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ENGROSSED HOUSE
BILL NO. 1128

BY: BENSON, WIDENER, COTNER
and HEFNER of the HOUSE

and

ROZELL of the SENATE

(WATERS AND WATER RIGHTS - WATER DEVELOPMENT

REVOLVING FUND -

EMERGENCY)

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1085.36A of Title 82, unless there is created a duplication in numbering, reads as follows:

In addition to the uses and purposes for the Statewide Water Development Revolving Fund specified in Section 1085.40 of Title 82 of the Oklahoma Statutes, the Oklahoma Water Resources Board may also use a portion of the monies therein not to exceed Three Million Dollars (\$3,000,000.00) to make short-term loans to eligible entities for the acquisition, construction, and development of projects.

Such loans by the Board shall be made pursuant to promissory notes, bonds or other appropriate evidence of indebtedness to the Board by the borrowing entity, and shall be subject to the following terms and conditions:

1. The principal amount of each loan shall be fully repaid to the Board in a lump sum and deposited into the Interim Construction Loan Account no later than three (3) years after the date of the closing of the loan, provided, the Board and the borrowing entity may by written agreement extend the time for repayment of the principal amount;

2. Interest on the loan shall accrue at a fixed or variable rate to be determined by the Board but shall not exceed fourteen percent (14%) per annum;

3. Interest shall be paid to the Board on a monthly basis and deposited into the grant account of the Water Resources Fund;

4. The loan shall be secured by a pledge of the revenues derived from the operation of the project or other revenues pledged by the borrowing entity, and may also be secured by a mortgage on the project; and

5. The loan shall be subject to such other terms and conditions as may be prescribed in the loan documents by the Board.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 25th day of February, 1991.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1991.

President of the Senate

