

STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

CONFERENCE COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
HOUSE BILL NO. 2182

By: Adair, Bonny, Wells, Corn,  
Erwin, Frame, Hefner,  
Hutchison, Langmacher,  
Leist, Smith (Dale), Staggs  
and Stites of the House

and

Rozell and Hobson of the  
Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to schools; creating the Bond Enhancement Grant Program; stating purpose of the Program; providing for the administration of a certain program by the State Department of Education; authorizing the State Board of Education to award grants; providing for payment of grants from the Education Debt Service and Bond Enhancement Revolving Fund; providing for amount of funding and number of grants; requiring school district to submit an application for a grant by a certain date; stating contents of the grant application; directing the Board to review and rank applications; establishing calculation for determining amount of grant; providing for adjustment of grants in certain amounts; limiting eligibility of certain school districts for certain period; providing for notification to school districts; providing for future eligibility; establishing responsibility of school districts; providing for release of funding; directing deposit of funding in the building fund with certain coding; limiting expenditure of grant funds; defining term; authorizing the State Board of Education to promulgate rules; amending 70 O.S. 1991, Section 1-118, as amended by Section 1, Chapter 319, O.S.L. 1994 (70 O.S. Supp. 1999, Section 1-118), which relates to the building fund; providing for the deposit of certain types of monies in the building fund; making effectiveness of act contingent; providing for codification; providing for noncodification; and providing an effective date.

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 15-301 of Title 70, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Bond Enhancement Grant Program".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 15-302 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The purpose of the Bond Enhancement Grant Program shall be to assist school districts which have poor property wealth to gain access to resources for capital improvements. The Program is designed to equalize bonding capabilities of school districts based on per capita net assessed valuation of the school district and local effort of the school district to approve bonded indebtedness. The grant program that the State Department of Education is authorized to develop and administer pursuant to Section 58 of Enrolled Senate Bill No. 220 of the 2nd Session of the 47th Oklahoma Legislature shall be administered as provided for in this act.

B. Beginning with the 2003-2004 school year, contingent upon the provision of funds, the State Board of Education is authorized to award one or more grants under the Bond Enhancement Grant Program. Payment for the grants shall be made from the Education Debt Service and Bond Enhancement Revolving Fund created in Section 58 of Enrolled Senate Bill No. 220 of the 2nd Session of the 47th Oklahoma Legislature. The Department shall on an annual basis determine the amount of funds available in the Education Debt Service and Bond Enhancement Revolving Fund for the Program prior to approving any applications for grants under the Program. Grants awarded under the Program shall be awarded to all eligible applicants without any limitation on the number of awards in any year other than the amount of funds available for the Program and the number of eligible applicants. The maximum amount of each grant

shall be calculated as provided for in subsection E of this section and adjusted as provided for in subsection F of this section.

C. To be eligible for a grant under the Bond Enhancement Grant Program, school districts shall submit an application to the State Department of Education by June 30, 2003, and by June 30 of each year thereafter. The Department shall develop an application form for submission of grants. Grant applications shall specify the purposes or projects of the bond issue which will be submitted to a vote during the next fiscal year and for which the grant funding will be used.

D. The State Board of Education shall review each application submitted by the deadline and shall rank each in ascending order based on the prior year per capita net assessed valuation of the school district. The school districts with the lowest per capita net assessed valuation shall be ranked first. Grants shall be awarded based on the ranking of the school district.

E. The maximum amount of a grant awarded to a school district shall be calculated as follows:

1. Subtract the prior year per capita net assessed valuation for the school district from seventy-five percent (75%) of the prior year state average per capita net assessed valuation;

2. Multiply the remainder from paragraph 1 of this subsection by ten percent (10%);

3. Multiply the product from paragraph 2 of this subsection by the prior year average daily membership of the school district; and

4. Multiply the product from paragraph 3 of this subsection by the percentage increase in the bonded indebtedness of the school district, that will be approved by the voters of the school district, as provided for in the application of the school district.

F. If the maximum grant award amount a school district qualifies for is more than Five Hundred Thousand Dollars

(\$500,000.00), the excess amount over Five Hundred Thousand Dollars shall be reduced as follows:

1. An excess amount of between Five Hundred Thousand Dollars (\$500,000.00) and One Million Dollars (\$1,000,000.00) shall be reduced by ten percent (10%); and

2. An excess amount of over One Million Dollars (\$1,000,000.00) shall be reduced by twenty percent (20%).

G. A school district with an electrical generating facility physically located within the boundaries of that school district that is receiving a portion of the electric energy tax remitted by an electrical generating facility as provided for in paragraph 2 of subsection A of Section 57 of Enrolled Senate Bill No. 220 of the 2nd Session of the 47th Oklahoma Legislature shall not be eligible to apply for a grant under the Bond Enhancement Grant Program until June 30, 2008.

H. By September 1, the State Board of Education shall notify each school district that has submitted an application for a grant of its decision to approve or deny the application. If the application is denied, the school district shall be eligible to apply for a grant the next school year. If the application is approved, the school district shall not be eligible to apply again for another grant for at least five (5) years. If the application is approved, the school district shall be responsible for advertising and conducting the bond election. The school district shall provide notice to the electors of the school district of the amount the school district is eligible to receive under the Bond Enhancement Grant Program if the upcoming bond issue is approved.

I. The State Department of Education shall not release funding for an approved grant award until the voters of the school district have approved the bond issue and the approved bonds have been sold. The Department shall release the grant funds within thirty (30) days after the sale of the bonds has been finalized.

J. Grant awards under the Bond Enhancement Grant Program shall be deposited in the building fund of the school district receiving the grant and shall be assigned a specific project code under the Oklahoma Cost Accounting System. Each school district receiving a grant shall provide reports of expenditures to the State Department of Education in a manner as determined by the Department. The expenditure of grant funding shall be made only for the purposes or projects specified in the grant application and shall be made as provided for in the Bond Issue Proceeds Act.

L. For purposes of this section, "per capita net assessed valuation" shall mean the net assessed valuation divided by the average daily membership.

M. The State Board of Education is authorized to promulgate rules for the operation of the Bond Enhancement Grant Program.

SECTION 3. AMENDATORY 70 O.S. 1991, Section 1-118, as amended by Section 1, Chapter 319, O.S.L. 1994 (70 O.S. Supp. 1999, Section 1-118), is amended to read as follows:

Section 1-118. The building fund of any school district shall consist of all monies derived from the proceeds of a building fund levy of not to exceed five (5) mills in any year, voted by the people of a school district pursuant to the provisions of Article X, Section 10, of the Oklahoma Constitution, monies appropriated by the state for the purpose of capital expenditures or projects, monies allocated to a school district by the State Board of Education from the State Public School Building Equalization Fund, monies apportioned to school districts pursuant to Section 57 of Enrolled Senate Bill No. 220 of the 2nd Session of the 47th Oklahoma Legislature, monies allocated to a school district by the State Board of Education from the Education Debt Service and Bond Enhancement Revolving Fund created in Section 58 of Enrolled Senate Bill No. 220 of the 2nd Session of the 47th Oklahoma Legislature for purposes as provided for in the Bond Enhancement Grant Program, and

monies donated to a school district for the purpose of capital projects or improvements and may be used for erecting, remodeling, repairing, or maintaining school buildings, for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security system, and for paying salaries of security personnel, or for one or more, or all, of such purposes. Proceeds of such levies shall not be required to be used during the year for which a levy is made but may accumulate from year to year until adequate for the purposes intended. The building fund hereinabove defined is hereby declared to be a current expense fund, but shall not be considered a part of the general operating fund. No monies derived from the proceeds of the school levies made pursuant to the provisions of Article X, Section 9 of the Oklahoma Constitution may be placed in the building fund provided by this section.

SECTION 4. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

The provisions of this act shall become effective only if Senate Bill No. 220 of the 2nd Session of the 47th Oklahoma Legislature becomes law.

SECTION 5. This act shall become effective January 1, 2002.

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