

Oklahoma Product Development Act

2025 Annual Report



OKLAHOMA
Commerce

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Product Development Act Report

Introduction

The Product Development Act (the Act) (Oklahoma Statute Chapter 74, section 5066.1) was passed in 1992 to enable the Oklahoma Department of Commerce (ODOC) to assist product commercialization for existing companies in the state and to encourage the in-state manufacturing and broad marketing of these products.

The Product Development Act assists existing Oklahoma manufacturing and marketing businesses and is a part of the Oklahoma Department of Commerce's statutory mission to "to support firms', farms' and local communities' growth, diversification, expansion and ability to compete in export markets in order to create new and better jobs for Oklahomans throughout the state."

Requirements and structure

To qualify for the Product Development program, an applicant must be an existing manufacturing or marketing company and be willing to partner with a public entity. The Product Development Fund to support applicants will be collected via withholdings taxes from selected companies within the jurisdiction of the public entity. The Department of Commerce has created a short application which must be filled-out with supplementary documentation submitted as well. Answers to the questions and the supporting documentation will provide ODOC with the information necessary to estimate the benefit to the State and how much therefore can be awarded to the applicant, pending performance.

Funds are limited to the following allowable project expenses

- Financing facilities whose purpose includes testing components, subsystems, and systems which will lead to developing products in Oklahoma and eventually manufacturing in Oklahoma
- Operate, hire, or contract for the performance of research, training, or testing that benefits the State and manufacturing firms in the state
- Administer and contract with state agencies for marketing and engineering firms to perform market and product analysis and aid Oklahoma manufacturing firms

As with all our programs, companies must be in good standing with the Oklahoma Tax Commission and the Secretary of State. Companies not in good standing with either will be notified of their lack of standing and allowed to resume the application process if and when good standing is attained.

Projects and conclusions

Two projects have entered into agreements with ODOC under this program. Both are companies in the Aerospace industry. One is Dawn Aerospace which will be launching rocket-powered drones from the Oklahoma Air and Space Port in Burns Flat. This project will create eight jobs and include a capital investment of approximately \$11.5M. The other is Agile Space Industries which is building the Tulsa Space Test Center (TSTC). This facility will test space engines, especially propulsion, in support of NASA, commercial space companies, and the Department of Defense, all from a site adjacent to the Tulsa

International Airport. This project includes an investment of about \$35M and 22 FTE's will be hired. Combined, these two projects total up to a maximum of \$37M in award.

The projects will not be completed and fully operational until 2027, so there has not been substantial hiring or other progress to date beyond announcements and preliminary studies. Once the projects are complete and operational, we can begin to assess performance. Administratively, ODOC is shouldering additional burdens without passing these onto the projects. For now, these burdens are manageable however changes to the program or a substantial increase in projects could alter this.

Sources

The information found in this report or used to calculate what is found in this report came from the sources listed below:

- Oklahoma Department of Commerce project files
- Oklahoma Product Development Act legislation