

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               2nd Session of the 57th Legislature (2020)

4   HOUSE BILL 3286

                              By: Taylor

7                               AS INTRODUCED

8           An Act relating to public finance; amending 62 O.S.  
9           2011, Sections 2003, 2004, 2006 and 2007, which  
10          relate to the Rural Economic Action Plan; modifying  
11          population limits with respect to eligible  
12          expenditures for cities and towns; providing an  
13          effective date; and declaring an emergency.

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

15           SECTION 1.        AMENDATORY        62 O.S. 2011, Section 2003, is  
16   amended to read as follows:

17           Section 2003.   A.   Monies appropriated by law to the Oklahoma  
18   Water Resources Board for the purpose of funding the Rural Economic  
19   Action Plan grant program and the Rural Economic Action Plan Water  
20   Projects Fund shall be administered by the Oklahoma Water Resources  
21   Board as provided by this section.

22           B.   The monies referred to in subsection A of this section shall  
23   be distributed to eligible cities and towns, unincorporated areas or  
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1 other qualified entities located within the areas represented by the  
2 following organizations:

- 3 1. Association of Central Oklahoma Governments (ACOG);
- 4 2. Association of South Central Oklahoma Governments (ASCOG);
- 5 3. Central Oklahoma Economic Development District (COEDD);
- 6 4. Eastern Oklahoma Economic Development District (EOEDD);
- 7 5. Grand Gateway Economic Development Association (GGEDA);
- 8 6. Indian Nations Council of Governments (INCOG);
- 9 7. Kiamichi Economic Development District (KEDDO);
- 10 8. Northern Oklahoma Development Association (NODA);
- 11 9. Oklahoma Economic Development Association (OEDA);
- 12 10. Southern Oklahoma Development Association (SODA); and
- 13 11. South Western Oklahoma Development Authority (SWODA).

14 C. The monies referred to in subsection A of this section shall  
15 not be expended for the benefit of cities or towns with a population  
16 in excess of ~~seven thousand (7,000)~~ nine thousand five hundred  
17 (9,500) persons according to the latest Federal Decennial Census.  
18 Funds may also be expended for any city or town with a population  
19 below ~~seven thousand (7,000)~~ nine thousand five hundred (9,500)  
20 persons based upon the current population estimate according to the  
21 U.S. Census Bureau. Funds may be expended for such cities and towns  
22 until the next following Federal Decennial Census. Any municipality  
23 may enter into an agreement with an entity described in subsection B  
24 of this section to apply for available funds described by this

1 section if the municipality is located within the area served by the  
2 entity. Upon approval of the application, funds shall be paid to  
3 the municipality requesting the funds.

4 D. An entity described in subsection B of this section may  
5 apply for a grant to be used for the benefit of an unincorporated  
6 area within a county served by that entity if the area benefited  
7 does not contain a population in excess of ~~seven thousand (7,000)~~  
8 nine thousand five hundred (9,500) persons. Any county may enter  
9 into an agreement with an entity described in subsection B of this  
10 section if the county is located within the area served by the  
11 entity. Upon approval of the application, funds shall be paid to  
12 the county requesting the funds.

13 E. The monies referred to in subsection A of this section may  
14 be expended for water quality projects, including but not limited to  
15 sewer line construction or repair and related storm or sanitary  
16 sewer projects, water line construction or repair, water treatment,  
17 water acquisition, distribution or recovery and related projects.

18 F. Any city or town with a population less than one thousand  
19 seven hundred fifty (1,750) persons according to the latest Federal  
20 Decennial Census shall have a higher priority for funds allocated by  
21 the Oklahoma Water Resources Board from the amount referred to in  
22 subsection A of this section than jurisdictions of greater size.  
23 Among such cities or towns, those municipalities having relatively  
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1 weaker fiscal capacity shall have a priority for project funding in  
2 preference to other municipalities.

3 G. The Oklahoma Water Resources Board shall establish ten  
4 separate accounts containing one-tenth (1/10) of the amount annually  
5 appropriated to the Rural Economic Action Plan Water Projects Fund  
6 per account. Each account shall be available for distribution to  
7 qualified entities located within the area served by entities  
8 described in subsection A of Section 2007 of this title or for  
9 distribution to benefit unincorporated areas with the exception of  
10 one account which shall be divided equally into two subaccounts.  
11 Each one of the two subaccounts shall be available for distribution  
12 to qualified entities located within the respective jurisdiction of  
13 one of the entities described by subsection B of Section 2007 of  
14 this title or for distribution to benefit unincorporated areas. No  
15 funds deposited into one account or subaccount shall be transferred  
16 to any other account. The total expenditure from any one account or  
17 subaccount for each fiscal year may not exceed the amount of funds  
18 available to each account as may be provided by law.

19 H. No city, town or other entity to which funds will be awarded  
20 pursuant to this section shall be required to provide any form of  
21 match to obtain the funds, whether through cash, services or any  
22 other method.

23 I. The Oklahoma Water Resources Board shall not be allowed to  
24 retain any of the funds referred to in subsection A of this section

1 for administration. All such funds shall be distributed to eligible  
2 entities as authorized by law.

3 J. In order to ensure fair and equitable distribution of the  
4 funds referred to in subsection A of this section, the Oklahoma  
5 Water Resources Board shall promulgate rules for administering,  
6 determining priority of, approving and funding applications for such  
7 funds. The rules shall implement the provisions of this section  
8 including the following:

9 1. No qualified entity shall be approved nor funded for more  
10 than One Hundred Fifty Thousand Dollars (\$150,000.00) from such  
11 funds in any twelve-month period;

12 2. If a qualified entity has previously been approved for or  
13 received such funds and makes a subsequent application, that  
14 subsequent application may be assigned lower priority than an  
15 application by qualified entities who have not previously been  
16 approved for or received such funds;

17 3. In order to prevent substantially the same entity or area  
18 from receiving an undue advantage, a political subdivision and all  
19 its public trusts and similar subordinate entities together shall be  
20 treated as one and the same qualified entity; provided rural water  
21 or sewer districts shall not be construed to be subordinate entities  
22 of counties unless the effect would be to make multiple grants to  
23 substantially the same entity or service area; and  
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1        4. The Oklahoma Water Resources Board may establish limited  
2 time periods for processing applications for available funds.

3        SECTION 2.        AMENDATORY        62 O.S. 2011, Section 2004, is  
4 amended to read as follows:

5        Section 2004. A. The monies appropriated to the Rural Economic  
6 Action Plan Fund shall be subject to all of the requirements of  
7 Sections 2006 through 2013 of this title.

8        B. In a fiscal year for which the amount appropriated to the  
9 Rural Economic Action Plan Fund is less than or equal to the sum of  
10 Fifteen Million Five Hundred Thousand Dollars (\$15,500,000.00),  
11 there shall be deposited into each of the accounts provided by  
12 Section 2006 of this title the sum of one-tenth (1/10) of the amount  
13 appropriated to the Rural Economic Action Plan Fund with the  
14 exception of one account which shall be divided equally into two  
15 subaccounts. One of the two subaccounts shall be available to one  
16 and only one of the entities described by subsection B of Section  
17 2007 of this title for distribution to cities or towns within the  
18 respective jurisdiction of the entity if the population of such city  
19 or town does not exceed ~~seven thousand (7,000)~~ nine thousand five  
20 hundred (9,500) persons according to the latest Federal Decennial  
21 Census or for the benefit of an unincorporated area. Funds may also  
22 be expended for any city or town with a population below ~~seven~~  
23 ~~thousand (7,000)~~ nine thousand five hundred (9,500) persons based  
24 upon the current population estimate according to the U.S. Census

1 Bureau. Funds may be expended for such cities and towns until the  
2 next following Federal Decennial Census. Provided, for any fiscal  
3 year following the first fiscal year that the provisions of  
4 subsection D of this section have taken effect, funds appropriated  
5 to the Rural Economic Action Plan Fund shall be deposited as  
6 provided in subsection D of this section and the provisions of this  
7 subsection shall not be in effect.

8 C. In a fiscal year for which the amount appropriated to the  
9 Rural Economic Action Plan Fund is greater than Fifteen Million Five  
10 Hundred Thousand Dollars (\$15,500,000.00), but less than Seventeen  
11 Million Fifty Thousand Dollars (\$17,050,000.00), there shall be  
12 deposited into each of nine separate accounts for the entities  
13 described by subsection A of Section 2007 of this title the sum of  
14 One Million Five Hundred Fifty Thousand Dollars (\$1,550,000.00).  
15 There shall be divided equally between two additional accounts for  
16 the use and benefit of the entities described by subsection B of  
17 Section 2007 of this title the balance of any such appropriation in  
18 excess of Thirteen Million Nine Hundred Fifty Thousand Dollars  
19 (\$13,950,000.00), but less than Seventeen Million Fifty Thousand  
20 Dollars (\$17,050,000.00).

21 D. In the first fiscal year for which the amount appropriated  
22 to the Rural Economic Action Plan Fund equals or exceeds the sum of  
23 Seventeen Million Fifty Thousand Dollars (\$17,050,000.00), and in  
24 every subsequent fiscal year, there shall be deposited an equal

1 amount to each of eleven accounts created for the use and benefit of  
2 the entities described by subsections A and B of Section 2007 of  
3 this title.

4 E. Regardless of the number of accounts created based upon the  
5 appropriation amount to the Rural Economic Action Plan Fund, all  
6 expenditures from all accounts shall be governed by the limitations  
7 imposed pursuant to Sections 2002 through 2013 of this title,  
8 including the limitations applicable to expenditures for the benefit  
9 of cities or towns based upon population limits or expenditures for  
10 the benefit of unincorporated areas.

11 SECTION 3. AMENDATORY 62 O.S. 2011, Section 2006, is  
12 amended to read as follows:

13 Section 2006. A. There is hereby established a fund within the  
14 State Treasury to be known as the Rural Economic Action Plan Fund,  
15 to be administered by the Oklahoma Department of Commerce. The fund  
16 shall be a continuing fund not subject to fiscal year limitations.  
17 Within the Rural Economic Action Plan Fund there shall be  
18 established separate accounts as prescribed by Section 2004 of this  
19 title into which shall be deposited such funds as may be provided by  
20 law.

21 B. Except as otherwise provided by Section 2004 of this title,  
22 one of nine accounts shall be available to each entity described in  
23 subsection A of Section 2007 of this title.



1 C. Except as otherwise provided by Section 2004 of this title,  
2 one account shall be divided equally into two subaccounts. One of  
3 the two subaccounts shall be available to each of the entities  
4 described by subsection B of Section 2007 of this title for  
5 distribution to any city or town within the respective jurisdiction  
6 of the entity if the population of such city or town does not exceed  
7 ~~seven thousand (7,000)~~ nine thousand five hundred (9,500) persons  
8 according to the latest Federal Decennial Census or for the benefit  
9 of an unincorporated area. Funds may also be expended for any city  
10 or town with a population below ~~seven thousand (7,000)~~ nine thousand  
11 five hundred (9,500) persons based upon the current population  
12 estimate according to the U.S. Census Bureau. Funds may be expended  
13 for such cities and towns until the next following Federal Decennial  
14 Census.

15 D. No funds deposited into one account or subaccount shall be  
16 transferred to any other account. No entity may access any more  
17 than one account per fiscal year and the total expenditure from any  
18 one account for each fiscal year may not exceed the amount of funds  
19 available to each account as may be provided by law.

20 E. No monies in the Rural Economic Action Plan Fund shall be  
21 used for the payment of administrative expenses, salaries or any  
22 other continuing obligation of the Oklahoma Department of Commerce.

23 SECTION 4. AMENDATORY 62 O.S. 2011, Section 2007, is  
24 amended to read as follows:

1       Section 2007. A. A voluntary association of Oklahoma local  
2 governmental jurisdictions or another legal entity, including a  
3 public trust or a nonprofit corporation or other entity which  
4 performs functions for the benefit of or which exists for the  
5 primary benefit of Oklahoma local governmental jurisdictions and  
6 which is not described in subsection B of this section, shall be  
7 eligible to obtain funding for rural economic development projects  
8 as authorized by Section 2004 of this title or as authorized by  
9 subsection B of Section 2006 of this title.

10       B. A voluntary association of Oklahoma local governmental  
11 jurisdictions containing at least one municipality with a population  
12 in excess of three hundred fifty thousand (350,000) persons  
13 according to the latest Federal Decennial Census, shall be eligible  
14 to obtain funding as authorized by Section 2004 of this title or as  
15 authorized by subsection C of Section 2006 of this title.

16       C. The entities described in subsection A or B of this section  
17 and which are eligible for any funds authorized by Section 2006 of  
18 this title shall be prohibited from making expenditures on behalf of  
19 or from making payment directly to any city or town with a  
20 population in excess of ~~seven thousand (7,000)~~ nine thousand five  
21 hundred (9,500) persons using any funds deposited to the Rural  
22 Economic Action Plan Fund created by Section 2006 of this title.  
23 Funds may also be expended for any city or town with a population  
24 below ~~seven thousand (7,000)~~ nine thousand five hundred (9,500)

1 persons based upon the current population estimate according to the  
2 U.S. Census Bureau. Funds may be expended for such cities and towns  
3 until the next following Federal Decennial Census.

4 D. An organization described in subsection A or B of this  
5 section shall be authorized to make payment of funds obtained  
6 pursuant to Section 2006 of this title directly to a county if the  
7 funds are used for the benefit of an unincorporated area located  
8 within the county to which payment is made if the area benefited  
9 does not contain a population in excess of ~~seven thousand (7,000)~~  
10 nine thousand five hundred (9,500) persons. After the county has  
11 provided a request to an organization described in subsection A or B  
12 of this section for funds to benefit an unincorporated area of the  
13 county, together with a statement that the county has conducted a  
14 review of the needs of unincorporated areas located within the  
15 county and that the funding requested is consistent with the  
16 evaluation of priorities for funds by the county, the funds  
17 requested may be paid to the county. Any funds paid to a county  
18 pursuant to the provisions of this subsection shall be expended by  
19 the county exclusively for the purpose identified in the request.

20 E. No county to which funds are paid pursuant to the provisions  
21 of subsection D of this section shall be liable to any person or  
22 other legal entity for damages arising out of any condition, act,  
23 omission or other cause alleged to have arisen as a result of a  
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1 project upon which funds expended pursuant to the authority of  
2 subsection D of this section were paid to the county.

3 SECTION 5. This act shall become effective July 1, 2020.

4 SECTION 6. It being immediately necessary for the preservation  
5 of the public peace, health or safety, an emergency is hereby  
6 declared to exist, by reason whereof this act shall take effect and  
7 be in full force from and after its passage and approval.

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9 COMMITTEE REPORT BY: COMMITTEE ON COUNTY AND MUNICIPAL GOVERNMENT,  
10 dated 02/17/2020 - DO PASS.  
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