

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 58th Legislature (2022)

4 HOUSE BILL 3463

 By: Grego

7 AS INTRODUCED

8 An Act relating to municipalities; amending 11 O.S.
9 2021, Section 37-119a, which relates to municipal
10 water sales; modifying date requirement; defining
11 enterprise fund accounting system; modifying
12 liability for noncompliance; and providing an
13 effective date.

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

14 SECTION 1. AMENDATORY 11 O.S. 2021, Section 37-119a, is
15 amended to read as follows:

16 Section 37-119a. A. Beginning ~~July~~ November 1, 1996 2022, ~~if a~~
17 ~~municipality~~ municipalities selling water to persons or public or
18 private entities outside ~~its~~ their corporate limits ~~has not~~
19 ~~implemented~~ must implement an enterprise fund accounting system to
20 account for the cost of water supply, treatment and delivery to the
21 point of delivery to the purchaser's water system, ~~it shall be~~
22 ~~liable to the purchaser for the reasonable expenses of such an~~
23 ~~accounting exceeding the expense which the purchaser would have~~
24 ~~incurred using an enterprise accounting system.~~

1 B. For the purpose of this act, "enterprise fund accounting"
2 shall mean a separate accounting fund for each activity undertaken
3 by a municipality showing both income and expenses. Each fund shall
4 only contain items of expenses or income for the activity accounted
5 for by that fund.

6 C. Use of a noncompliant accounting system shall make the
7 municipality liable to the purchaser for reasonable expenses of such
8 an accounting exceeding the expense the purchaser would have
9 incurred using an enterprise fund accounting system. Purchasers
10 shall be liable to the municipality for the cost of an audit,
11 pursuant to this act, if the audit determines that the purchaser did
12 not incur excess costs under the noncompliant accounting system.

13 SECTION 2. This act shall become effective November 1, 2022.

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15 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND NATURAL RESOURCES,
16 dated 03/02/2022 - DO PASS.