SENATE FLOOR VERSION
March 4, 2026
AS AMENDED

SENATE BILL NO. 1332 By: Kirt of the Senate

and

Lawson of the House

[Oklahoma Water Resources Board - program - clawback - report - prioritization - rules - Revolving Fund – allocation - codification - effective date]

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Targeted Housing and Responsible Infrastructure for Vital Economies (THRIVE) Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1085.66 of Title 82, unless there is created a duplication in numbering, reads as follows:

A. 1. The Oklahoma Water Resources Board shall establish and administer the Targeted Housing and Responsible Infrastructure for Vital Economies (THRIVE) Communities Program. The purpose of the program shall be to develop competitive zero-interest loans for

eligible entities seeking to implement housing plans that need water, wastewater, or stormwater projects for housing development completion.

2. The Board shall develop an application preference rating system for approval based on the following criteria including, but not limited to:

a. project alignment with long-term vision and goals for housing in the community,

b. expansion of housing stock options and fulfilling identified housing needs in the area of the proposed project,

c. defined opportunity for economic development with additional housing units developed,

d. opportunity to expand workforce housing availability,

e. available financing for the housing development,

f. conservation and fiscal sustainability efforts for the infrastructure, and

g. pledge of matching funds, either through the entity or a third-party source.

3. For the purposes of this section, "eligible entity" shall have the same meaning as provided in Section 1085.32 of Title 82 of the Oklahoma Statutes.

B. All loans authorized pursuant to the provisions of this act shall include a clawback provision in the funding agreement with an

eligible entity. For purposes of this subsection, a "clawback provision" means a condition precedent to participate in the program whereby a loan recipient agrees in writing, signed by all parties, to reimburse the program all or any part of the loan disbursed to the recipient upon the failure of the recipient to fulfill loan contract terms.

C. The Board shall publish an annual report on the Board's website regarding the projects completed pursuant to the provisions of this act. The report shall also display the status of proposed and approved projects, estimated completion dates, resulting housing units completed, unused or misaligned funds recaptured, and any other information deemed necessary by the Board.

D. Any eligible entity receiving monies pursuant to the THRIVE Communities Program shall prioritize the utilization of contractors, businesses, and other vendors that are based in this state pursuant to Section 85.17A of Title 74 of the Oklahoma Statutes.

E. The Board shall promulgate rules to effectuate the provisions of this act and loan criteria for the program.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1085.67 of Title 82, unless there is created a duplication in numbering, reads as follows:

A. 1. There is hereby created in the State Treasury a revolving fund for the Oklahoma Water Resources Board to be designated the "THRIVE Communities Program Revolving Fund". The

fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies appropriated **to the fund by law.** All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Board for the purposes provided in this act. The Board may enter into contracts with financial institutions and execute such instruments as may be necessary to hold and disseminate loan funds in accordance with applicable regulations and Board policies.

2. Notwithstanding any other provisions of law, income and investment return on fund principal and interest income and repayment of principal on loans made from the balance of the fund shall accrue to the fund.

B. 1. The Board may have full discretion of all monies within the fund for enhancements, leveraging, and reserve capacities for the Board loan and grant programs, system evaluation and risk assessment assistance, and long-range infrastructure planning.

2. The Board may reserve up to two percent (2%) per year from the fund for the purpose of administering the THRIVE Communities Program. Any remaining funds may be allocated to satisfy the purposes of paragraph 1 of this subsection.

C. The funds remaining following reserves and allocations made pursuant to subsection B of this section shall be loaned to eligible entities as prescribed by the program. Loan monies shall be allocated based on the most current census data available from the

Federal Decennial Census or American Community Survey and shall be as follows:

1. Thirty-three percent (33%) of the allocated funds shall be for approved projects located within a municipality or county with a population of more than four hundred thousand (400,000), or the equivalent thereof for other eligible entities as prescribed by the Board;

2. Thirty-three percent (33%) of the allocated funds shall be for approved projects located within a municipality or county with a population that is greater than thirty thousand (30,000) but less than four hundred thousand (400,000), or the equivalent thereof for other eligible entities as prescribed by the Board; and

3. Thirty-four percent (34%) of the allocated funds shall be for approved projects located within a municipality or county with a population of less than thirty thousand (30,000), or the equivalent thereof for other eligible entities as prescribed by the Board.

After fiscal year 2027, remaining reserves may be accessed by any eligible entities. The Oklahoma Water Resources Board shall establish rules to update allocations to ensure geographic representation while maximizing the number and scale of projects completed.

SECTION **4**. This act shall become effective November 1, 2026.

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
March 4, 2026 - DO PASS AS AMENDED