

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 1928

6 By: Sims

7 COMMITTEE SUBSTITUTE

8 An Act relating to public health and safety; amending
9 82 O.S. 2021, Sections 1085.91, 1085.92, 1085.93,
10 1085.94, and 1085.95, which relate to Hazard
11 Mitigation Financial Assistance; clarifying
12 legislative intent; clarifying definitions; changing
13 name of Oklahoma Department of Civil Emergency
14 Management to Oklahoma Department of Emergency
15 Management and Homeland Security; establishing a
16 revolving fund within the State Treasury; specifying
17 purpose of fund; permitting the use of funds for
18 hazard mitigation planning and projects; and
19 providing an effective date.

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

21 SECTION 1. AMENDATORY 82 O.S. 2021, Section 1085.91, is
22 amended to read as follows:

23 Section 1085.91 In addition to the financial assistance ~~program~~
24 programs established under Sections 1085.31 through 1085.49, 1085.51
through 1085.65, and 1085.71 through 1085.84A of ~~Title 82 of the~~
~~Oklahoma Statutes~~ this title pursuant to Section 39 of Article X of
the Oklahoma Constitution, it is the intention of the Legislature to
establish a ~~Flood~~ Hazard Mitigation Financial Assistance Program.

1 Financing projects to mitigate ~~flooding~~ is certain hazards are
2 hereby declared to be a public purpose.

3 SECTION 2. AMENDATORY 82 O.S. 2021, Section 1085.92, is
4 amended to read as follows:

5 Section 1085.92 As used in the ~~Flood~~ Hazard Mitigation
6 Financial Assistance Program:

7 1. "~~Flood hazard~~ Hazard mitigation projects" means those
8 projects designed to correct, alleviate or eliminate a condition or
9 situation which poses a repetitive threat to life, property, or
10 public safety from the effects of a ~~flood~~ disaster;

11 2. "Eligible entity" means any city, town, county, or the State
12 of Oklahoma, and any rural water or sewer district, irrigation
13 district, public trust, master conservancy district, or other
14 political subdivision or any combination thereof;

15 3. "Board" means the Oklahoma Water Resources Board; and

16 4. "Department" means the Oklahoma Department of ~~Civil~~
17 Emergency Management and Homeland Security.

18 SECTION 3. AMENDATORY 82 O.S. 2021, Section 1085.93, is
19 amended to read as follows:

20 Section 1085.93 A. ~~In addition to other lawful purposes,~~
21 ~~monies placed in the Statewide Water Development Revolving Fund,~~
22 ~~exclusive of such amounts of interest derived from investment~~
23 ~~deposits necessary to maintain the grant account at its maximum~~
24 ~~amount as provided in Section 1085.40 of this title, may be used by~~

1 ~~the Board for flood hazard mitigation projects pursuant to the Flood~~
2 ~~Hazard Mitigation Financial Assistance Program.~~

3 ~~B. Within the Water Resources Fund created pursuant to Section~~
4 ~~1085.33 of Title 82 of the Oklahoma Statutes, there is hereby~~
5 ~~created the "Flood Hazard Mitigation Account". The account shall be~~
6 ~~set apart as a permanent and perpetual account not subject to fiscal~~
7 ~~year limitations and shall consist of:~~

8 ~~1. All monies appropriated to the account;~~

9 ~~2. Interest income from deposits made to the Statewide Water~~
10 ~~Development Revolving Fund for the purpose of flood hazard~~
11 ~~mitigation;~~

12 ~~3. All income from the investment of monies held in the account~~
13 ~~consistent with applicable bond resolutions or indentures; and~~

14 ~~4. Any other sums designated for deposit to the account from~~
15 ~~any source, public or private.~~

16 ~~C. The monies in the account shall be used by the Oklahoma~~
17 ~~Department of Civil Emergency Management and the Oklahoma Water~~
18 ~~Resources Board after receipt of recommendations from the State~~
19 ~~Hazard Mitigation Team, to implement flood hazard mitigation~~
20 ~~projects, including but not limited to providing grants or loans to~~
21 ~~eligible entities to:~~

22 ~~1. Acquire land or a conservation easement from a willing~~
23 ~~seller or grantor in order to mitigate flood hazards; or~~

24

1 ~~2. Implement voluntary, incentive-based flood hazard mitigation~~
2 ~~measures in order to facilitate compliance with state or national~~
3 ~~regulations.~~

4 There is hereby created in the State Treasury a revolving fund
5 for the Oklahoma Water Resources Board to be designated the "Hazard
6 Mitigation Financial Assistance Fund". The fund shall be a
7 continuing fund, not subject to fiscal year limitations, and shall
8 consist of all monies received by the Oklahoma Water Resources Board
9 from appropriations, dedicated revenues, fees or other sources as
10 provided by law. All monies accruing to the credit of said fund are
11 hereby appropriated and may be budgeted and expended by the Oklahoma
12 Water Resources Board for the purpose of providing loans and grants
13 for hazard mitigation. Expenditures from said fund shall be made
14 upon warrants issued by the State Treasurer against claims filed as
15 prescribed by law with the Director of the Office of Management and
16 Enterprise Services for approval and payment.

17 B. In addition to other lawful purposes, monies placed in the
18 Fund, exclusive of such amounts of interest derived from investment
19 deposits necessary to maintain the grant account, may be used by the
20 Board to implement hazard mitigation planning and projects,
21 including but not limited to, providing grants or loans to eligible
22 entities to:

23 1. Develop a federal/state approved local/regional hazard
24 mitigation planning document;

1 2. Acquire land or a conservation easement from a willing
2 seller or grantor in order to mitigate hazards; or

3 3. Implement voluntary, incentive-based hazard mitigation
4 measures in order to facilitate compliance with state or national
5 regulations.

6 ~~D.~~ C. Monies in, or investment income derived from, the ~~Flood~~
7 Hazard Mitigation ~~Account~~ Financial Assistance Fund which is used to
8 match any grant funds provided by the Federal Emergency Management
9 Agency or any other federal agencies shall be restricted and used
10 consistent with ~~Federal Emergency Management Agency~~ federal agencies
11 procedures or guidance or regulations promulgated thereunder for
12 ~~flood~~ hazard mitigation projects.

13 ~~E.~~ D. Monies in the ~~Flood~~ Hazard Mitigation ~~Account~~ Financial
14 Assistance Fund, or investment income derived therefrom, shall be
15 used by the Oklahoma Water Resources Board and the Oklahoma
16 Department of ~~Civil~~ Emergency Management and Homeland Security in
17 carrying out their responsibilities as provided in a written annual
18 joint operating agreement which shall include, among other matters,
19 a budget for administering the Oklahoma ~~Flood~~ Hazard Mitigation
20 Program.

21 ~~F.~~ E. The monies placed in the ~~Flood~~ Hazard Mitigation ~~Account~~
22 Financial Assistance Fund may be invested by the State Treasurer in
23 an adequately collateralized manner and as prescribed by Section
24 89.2 of Title 62 of the Oklahoma Statutes or pursuant to investment

1 contracts or agreements with entities maintaining a rating in the
2 top two categories by a nationally recognized municipal bond rating
3 agency, all in a manner consistent with ~~the federal Safe Drinking~~
4 ~~Water Act or regulations~~ promulgated thereunder regulations. The
5 Board may transfer to the ~~Flood~~ Hazard Mitigation ~~Account~~ Financial
6 Assistance Fund income derived from investment of the fund. Monies
7 invested by the State Treasurer shall be available to implement
8 ~~flood~~ hazard mitigation projects.

9 ~~G. F.~~ The Board shall cause to be completed an annual audit of
10 any expenditures from the ~~Flood~~ Hazard Mitigation ~~Account~~ Financial
11 Assistance Fund, and such audit cost shall be included in the budget
12 for administering the Oklahoma ~~Flood~~ Hazard Mitigation Program.

13 SECTION 4. AMENDATORY 82 O.S. 2021, Section 1085.94, is
14 amended to read as follows:

15 Section 1085.94 A. In addition to other powers and duties
16 provided by law, the Oklahoma Water Resources Board shall have the
17 power and duty to:

18 1. After receipt from the Oklahoma Department of ~~Civil~~
19 Emergency Management and Homeland Security, process applications for
20 grant funds or loans from the ~~Flood~~ Hazard Mitigation ~~Account~~
21 Financial Assistance Fund and enter into grant or loan agreements
22 for use of such funds;

23 2. Promulgate rules as deemed necessary by the Board to
24 administer the ~~Flood~~ Hazard Mitigation Financial Assistance Program;

1 3. Utilize the priority listing of applicants compiled by the
2 Oklahoma Department of ~~Civil~~ Emergency Management and Homeland
3 Security ~~after recommendations from the State Hazard Mitigation Team~~
4 in considering ~~grant~~ applications;

5 4. a. Issue investment certificates, in accordance with the
6 provisions of Sections 1085.33 and 1085.37 of ~~Title 82~~
7 ~~of the Oklahoma Statutes~~ this title and the Oklahoma
8 Bond Oversight and Reform Act, to provide necessary
9 funds first to meet the demand for loan funding from
10 the ~~Flood~~ Hazard Mitigation Financial Assistance
11 Program; provided, any investment certificate proceeds
12 not needed for such demand may be used by the Board,
13 as needed, for funding other financial assistance
14 programs authorized in ~~Title 82 of the Oklahoma~~
15 ~~Statutes~~ this title, and

16 b. Enter into loan agreements with and make loans from
17 the proceeds of investment certificates to eligible
18 entities for ~~flood~~ hazard mitigation projects upon
19 terms not inconsistent with the provisions of Section
20 1085.36 of ~~Title 82 of the Oklahoma Statutes~~ this
21 title; and

22 5. Enter into agreements with the Oklahoma Department of ~~Civil~~
23 Emergency Management and Homeland Security or other state or federal
24

1 agencies as deemed necessary by the Board to monitor and measure
2 ~~flood~~ hazard events.

3 B. In addition to other powers and duties provided by law, the
4 Oklahoma Department of ~~Civil~~ Emergency Management and Homeland
5 Security shall ~~consider the recommendations, if any, of the State~~
6 ~~Hazard Mitigation Team prior to:~~

7 a. ~~promulgation of~~

8 1. Promulgate rules providing for and establishing a priority
9 listing of grant and loan applicants for flood hazard mitigation
10 projects subject to the Oklahoma Civil Defense and Emergency
11 Resources Management Act, ~~;~~ ; and

12 b. ~~determining~~

13 2. Determine eligibility of those entities authorized to
14 receive funding from the ~~Flood~~ Hazard Mitigation ~~Account~~ Financial
15 Assistance Fund.

16 SECTION 5. AMENDATORY 82 O.S. 2021, Section 1085.95, is
17 amended to read as follows:

18 Section 1085.95 A. Loans and grants under the ~~Flood~~ Hazard
19 Mitigation Financial Assistance Program may be used in conjunction
20 with other financial assistance available from the Oklahoma Water
21 Resources Board.

22 B. If a ~~flood~~ hazard mitigation project includes activities to
23 be conducted on privately owned real property, the loan or grant
24 agreement between the Board and the eligible entity that receives

1 the grant shall contain a provision about any necessary
2 subagreements with the owners of the property.

3 SECTION 6. This act shall become effective November 1, 2023.

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