SENATE FLOOR VERSION
February 27, 2012

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 1040 By: Marlatt of the Senate

and

Armes of the House

[water infrastructure revolving funds - Community Water Infrastructure Development Revolving Fund - emergency]

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

SECTION 1. AMENDATORY 82 O.S. 2011, Section 1085.7A, is amended to read as follows:

Section 1085.7A. A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Water Resources Board to be designated the "Community Water Infrastructure Development <u>and Planning</u> Revolving Fund".

B. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Oklahoma Water Resources Board from the apportionment of gross production tax revenues as prescribed by Section 1004 of Title 68 of the Oklahoma Statutes.

C. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma Water Resources Board for the purpose of establishing and maintaining critical water infrastructure in all areas of the state.

D. Of the monies accruing to the credit of said fund:

1. Fifty percent (50%) of these funds shall be budgeted and expended for financial assistance loans and grants to public water supply and wastewater systems in Oklahoma; and

2. Fifty percent (50%) of these funds shall be budgeted and expended to ~~accomplish all phases and funding needs for the Oklahoma Comprehensive Water Plan~~ the Statewide Water Development and Planning Revolving Fund.

E. Expenditures from ~~said~~ the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

F. Other than expenditures directly related to activities authorized in subsection D of this section, no monies in the fund shall be used for the payment of administrative expenses, salary or any other continuing obligation of the Oklahoma Water Resources Board.

G. The provisions of this section shall cease to have the force and effect of law on July 1, 2014. Any monies remaining in the fund created by this section on July 1, 2014, which have been encumbered,

but not expended, may be expended according to the terms pursuant to which the monies were encumbered.

SECTION 2. AMENDATORY 82 O.S. 2011, Section 1085.40, is amended to read as follows:

Section 1085.40 A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Water Resources Board to be designated the "Statewide Water Development and Planning Revolving Fund". The revolving fund shall be a continuing fund, not subject to fiscal year limitations.

B. All monies placed in the Statewide Water Development and Planning Revolving Fund, exclusive of such amounts of interest derived from investment deposits necessary to maintain the grant account at its maximum amount as provided in subsection C of this section, may be used by the Board for any and all of the following uses and purposes:

1. For the planning and, upon legislative authorization, acquisition of land, construction, operation and maintenance of multipurpose reservoirs and desalination facilities within the State of Oklahoma;

2. To provide for and pay the share, contribution or portion of the cost the state shall pay for any legislative-approved, federally funded water project in the state including, but not limited to, projects for bank stabilization, flood control, weather

modification, hydroelectric power, water supply, irrigation, recreation and other beneficial uses; and

3. To fulfill state contractual obligations upon legislative authorization and pursuant to approved repayment agreements with the federal government and incidental to federally funded water supply storage projects.

The Board shall submit annually to the Legislature a list of those projects under consideration for funding under the provisions of this section.

C. The principal amount of all monies placed in the Statewide Water Development and Planning Revolving Fund and in the Water Resources Fund Grant Account as provided for in Section 1085.39 of this title shall be invested by the State Treasurer in the manner prescribed by Sections 89.1 et seq. of Title 62 of the Oklahoma Statutes. Interest income derived from the investment of monies placed in the Statewide Water Development and Planning Revolving Fund shall be credited to and placed in the grant account established by Section 1085.39 of Title 82 of the Oklahoma Statutes, provided, the total of all monies held in the grant account shall not exceed Five Million Dollars ($5,000,000.00). Whenever the aggregate total of all monies placed in the grant account equals Five Million Dollars ($5,000,000.00), then the principal amount in the grant account shall be kept and maintained at that amount and all additional interest income not required to maintain the balance

of the grant account at Five Million Dollars ($5,000,000.00) shall be retained in the Statewide Water Development and Planning Revolving Fund. The additional interest income not needed to maintain the grant account as herein provided may be utilized by the Board for the purposes and uses enumerated in subsection B of this section.

SECTION 3. 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.

COMMITTEE REPORT BY: COMMITTEE ON ENERGY, dated 2-23-12 - DO PASS, As Amended and Coauthored.