

1 ENGROSSED HOUSE  
2 BILL NO. 2455

By: Rousselot and Turner of the  
House

3 and

4 Loveless of the Senate  
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7 An Act relating to cities and towns; amending 11 O.S.  
8 2011, Section 37-119, which relates to contracts for  
9 water; modifying annual review of contract rates;  
10 requiring certain entities share costs; authorizing  
11 costs for certain capital improvements; and providing  
12 an effective date.

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

14 SECTION 1. AMENDATORY 11 O.S. 2011, Section 37-119, is  
15 amended to read as follows:

16 Section 37-119. A. All contracts for the sale or furnishing of  
17 water from a source obtained by or on behalf of a municipality by  
18 permit or prior right under state law or by general obligation bonds  
19 shall be made in the name of the municipality as provided for by  
20 statute or by charter.

21 B. All such water sold and furnished to persons or public or  
22 private entities outside the corporate limits of the municipality  
23 shall be sold and furnished upon written contracts which shall  
24 ~~provide for be subject to~~ an annual review of the ~~municipality's~~  
~~costs and contract modification of~~ contract's rates to permit rates

1 to be ~~increased or decreased to the purchasers~~ modified as  
2 appropriate. Any modification of rates shall be nondiscriminatorily  
3 allocated between the municipality's customers and the outside  
4 purchaser. Provided, however, ~~that only those costs that are~~  
5 ~~attributable to maintaining the ability of the municipality to~~  
6 ~~provide water service to the purchaser shall be included in~~  
7 ~~purchaser's rates~~ the outside purchasers shall be responsible to the  
8 same extent as the municipality's customers for sharing the costs of  
9 the municipality's entire water system, and the outside purchasers'  
10 rates may include costs for capital improvements to the water system  
11 not otherwise shared by outside purchasers with municipality's  
12 customers that pay taxes of the municipality.

13 The contracts shall provide that the persons or public or  
14 private entities outside the corporate limits of the municipality  
15 shall be subject to a rationing program consistent with any  
16 rationing program ordered by the municipality.

17 SECTION 2. This act shall become effective November 1, 2014.  
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1 Passed the House of Representatives the 26th day of February,  
2 2014.

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4 Presiding Officer of the House  
5 of Representatives

6 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2014.

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8 Presiding Officer of the Senate