

1 **SENATE FLOOR VERSION**

2 February 28, 2024

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1331

6 By: Bullard

7 [water and water rights - Program - priority scoring
8 - recission of funds - Revolving Fund - appropriation
9 - codification - noncodification - effective date -
10 emergency]

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

12 SECTION 1. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 1085.66 of Title 82, unless
14 there is created a duplication in numbering, reads as follows:

15 A. 1. The Oklahoma Water Resources Board shall establish and
16 administer a Water and Wastewater Infrastructure Investment Program.
17 The Program shall include development of competitive loans for
18 eligible entities seeking to develop and implement water or
19 wastewater improvement projects. The Board shall promulgate rules
20 to effectuate the provisions of this act and loan criteria for the
21 Program.

22 2. Loan applications shall be ranked on criteria including, but
23 not limited to, the critical nature of the project, available
24 financing for the project, conservation and fiscal sustainability

1 efforts as demonstrated by participation in or completion of the
2 Long Range Sustainability Plan program administered by the Oklahoma
3 Rural Water Association, and pledge of matching funds, either
4 through the entity or a third-party source.

5 3. For the purposes of this section, "eligible entity" or
6 "eligible entities" means an eligible entity as defined pursuant to
7 Section 1085.32 of Title 82 of the Oklahoma Statutes.

8 B. All loans authorized pursuant to the provisions of this act
9 shall include a clawback provision in the funding agreement with an
10 eligible entity. For purposes of this subsection, a "clawback
11 provision" shall mean a condition precedent to participate in the
12 Program whereby a loan recipient formally agrees to reimburse the
13 Program all or part of a loan upon the failure of the recipient to
14 fulfill contract terms included in the loan.

15 C. The Board shall create and publish an interactive map on the
16 Board's website displaying critical infrastructure needs and
17 proposed projects to be completed pursuant to the provisions of this
18 act. The map shall also display the status of proposed and approved
19 projects, estimated completion dates, and any other information
20 deemed necessary by the Board.

21 SECTION 2. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 1085.67 of Title 82, unless
23 there is created a duplication in numbering, reads as follows:

24

1 A. 1. There is hereby created in the State Treasury a
2 revolving fund for the Oklahoma Water Resources Board to be
3 designated the "Water and Wastewater Infrastructure Investment
4 Revolving Fund". The fund shall be a continuing fund, not subject
5 to fiscal year limitations, and shall consist of all monies
6 appropriated pursuant to Section 3 of this act. All monies accruing
7 to the credit of the fund are hereby appropriated and may be
8 budgeted and expended by the Board for the purposes provided in this
9 act. The Board may enter into contracts with financial institutions
10 and execute such instruments as may be necessary to hold and
11 disseminate loan funds in accordance with applicable regulations and
12 Board policies.

13 2. Notwithstanding any other provisions of law, income and
14 investment return on fund principal and interest income and
15 repayment of principal on loans made from the balance of the fund
16 shall accrue to the fund.

17 B. 1. Of the monies appropriated to the fund, the Board may
18 use not more than Fifty Million Dollars (\$50,000,000.00) for
19 enhancements, leveraging, and reserve capacities for the Board loan
20 and grant programs, system evaluation and risk assessment
21 assistance, and long-range infrastructure planning.

22 2. The Board may reserve up to two percent (2%) per year from
23 the fund for the purpose of administering the Water and Wastewater
24

1 Infrastructure Investment Program. Any remaining funds may be
2 allocated to satisfy the purposes of paragraph 1 of this subsection.

3 C. The funds remaining following reserves and allocations made
4 pursuant to subsection B of this section shall be loaned to eligible
5 entities as prescribed by the Program. Loan monies shall be
6 allocated based on the most current census data available from the
7 Federal Decennial Census or American Community Survey and shall be
8 as follows:

9 1. Twenty-five percent (25%) of the allocated funds shall be
10 for approved projects located within a municipality or county with a
11 population of more than four hundred thousand (400,000), or the
12 equivalent thereof for other eligible entities as prescribed by the
13 Board;

14 2. Twenty-five percent (25%) of the allocated funds shall be
15 for approved projects located within a municipality or county with a
16 population that is greater than thirty thousand (30,000) but less
17 than four hundred thousand (400,000), or the equivalent thereof for
18 other eligible entities as prescribed by the Board; and

19 3. Fifty percent (50%) of the allocated funds shall be for
20 approved projects located within a municipality or county with a
21 population of less than thirty thousand (30,000), or the equivalent
22 thereof for other eligible entities as prescribed by the Board.

23 SECTION 3. NEW LAW A new section of law not to be
24 codified in the Oklahoma Statutes reads as follows:

1 There is hereby appropriated to the Water and Wastewater
2 Infrastructure Investment Revolving Fund from any monies not
3 otherwise appropriated from the General Revenue Fund of the State
4 Treasury for the fiscal year ending June 30, 2023, the sum of Two
5 Hundred Fifty Million Dollars (\$250,000,000.00) or so much thereof
6 as may be necessary to perform the duties imposed upon the Oklahoma
7 Water Resources Board by law.

8 SECTION 4. This act shall become effective July 1, 2024.

9 SECTION 5. It being immediately necessary for the preservation
10 of the public peace, health or safety, an emergency is hereby
11 declared to exist, by reason whereof this act shall take effect and
12 be in full force from and after its passage and approval.

13 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
14 February 28, 2024 - DO PASS AS AMENDED BY CS

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