contain the financial information and other analysis that would be included in the October drafts. Mr. Bauer explained that revised sections would be provided in redline and clean versions, while newly added sections would not be redlined.

Commissioner Sears asked about PFM's benchmarking of Oklahoma's economic development incentives against those of other states. Mr. Bauer stated that benchmarking information concerning surrounding states was already included in the working drafts.

Mr. Bauer reviewed the anticipated evaluation schedule, including public draft evaluations by October 1, presentation of findings and recommendations on October 8, and the public hearing on October 22. He stated that final evaluations would be completed following the public hearing. He also discussed providing the Commission with a draft report concerning changes to incentives resulting from prior Commission recommendations at the November 12 meeting rather than waiting until the December meeting, in order to provide additional time for legislative consideration.

Mr. Bauer then discussed the effect of Senate Bill 1990 on the 2026 evaluations, including the new requirements for “but-for” analysis, consideration of comparable incentives and economic development strategies in other states, consideration of strategic economic goals or industries, and assessment of competitive advantage at the macroeconomic level. Commissioner Sears asked whether the new requirements represented an additional layer of analysis beyond the Commission’s existing evaluation criteria. Mr. Bauer confirmed that the new requirements would provide additional considerations regarding the value and effectiveness of incentives and explained that PFM would use existing research, strategic plans, and other available information in addressing them. He noted that determining macroeconomic effects may be difficult for incentives that primarily operate at the individual business or project level.

Commissioner Johnson entered the meeting at 10:11 a.m.

Presentation only. No action taken.

5. Update and discussion on legislation related to the Incentive Evaluation Commission.
 ○ **Senate SB 1990 regarding changes to 62 O.S. 7005, effective August 13, 2026.**

Chairman Roggow stated that it was important for the Commission to understand the legislation and determine how and where its requirements should be implemented. He noted that there had been some question as to whether the requirements of Senate Bill 1990 could be incorporated into the current evaluation cycle, given the timing of the legislation and the progress already made on the evaluations.

Mr. Bauer stated that PFM would include a new chapter addressing the strategic and other requirements of Senate Bill 1990 and would identify or address other requirements in the applicable sections of the evaluations. He stated that PFM had reviewed the requirements as a team and believed they could be incorporated into the 2026 evaluations without requiring substantial additional research. He noted that PFM had previously addressed the “but-for” test in its evaluations and expected to provide useful information regarding the new requirements in the October evaluations. Mr. Bauer added that PFM expected to incorporate the requirements more fully into its project planning for future evaluation cycles.

Chairman Roggow noted that there were two pieces of legislation relevant to the Commission’s work. He stated that one would not affect the Commission’s work until after the first of the year and primarily concerned contracts, while Senate Bill 1990 was the legislation most pertinent to the Commission’s current work because its requirements would need to be implemented as the Commission proceeds with its work.

Update only. No action taken.

6. New Business:

No new business was presented by Commission members.

No action taken.

7. Announcements:

Chairman Roggow announced that the next Commission meeting would be held on October 8, 2026, at 10:00 a.m. in Senate Conference Room 4s.9. He noted that the evaluation documents were expected to be provided to Commissioners by October 1.

Mr. Bauer stated that PFM would work to provide the evaluation documents to Commissioners in advance of the October 1 date when possible. Chairman Roggow noted that PFM had consistently provided materials ahead of schedule, often in packages or groupings, which had worked well for the Commission.

No action taken.

8. Adjournment:

Commissioner Sears moved to adjourn. Chairman Roggow declared the meeting adjourned at 10:46 a.m.