

SHORT TITLE: Waters and water rights; modifying process of dissolving rural water districts; effective date.

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

SENATE BILL NO. 350

By: Harrison

AS INTRODUCED

An Act relating to waters and water rights; amending 82 O.S. 1991, Sections 1324.19, 1324.20 and 1324.22, which relate to rural water districts; providing for certain application of certain section upon dissolution; modifying procedures for dissolution of districts; exempting districts from certain taxes; and providing an effective date.

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

SECTION 1. AMENDATORY 82 O.S. 1991, Section 1324.19, is amended to read as follows:

Section 1324.19 A. The provisions of this section shall apply to dissolution of districts prior to acquisition of assets.

B. Whenever a petition signed by three-fourths (3/4) of the landowners in any district organized under provisions of this act or a petition signed by all of the directors of such district is presented to the board of county commissioners and it shall appear from said petition that said district owns no property of any kind exclusive of records, maps, plans and files; that all of its debts and obligations have been fully paid; that the district is not functioning, and will probably continue to be inoperative because the board of directors is unable to obtain the necessary financing or for any other reason, the board of county commissioners shall, after such finding, issue a certificate stating the allegations in said petition as true and declaring said district dissolved, and

shall make full minutes of such hearing in its journal and deliver said certificate to the secretary of said district. The secretary of said district shall, within thirty (30) days thereafter, deliver all records, maps, plans and files to the county clerk, and thereupon said district shall be dissolved.

SECTION 2. AMENDATORY 82 O.S. 1991, Section 1324.20, is amended to read as follows:

Section 1324.20 Whenever a district owning facilities and property desires to ~~sell~~ dispose of such facilities and property and become dissolved, the board of directors may adopt a resolution setting forth the proposed plan and, upon such plan being approved by three-fourths (3/4) of the participating members in a meeting called for that purpose, such resolution and plan may be submitted to the board of county commissioners. If approved by the commissioners, the commissioners shall thereupon authorize the board of directors to carry through said plan ~~of sale to dissolve~~ and shall further authorize the board of directors to wind up the affairs of the district, pay all debts and expenses and ~~distribute any excess funds to the members of the district on a pro rata basis in proportion to the amount of business done by the members with the district~~ to dispose of any property owned by the district and for the apportionment of the proceeds thereof together with any other monies belonging to the district to an adjoining rural water district or to any other political subdivision of the state. No money, property or the proceeds thereof shall be distributed to any private interests. Thereupon the district shall be dissolved as herein provided.

SECTION 3. AMENDATORY 82 O.S. 1991, Section 1324.22, is amended to read as follows:

Section 1324.22 Districts formed hereunder shall be exempt from all excise, franchise, or income taxes of whatsoever kind or nature, and further, shall be exempt from payment of assessments in any

general or special taxing district levied upon the property of said district, whether real, personal or mixed. Any and all securities and evidences of indebtedness issued by a district created pursuant to this act and the income interest and capital gains thereon shall not be subject to the income tax laws of this state and persons owning or holding said securities and evidences of indebtedness or their heirs, devisees, successors, or assigns shall not be required to pay to the State of Oklahoma income tax upon the profits and capital gains upon said securities and evidences of indebtedness.

SECTION 4. This act shall become effective September 1, 1993.

44-1-0437

MJM