

1 **SENATE FLOOR VERSION**

February 25, 2026

2 **AS AMENDED**

3 SENATE BILL NO. 1346

By: Woods of the Senate

4 and

5 Newton of the House

6
7
8 **[water and water rights - Water and Wastewater**
9 **Infrastructure Investment Program - rule promulgation**
10 **- priority scoring - clawback - publication -**
11 **codification - noncodification - effective date -**
12 **emergency]**

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

14 SECTION 1. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 1085.66 of Title 82, unless
16 there is created a duplication in numbering, reads as follows:

17 A. 1. The Oklahoma Water Resources Board shall establish and
18 administer a Water and Wastewater Infrastructure Investment Program.
19 The program shall include development of competitive loans for
20 eligible entities seeking to develop and implement water or
21 wastewater improvement projects. The Board shall promulgate rules
22 to effectuate the provisions of this act and loan criteria for the
23 program.

1 2. Loan applications shall be ranked on criteria including, but
2 not limited to, the critical nature of the project, available
3 financing for the project, conservation and fiscal sustainability
4 efforts as demonstrated by participation in or completion of the
5 Long Range Sustainability Program administered by the Oklahoma Rural
6 Water Association, and pledge of matching funds, either through the
7 entity or a third-party source.

8 3. For the purposes of this section, "eligible entity" or
9 "eligible entities" means an eligible entity as defined pursuant to
10 Section 1085.32 of Title 82 of the Oklahoma Statutes.

11 B. All loans authorized pursuant to the provisions of this act
12 shall include a clawback provision in the funding agreement with an
13 eligible entity. For purposes of this subsection, a "clawback
14 provision" shall mean a condition precedent to participate in the
15 program whereby a loan recipient agrees in writing, signed by all
16 parties, to reimburse the program all or any part of the loan
17 disbursed to the recipient upon the failure of the recipient to
18 fulfill loan contract terms.

19 C. The Board shall create and publish an interactive map on the
20 Board's website displaying critical infrastructure needs and
21 proposed projects to be completed pursuant to the provisions of this
22 act. The map shall also display the status of proposed and approved
23 projects, estimated completion dates, and any other information
24 deemed necessary by the Board.

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1085.67 of Title 82, unless
3 there is created a duplication in numbering, reads as follows:

4 A. 1. There is hereby created in the State Treasury a
5 revolving fund for the Oklahoma Water Resources Board to be
6 designated the "Water and Wastewater Infrastructure Investment
7 Revolving Fund". The fund shall be a continuing fund, not subject
8 to fiscal year limitations, and shall consist of all monies
9 appropriated **to the fund by law**. All monies accruing to the credit
10 of the fund are hereby appropriated and may be budgeted and expended
11 by the Board for the purposes provided in this act. The Board may
12 enter into contracts with financial institutions and execute such
13 instruments as may be necessary to hold and disseminate loan funds
14 in accordance with applicable regulations and Board policies.

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

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

23 2. The Board may reserve up to two percent (2%) per year from
24 the fund for the purpose of administering the Water and Wastewater

1 Infrastructure Investment Program. Any remaining funds may be
2 allocated to satisfy the purposes of paragraph 1 of this subsection.

3 C. The funds remaining following reserves and allocations made
4 pursuant to subsection B of this section shall be loaned to eligible
5 entities as prescribed by the program. Loan monies shall be
6 allocated based on the most current census data available from the
7 Federal Decennial Census or American Community Survey and shall be
8 as follows:

9 1. Twenty-five percent (25%) of the allocated funds shall be
10 for approved projects located within a municipality or county with a
11 population of more than four hundred thousand (400,000), or the
12 equivalent thereof for other eligible entities as prescribed by the
13 Board;

14 2. Twenty-five percent (25%) of the allocated funds shall be
15 for approved projects located within a municipality or county with a
16 population that is greater than thirty thousand (30,000) but less
17 than four hundred thousand (400,000), or the equivalent thereof for
18 other eligible entities as prescribed by the Board; and

19 3. Fifty percent (50%) of the allocated funds shall be for
20 approved projects located within a municipality or county with a
21 population of less than thirty thousand (30,000), or the equivalent
22 thereof for other eligible entities as prescribed by the Board.

23 SECTION 3. This act shall become effective July 1, 2026.
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1 SECTION 4. It being immediately necessary for the preservation
2 of the public peace, health or safety, an emergency is hereby
3 declared to exist, by reason whereof this act shall take effect and
4 be in full force from and after its passage and approval.

5 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
6 February 25, 2026 - DO PASS AS AMENDED
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