

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1573

By: Frix

AS INTRODUCED

An Act relating to the Rural Economic Action Plan of 1996; amending 62 O.S. 2021, Section 2003, as amended by Section 1, Chapter 77, O.S.L. 2025 (62 O.S. Supp. 2025, Section 2003), which relates to the administration of appropriations to the Oklahoma Water Resources Board; expanding entities eligible to receive monies; expanding eligible water quality projects; updating statutory language; and declaring an emergency.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 2003, as amended by Section 1, Chapter 77, O.S.L. 2025 (62 O.S. Supp. 2025, Section 2003), is amended to read as follows:

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

B. The monies referred to in subsection A of this section shall be distributed to eligible cities and towns, unincorporated areas, irrigation districts, rural water districts, or other qualified

1 entities located within the areas represented by the following
2 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 (EODD);
- 8 5. Grand Gateway Economic Development Association (GGEDA);
- 9 6. Indian Nations Council of Governments (INCOG);
- 10 7. Kiamichi Economic Development District of Oklahoma (KEDDO);
- 11 8. Northern Oklahoma Development ~~Association~~ Authority (NODA);
- 12 9. Oklahoma Economic Development ~~Association~~ Authority (OEDA);
- 13 10. Southern Oklahoma Development Association (SODA); and
- 14 11. South Western Oklahoma Development Authority (SWODA).

15 C. The monies referred to in subsection A of this section shall
16 not be expended for the benefit of cities or towns with a population
17 in excess of seven thousand (7,000) persons according to the latest
18 Federal Decennial Census. Funds may also be expended for any city
19 or town with a population below seven thousand (7,000) persons based
20 upon the current population estimate according to the U.S. Census
21 Bureau. Funds may be expended for such cities and towns until the
22 next following Federal Decennial Census. Any municipality may enter
23 into an agreement with an entity described in subsection B of this
24 section to apply for available funds described by this section if

1 the municipality is located within the area served by the entity.
2 Upon approval of the application, funds shall be paid to the
3 municipality requesting the funds.

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

12 E. The monies referred to in subsection A of this section may
13 be expended for water quality projects, including, but not limited
14 to, sewer line construction or repair and related storm or sanitary
15 sewer projects, water line construction or repair, improvements and
16 repairs to existing water infrastructure of rural water districts
17 and irrigation districts, water treatment, water acquisition,
18 distribution or recovery and related projects.

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

1 weaker fiscal capacity shall have a priority for project funding in
2 preference to other municipalities.

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

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

23 I. The Oklahoma Water Resources Board shall not be allowed to
24 retain any of the funds referred to in subsection A of this section
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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 Three Hundred Fifty Thousand Dollars (\$350,000.00) 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. It being immediately necessary for the preservation
4 of the public peace, health or safety, an emergency is hereby
5 declared to exist, by reason whereof this act shall take effect and
6 be in full force from and after its passage and approval.

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