

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1281

By: Bergstrom

6 AS INTRODUCED

7 An Act relating to the Rural Economic Action Plan of  
8 1996; amending 62 O.S. 2011, Sections 2003, 2004 and  
9 2006, which relate to distribution of monies,  
10 expenditures and creation of a fund; modifying  
11 distribution of accounts and subaccounts; modifying  
12 statutory reference; removing distributions  
13 contingent on certain amount of appropriation;  
14 clarifying statutory language; requiring creation and  
15 distribution of a financial model; requiring  
16 compilation and submission of report; providing for  
17 codification; and providing an effective date.

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

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

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

23 B. The monies referred to in subsection A of this section shall  
24 be distributed to eligible cities and towns, unincorporated areas or  
25

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) persons according to the latest  
17 Federal Decennial Census. Funds may also be expended for any city  
18 or town with a population below seven thousand (7,000) persons based  
19 upon the current population estimate according to the U.S. Census  
20 Bureau. Funds may be expended for such cities and towns until the  
21 next following Federal Decennial Census. Any municipality may enter  
22 into an agreement with an entity described in subsection B of this  
23 section to apply for available funds described by this section if  
24 the municipality is located within the area served by the entity.

1 Upon approval of the application, funds shall be paid to the  
2 municipality requesting the funds.

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

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

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

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

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

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

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  
24

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 and Section 4 of this act.

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

1 be expended for such cities and towns until the next following  
2 Federal Decennial Census. ~~Provided, for any fiscal year following~~  
3 ~~the first fiscal year that the provisions of subsection D of this~~  
4 ~~section have taken effect, funds appropriated to the Rural Economic~~  
5 ~~Action Plan Fund shall be deposited as provided in subsection D of~~  
6 ~~this section and the provisions of this subsection shall not be in~~  
7 ~~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.  
24  
25

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~~ accounts shall be available to each of the  
4 entities 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) persons according to the latest Federal  
8 Decennial Census or for the benefit of an unincorporated area.  
9 Funds may also be expended for any city or town with a population  
10 below seven thousand (7,000) persons based upon the current  
11 population estimate according to the U.S. Census Bureau. Funds may  
12 be expended for such cities and towns until the next following  
13 Federal Decennial Census.

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

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

22 SECTION 4. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 2014 of Title 62, unless there  
24 is created a duplication in numbering, reads as follows:

1       A. On or before June 30, 2021, the Oklahoma Department of  
2 Commerce shall develop and distribute to the entities described by  
3 Section 2003 and by subsections A and B of Section 2007 of Title 62  
4 of the Oklahoma Statutes a financial model that calculates a return  
5 on investment of the monies and grants awarded pursuant to Sections  
6 2003 and 2006 of Title 62 of the Oklahoma Statutes.

7       B. Starting the fiscal year following the distribution of a  
8 financial model described in subsection A of this section, the  
9 entities described by Section 2003 and by subsections A and B of  
10 Section 2007 of Title 62 of the Oklahoma Statutes shall utilize the  
11 financial model to calculate a return on investment for each grant  
12 or monetary award provided to cities, towns or counties located  
13 within the area represented by the entity. The calculation shall be  
14 compiled in a report and be submitted to the Oklahoma Department of  
15 Commerce within one (1) year following the city, town or county's  
16 receipt of the grant or monetary award.

17       SECTION 5. This act shall become effective November 1, 2020.

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