

CS for SB 638

1 THE STATE SENATE
2 Monday, February 23, 2009

3 Committee Substitute for
4 Senate Bill No. 638

5 COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 638 - By: Coates of the
6 Senate and Moore of the House.

7 [public power - in lieu of payments for certain generation
8 facilities - effective date]

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

10 SECTION 1. AMENDATORY 11 O.S. 2001, Section 24-107, as
11 amended by Section 1, Chapter 123, O.S.L. 2006 (11 O.S. Supp. 2008,
12 Section 24-107), is amended to read as follows:

13 Section 24-107. (a) The Authority shall have and is hereby
14 authorized to exercise all powers, rights and privileges enumerated
15 in this section. Such powers, rights and privileges shall be
16 exercised by its Board of Directors unless otherwise specifically
17 provided herein or by the bylaws of the Authority as in effect from
18 time to time.

19 (b) The Authority may plan, finance, acquire, construct,
20 reconstruct, own, lease, operate, maintain, repair, improve, extend
21 or otherwise participate, individually or jointly with other
22 persons, in one or more projects, proposed, existing or under
23 construction, and may act as agent, or designate one or more
24 persons, whether or not participating in a project, to act as its

1 agent, in connection with the planning, financing, acquisition,
2 construction, reconstruction, ownership, lease, operation,
3 maintenance, repair, extension or improvement of the project.

4 (c) The Authority may investigate the desirability of and
5 necessity for additional sources and supplies of electrical energy
6 and fuel and other supplies of any kind for such purpose, and make
7 studies, surveys and estimates as may be necessary to determine the
8 feasibility and cost thereof.

9 (d) The Authority may cooperate with other persons in the
10 development of sources and supplies of electrical energy and fuel
11 and other supplies of any kind for such purposes, and give
12 assistance with personnel and equipment in any project.

13 (e) The Authority may apply to any person for consents,
14 authorizations or approvals required for any project within its
15 powers and take all actions necessary to comply with the conditions
16 thereof.

17 (f) The Authority may perform any act authorized by this act
18 through, or by means of, its officers, agents or employees or by
19 contract with any person, including, without limitation, the
20 employment of engineers, architects, attorneys, appraisers,
21 financial advisors and such other consultants and employees as may
22 be required in the judgment of the Board of Directors, and fix and

1 pay their compensation from funds available to the Authority
2 therefor.

3 (g) The Authority may acquire, hold, use and dispose of income,
4 revenues, funds and money.

5 (h) The Authority may, individually or jointly with other
6 persons, acquire, own, hire, use, operate and dispose of personal
7 property and any interest therein.

8 (i) The Authority may, individually or jointly with other
9 persons, acquire, own, use, lease as lessor or lessee, operate and
10 dispose of real property and interests in real property, including
11 projects existing, proposed or under construction, and make
12 improvements thereon.

13 (j) The Authority may grant the use by franchise, lease or
14 otherwise and make charges for the use of any property or facility
15 owned or controlled by it.

16 (k) The Authority may borrow money and issue negotiable bonds,
17 secured or unsecured, in accordance with this act, and may enter
18 into interest rate swaps and other derivative products, and other
19 financial instruments intended to hedge interest rate risk or manage
20 interest rate costs, including any option to enter into or terminate
21 any of them, that the Authority deems to be necessary or desirable
22 in connection with any bonds issued prior to, at the same time as,
23 or after entering into such arrangement, and containing such terms

1 and provisions, and may be with such parties, as determined by the
2 Authority. Provided, any action taken by the Authority pursuant to
3 this subsection must first be approved by the Office of the State
4 Bond Advisor and the Council of Bond Oversight pursuant to the
5 provisions of the Oklahoma Bond Oversight and Reform Act.

6 (l) The Authority may invest money of the Authority not
7 required for immediate use, including proceeds from the sale of any
8 bonds.

9 (m) The Authority may exercise the power of eminent domain in
10 accordance with the provisions of Section 24-110 of this title.

11 (n) The Authority may determine the location and character of,
12 and all other matters in connection with, any and all projects it is
13 authorized to acquire, hold, establish, effectuate, operate or
14 control.

15 (o) The Authority may contract with any person for the
16 planning, development, construction, operation, sale or lease as
17 lessor or lessee of any project or for any interest therein, on such
18 terms and for such period of time as its Board of Directors shall
19 determine.

20 (p) The Authority may contract with any eligible public agency,
21 any public trust, or any other person for the sale of power and
22 energy, transmission services, power supply development services or
23 other services within or without the State of Oklahoma on such terms

1 and conditions as the Board of Directors shall approve. Any such
2 contract may be for the sale of output and services of a particular
3 project or may be for output and services generally without regard
4 to a specific project and may be for the supply of a specific
5 quantity of output or a percentage of the output of a specific
6 project or other specific facility or may be based on the
7 requirements of the purchaser or may be on such other terms and
8 conditions as the Board of Directors deems appropriate.

9 (q) The Authority may enter into any contract or agreement
10 necessary, appropriate or incidental to the effectuation of its
11 lawful purposes and the exercise of the powers granted by this act,
12 including, without limitation, contracts or agreements for the
13 purchase, sale, exchange, interchange, wheeling, pooling,
14 transmission or storage of electric power and energy, and fuel and
15 other supplies of any kind for any such purposes, within and without
16 the State of Oklahoma, in such amounts as it shall determine to be
17 necessary and appropriate to make the most effective use of its
18 powers and to meet its responsibilities, on such terms and for such
19 period of time as the Board of Directors determines, and derivative
20 or other instruments intended to hedge fuel cost risk associated
21 with any projects or power purchases or supply arrangements of the
22 Authority, or to hedge fixed or variable interest rate exposure
23 associated with permitted investments, including any option to enter

1 into or terminate any of them, that the Authority deems to be
2 necessary or desirable, and containing such terms and provisions,
3 and may be with such parties, as determined by the Authority.

4 (r) In any case in which the Authority participates in a
5 project as a joint owner with one or more persons, the Authority may
6 enter into an agreement or agreements with respect to such project
7 with the other person or persons participating therein, and any such
8 agreement may contain such terms, conditions and provisions
9 consistent with the provisions of the act as the parties thereto
10 shall deem to be in their best interest. Any such agreement may
11 include, but need not be limited to, provisions defining what
12 constitutes a default thereunder and providing for the rights and
13 remedies of the parties thereto upon the occurrence of such a
14 default deemed appropriate by the Board of Directors including, to
15 the extent deemed appropriate, the acquisition by nondefaulting
16 parties of all or any part of the defaulting party's interest;
17 provisions setting forth such restraints on alienation of the
18 interests of the parties in the project as the Board of Directors
19 deems appropriate; provisions for the construction, operation and
20 maintenance of such electric generation or transmission facility by
21 any one or more of the parties to such agreement which party or
22 parties shall be designated in or pursuant to such agreement as
23 agent or parties thereto or by such other means as may be determined

1 by the parties thereto; and provisions for a method or methods of
2 determining and allocating, among or between the parties, costs of
3 construction, operation, maintenance, renewals, replacements,
4 improvements and disposals with respect to such project. In
5 exercising its power to participate in a project as a joint owner
6 with one or more persons, the Authority may not loan its credit to
7 any person which is a joint owner of such project; provided,
8 however, the appropriate allocations of the costs of construction,
9 operation, maintenance, renewals, replacements, improvements and
10 disposals with respect to such project between the Authority and
11 such persons shall not be a loan of credit by the Authority to such
12 persons. In carrying out its functions and activities as such agent
13 with respect to construction, operation and maintenance of a
14 project, such agent shall be governed by the laws and regulations
15 applicable to such agent as a separate legal entity and not by any
16 laws or regulations which may be applicable to any of the other
17 participating parties. Notwithstanding anything contained in any
18 other law to the contrary, pursuant to the terms of any such
19 agreement, the Authority may delegate its powers and duties with
20 respect to the construction, operation and maintenance of such
21 project to the person acting as agent; and all actions taken by such
22 agent in accordance with the provisions of such agreement may be

1 made binding upon the Authority without further action or approval
2 by the Authority.

3 (s) The Authority may procure insurance against any losses in
4 connection with its property, operations or assets in such amounts
5 and from such insurers as it deems desirable, or may self-insure
6 against such losses.

7 (t) The Authority may contract for and accept any gifts, grants
8 or loans of funds or property or financial or other aid in any form
9 from any person, and may comply, subject to the provisions of this
10 act, with the terms and conditions thereof.

11 (u) The Authority may adopt a corporate seal and may sue or be
12 sued.

13 (v) The Authority may exercise all other powers not
14 inconsistent with the Constitution of the State of Oklahoma or the
15 United States Constitution, which powers may be reasonably necessary
16 or appropriate for or incidental to effectuate its authorized
17 purposes or to the exercise of any of the powers enumerated in this
18 act.

19 (w) Notwithstanding any other provision herein seemingly to the
20 contrary, the Authority may not sell output (i) at retail to the
21 ultimate consumers thereof, (ii) to any municipality which does not
22 qualify as an eligible public agency under the definition set forth
23 in subsection (d) of Section 24-105 of this title, or (iii) to any

1 trust created and existing under the provisions of the Local
2 Industrial Development Act, as provided by Sections 651 et seq. of
3 Title 62 of the Oklahoma Statutes, or the Trusts for Furtherance of
4 Public Functions Law, as provided by Sections 176 et seq. of Title
5 60 of the Oklahoma Statutes, which does not qualify as a public
6 trust under the definition set forth in subsection (g) of Section
7 24-105 of this title.

8 (x) To provide support and assistance to common schools and
9 technology center schools, the Authority shall annually make in lieu
10 of payments for all electric generation facilities, which the
11 Authority holds title to or title to which is held by a partnership,
12 corporation, limited liability company, trust, or any other lawfully
13 recognized entity and the Authority is a partner, shareholder,
14 member, or other equity interest owner and such ownership or
15 partnership arrangement occurred after January 1, 2007. The in lieu
16 of payment shall be equal to the amount of ad valorem taxes upon the
17 real and personal property constituting and comprising the electric
18 generation facility described in this paragraph based on the fair
19 cash value of the asset for each assessment year using the
20 applicable assessment ratio in effect for such assessment year and
21 the applicable millage rate, including sinking fund millage rates,
22 applicable to the taxable value of the facility. If title to the
23 generation facility is held in any manner that results in an

1 allocation of both taxable value and exempt value during the same
2 assessment year, the Authority shall make the in lieu of payment
3 based upon the portion of the fair cash value of the facility which
4 is held by the Authority. Payments shall be made to common school
5 districts and technology center school districts which have the
6 described generation facility located within the boundaries of the
7 school district.

8 SECTION 2. AMENDATORY 82 O.S. 2001, Section 862, as last
9 amended by Section 1, Chapter 301, O.S.L. 2008 (82 O.S. Supp. 2008,
10 Section 862), is amended to read as follows:

11 Section 862. The district shall have and is hereby authorized
12 to exercise the following powers, rights and privileges:

13 (a) To control, store and preserve, within the boundaries of
14 the district, the waters of Grand River and its tributaries, for any
15 useful purpose, and to use, distribute and sell the same within the
16 boundaries of the district; provided, however, that any municipal
17 corporation within the area included within the jurisdiction of the
18 said Grand River Dam Authority shall be entitled to take water from
19 the Grand River and any of its tributaries in any quantities that
20 may be needed by such municipal corporation;

21 (b) To develop and generate water power, electric power and
22 electric energy, from whatever source, within the boundaries of the
23 district; to acquire coal or other minerals to be used for the

1 purposes of providing energy sources for electrical generating
2 plants; to acquire or lease any and all railroad connections,
3 equipment, rolling stock, trackage and otherwise, necessary to the
4 transporting of coal and other minerals to generating plant sites
5 within the district; and to buy, sell, resell, interchange and
6 distribute electric power and energy in order to carry forward the
7 business and functions of the district now or hereafter authorized
8 by law and may enter into contracts for such purposes, such
9 contracts to run for a period of not to exceed fifty (50) years
10 except those contracts provided for in paragraphs (f) and (g) of
11 this section. All contracts may contain such reasonable provisions,
12 limitations, qualifications, protective clauses and rights and
13 obligations of purchase and sale, and such provisions for the
14 dedication of the use of facilities and the construction of
15 additional facilities to serve the load requirements of all the
16 parties as may be deemed advisable by the district to safeguard the
17 business and properties of all the parties to such contracts, all
18 within the limits of sound business judgment and practice, good
19 conscience, and not contrary to the public policy of the state;

20 (c) To prevent or aid in the prevention of damage to person or
21 property from the waters of the Grand River and its tributaries;

22 (d) To forest and reforest and to aid in the foresting and
23 reforesting of the watershed area of the Grand River and its

1 tributaries and to prevent and to aid in the prevention of soil
2 erosion and floods within said watershed area;

3 (e) To acquire by purchase, lease, gift, or in any other
4 manner, and to maintain, use and operate or to contract for the
5 maintenance, use and operation of any and all property of any kind,
6 real, personal, or mixed, or any interest therein, including trucks
7 of any size or weight and passenger vehicles and to own, construct,
8 operate and maintain any project or works in conjunction or jointly
9 with, as tenants in common, any public or private corporation duly
10 authorized and qualified to do business within this state including,
11 but not limited to, rural electric cooperatives of the State of
12 Oklahoma or the United States of America, or any department,
13 subdivision or agency of the State of Oklahoma or the United States
14 of America, or with any "public agency" as defined under the
15 Interlocal Cooperation Act, Sections 1001 through 1008 of Title 74
16 of the Oklahoma Statutes, within or without the boundaries of the
17 district, necessary, incidental or convenient to the exercise of the
18 powers, rights, privileges and functions conferred upon it by this
19 act;

20 (f) In addition to any other powers conferred, the district
21 shall have power and authority to participate and enter into
22 agreements with any public or private corporation duly authorized
23 and qualified to do business within the State of Oklahoma including,

1 but not limited to, rural electric cooperatives, the state or the
2 United States of America or any department, subdivision or agency of
3 the state or the United States of America, or with any "public
4 agency" as defined under the Interlocal Cooperation Act, Sections
5 1001 through 1008 of Title 74 of the Oklahoma Statutes, for the
6 purpose of planning, acquiring, financing, owning, operating and
7 maintaining an undivided ownership of any steam, oil, gas,
8 coal-fired, thermal, geothermal, solar, waste or refuse reclamation
9 powered electric generating plant or plants or any facilities of
10 every kind necessary, incidental or convenient for the production,
11 generation and transmission of electric power and energy including,
12 but not limited to, any and all related transmission facilities,
13 which shall be used as common facilities. The agreements shall
14 provide that the district and any participants therein shall have
15 the incidents of tenant in common to any plant or facility. It
16 shall also be provided in the agreements that the district and any
17 participant in the project shall own a percentage of any common
18 facility equal to the percentage of the money furnished or the value
19 of property supplied by it for the acquisition and construction
20 thereof and shall own and control a like percentage of the
21 electrical output thereof.

22 Each participant shall defray its own interest payments and
23 other payments required to be made or deposited in connection with

1 any financing undertaken by it to pay its percentage of the money
2 furnished or value of property supplied by it for the planning,
3 acquisition and construction of any common facility, or any
4 additions or betterments thereto. The agreement shall further
5 provide a uniform method of determining and allocating operation and
6 maintenance expenses of the common facility.

7 In carrying out the powers granted in this section, the district
8 and each participant shall be severally liable only for its own acts
9 and not jointly or severally liable for the acts, omissions or
10 obligations of others. No money or property supplied by the
11 district or any participant for the planning, financing, acquiring,
12 constructing, operating or maintaining of any common plant or
13 facility shall be credited or otherwise applied to the account of
14 any other participant therein, nor shall the undivided share of the
15 district or any participant therein be charged, directly or
16 indirectly, with any debt or obligation of any other participant or
17 be subject to any lien as a result thereof. No action in connection
18 with a common facility shall be binding upon the district except as
19 expressly authorized and provided for in the participation
20 agreement;

21 (g) In addition to the powers conferred in paragraph (f) of
22 this section, the district shall have power and authority to
23 participate and enter into agreements with any public or private

1 corporation duly authorized and qualified to do business within this
2 state including, but not limited to, rural electric cooperatives,
3 the State of Oklahoma or the United States of America or any
4 department, subdivision or agency of the State of Oklahoma or the
5 United States of America, or with any "public agency" as defined
6 under the Interlocal Cooperation Act, Sections 1001 through 1008 of
7 Title 74 of the Oklahoma Statutes, for the purpose of planning,
8 acquiring, financing, owning, operating and maintaining undivided
9 ownership interests in any steam, oil, gas, coal-fired, thermal,
10 geothermal, solar, waste or refuse reclamation powered electric
11 generating plant or plants or any other facilities of every kind
12 necessary, incidental or convenient for the production, generation
13 and transmission of electric power and energy including, but not
14 limited to, any and all related transmission or other facilities
15 which are to be used as common facilities and to cooperate with
16 other state agencies and public trusts to promote economic
17 development in the state and to assist in attracting industry to the
18 state. Such undivided ownership interests may be created by an
19 agreement entered into with respect to property to be acquired by
20 the district. Any such agreement may be a sale agreement, with the
21 purchase price payable at one time or in installments at such time
22 and over such period as shall be agreed to by the parties thereto, a
23 lease agreement, with a nominal purchase option, or any other type

1 of agreement. In addition to the purchase price, the district shall
2 be fully indemnified as to operation, maintenance, administrative
3 and other expenses incurred with respect to such undivided interest.
4 Any payment received in respect to any such agreement shall be
5 deemed revenues of the Authority. The district is hereby authorized
6 to enter into any such agreement in order to sell, lease or
7 otherwise convey undivided ownership interests in any such property.
8 Any such agreement shall specify the undivided interest to be owned
9 or acquired by each of the participants, provide for a waiver of
10 partition, prescribe the time of vesting of such interest and the
11 amount of electrical output to be owned and controlled by any
12 participant.

13 Each participant shall defray its own interest and other
14 payments required to be made or deposited in connection with any
15 financing undertaken by it to pay its percentage of the money
16 furnished or value of property supplied by it for the planning,
17 acquisition and construction of any common facility, or any
18 additions or betterments thereto. The agreement shall provide a
19 uniform method of determining and allocating operation and
20 maintenance expenses of the common facility.

21 In carrying out the powers granted in this section, the district
22 and each participant shall be severally liable only for its own acts
23 and not jointly or severally liable for the acts, omissions or

1 obligations of others. No money or property supplied by the
2 district or any participant for the planning, financing, acquiring,
3 constructing, operating or maintaining of any common plant or
4 facility shall be credited or otherwise applied to the account of
5 any other participant therein, nor shall the undivided share of the
6 district or any participant therein be charged, directly or
7 indirectly, with any debt or obligation of any other participant or
8 be subject to any lien as a result thereof. No action in connection
9 with a common facility shall be binding upon the district except as
10 expressly authorized and provided for in the participation
11 agreement;

12 (h) To acquire by condemnation any and all property of any
13 kind, real, personal, or mixed, or any interest therein, within or
14 without the boundaries of the district, necessary, incidental or
15 convenient to the exercise of the powers, rights, privileges and
16 functions conferred upon it by this act, in the manner provided by
17 general law with respect to condemnation; provided that nothing in
18 this act shall ever be construed to authorize the district to
19 acquire by condemnation any privately, municipally or publicly owned
20 electric public utility system or any part thereof outside of the
21 high-water mark of a reservoir area or outside a properly located
22 damsite, except the districts may require the relocation of
23 transmission lines and substations so owned where such relocation is

1 necessary for the construction and maintenance of dams, reservoirs,
2 levees, spillways and floodways, and in such event just compensation
3 shall be paid. Provided that the Grand River Dam Authority shall
4 have the right to cross transmission lines of other electric utility
5 companies under proper engineering standards of construction as
6 approved by the Corporation Commission;

7 (i) Subject to the provisions of this act, from time to time
8 sell, which shall include, but not be limited to, an installment
9 sale agreement, lease with nominal purchase options, or otherwise
10 dispose of any property of any kind, real, personal or mixed, or any
11 interest therein, which shall not be necessary to the carrying on of
12 the business of the district;

13 (j) To overflow and inundate any public lands and public
14 property and to require the relocation of roads and highways in the
15 manner and to the extent necessary to carry out the purposes of this
16 act; provided, that said district shall be liable in damages to the
17 State of Oklahoma or any subdivision thereof for any injury
18 occasioned or expense incurred by reason thereof;

19 (k) To construct, extend, improve, maintain and reconstruct, to
20 cause to be constructed, extended, improved, maintained and
21 reconstructed, and to use and operate any and all facilities of any
22 kind necessary, incidental or convenient to the exercise of such
23 powers, rights, privileges and functions;

1 (l) To sue and be sued in its corporate name in contracts,
2 reverse condemnation, tort, equity, mandamus and similar actions and
3 in its own name plead and be impleaded, provided, however, that any
4 and all actions of law or in an equity against the district shall be
5 brought in the county in which the principal office of the district
6 shall be located or in the county where the cause of action arose;

7 (m) To adopt, use and alter a corporate seal;

8 (n) To make bylaws for the management and regulation of its
9 affairs;

10 (o) To appoint officers, agents and employees, to prescribe
11 their duties and to fix their compensation; and enter into contracts
12 with labor unions, provided, that contracts with labor unions shall
13 not abrogate the rights of the district to cooperate and carry out
14 Veterans on the Job Training;

15 (p) To make contracts and to execute instruments necessary,
16 incidental or convenient to the exercise of the powers, rights,
17 privileges and functions conferred upon it by this act;

18 (q) To borrow money for its corporate purposes and, without
19 limitation of the generality of the foregoing, to borrow money and
20 accept grants from the United States of America, or from any
21 corporation or agency created or designated by the United States of
22 America, and, in connection with any such loan or grant, to enter
23 into such agreements as the United States of America or such

1 corporation or agency may require; and to make and issue its
2 negotiable bonds for money borrowed, in the manner provided in this
3 act. Nothing in this act shall authorize the issuance of any bonds,
4 notes or other evidences of indebtedness of the district, except as
5 specifically provided in this act;

6 (r) To prescribe and enforce rules for the use for recreational
7 and commercial purposes of the lakes created by the district by
8 impounding the waters of said lakes, and the shorelands of the
9 district bordering thereon, including the use of firearms, the
10 inspection of all boats of every character proposing to operate or
11 operating on said lakes, the issuance of permits for the operation
12 of boats, surfboards, aquaplanes, sea-skis or similar devices on
13 said lakes for hire; the charging and collection of fees for the
14 inspection or operation of such boats, surfboards, aquaplanes,
15 sea-skis or other similar devices on said lakes for hire; preventing
16 the launching or operation of any commercial or for-hire boat,
17 surfboard, aquaplane, sea-ski or similar device for hire, on the
18 waters of said lakes, without a certificate of inspection and a
19 permit for such use; prescribing the type, style, location and
20 equipment of all wharves, docks and anchorages along the shores and
21 upon the water of said lakes; the issuance of permits for wharfage,
22 dock or anchorage privileges and charging fees for such commercial
23 or private permits; and the establishment and maintenance of public

1 wharves, docks or anchorages and the charging and collection of fees
2 for the use thereof by the public; to appoint or employ such persons
3 as the district may deem proper and suitable for the purpose of
4 enforcing such rules and regulations as may be issued hereunder, or
5 as may be issued pursuant to the provisions of Sections 4200 et seq.
6 of Title 63 of the Oklahoma Statutes, and for the enforcing of the
7 provisions of this act, and all violations of criminal laws
8 occurring within the boundaries of the counties where real property
9 owned or leased by the Grand River Dam Authority is located, which
10 employees shall have the power of peace officers during the
11 performance of those duties, except in the serving or execution of
12 civil process;

13 (s) To do any and all other acts or things necessary,
14 incidental or convenient to the exercise of the powers, rights,
15 privileges or functions conferred upon it by this act or any other
16 act or law. Provided said district shall be liable for damage
17 caused by said district, its agents, servants and employees in
18 creating, constructing, maintaining or operating said district to
19 any corporation, partnership, person or individual whose property,
20 either real or personal, within or without said district, has been
21 damaged and said damages may be determined by appropriate action as
22 provided by law. Nothing in this act shall be construed as

1 rendering the district liable for damage where it is not liable on
2 general principles of law or statute or Constitutional provision.

3 Provided, however, that in the course of exercising its powers
4 as herein enumerated, the said district shall at all times consider
5 the rights and needs of the people living within and upon the land
6 lying within the watershed of the rivers or streams developed by the
7 district; provided, however, that nothing herein shall prevent the
8 district from selling for irrigation purposes within the boundaries
9 of the district any water impounded by it under authority of law,
10 provided that nothing herein contained shall authorize the state to
11 engage in agriculture except for educational and scientific purposes
12 and for the support of its penal, charitable, and educational
13 institutions; and

14 (t) To support and assist the efforts of state, regional and
15 local development organizations, political subdivisions, industrial
16 committees, chambers of commerce, tourism organizations,
17 agricultural organizations, environmental organizations and other
18 similar public and private agencies to obtain new and foster
19 expansion of existing service, industrial and manufacturing
20 facilities, businesses and enterprises to enhance the quality of
21 life for the citizens of the district and the state. ~~Provided,~~
22 Except for support and assistance provided to a school district
23 through an in lieu of payment as provided for in this paragraph, the

1 support and assistance shall be limited to an amount not to exceed a
2 total of Twenty-five Thousand Dollars (\$25,000.00) per year for one
3 or more projects or efforts that are for the benefit of or impact
4 the quality of life for each city or community located within the
5 boundaries of the district. To provide support and assistance to
6 common schools and technology center schools, the district shall
7 annually make in lieu of payments for all electric generation
8 facilities located outside the district boundaries as set forth in
9 Section 861 of this title which the district holds title to or title
10 to which is held by a partnership, corporation, limited liability
11 company, trust, or any other lawfully recognized entity and the
12 district is a partner, shareholder, member, or other equity interest
13 owner. The in lieu of payment shall be equal to the amount of ad
14 valorem taxes upon the real and personal property constituting and
15 comprising the electric generation facility described in this
16 paragraph based on the fair cash value of the asset for each
17 assessment year using the applicable assessment ratio in effect for
18 such assessment year and the applicable millage rate, including
19 sinking fund millage rates, applicable to the taxable value of the
20 facility. If title to the generation facility is held in any manner
21 that results in an allocation of both taxable value and exempt value
22 during the same assessment year, the district shall make the in lieu
23 of payment based upon the portion of the fair cash value of the

1 facility which is held by the district. Payments shall be made to
2 common school districts and technology center school districts which
3 have the described generation facility located within the boundaries
4 of the school district.

5 (u) Notwithstanding any other provision of law, the General
6 Manager, department heads and other essential employees of the
7 district, as designated by the General Manager, may be permitted to
8 use a district owned vehicle to provide transportation between the
9 employee's residence and the assigned place of employment and
10 between the residence and any location other than the assigned place
11 of employment to which the employee travels in the performance of
12 the employee's official duty.

13 SECTION 3. This act shall become effective November 1, 2009.

14 COMMITTEE REPORT BY: COMMITTEE ON ENERGY & ENVIRONMENT, dated
15 2-19-09 - DO PASS, As Amended and Coauthored.