

1 ENGROSSED SENATE
2 BILL NO. 280

By: Quinn of the Senate

3 and

4 Humphrey of the House

5
6 An Act relating to county budget process; allowing
7 counties to establish certain funds; defining terms;
8 establishing source of funds; providing parameters
9 for when funds can be used; allowing for the Office
10 of the State Auditor and Inspector to establish
11 proper documentation; providing for codification;
12 providing an effective date; and declaring an
13 emergency.

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

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 3034 of Title 68, unless there
17 is created a duplication in numbering, reads as follows:

18 This act shall permit counties with an excise board as per
19 Section 3005.1 of Title 68 of the Oklahoma Statutes or budget board
20 as per Section 1407 of Title 19 of the Oklahoma Statutes to
21 establish a rainy day fund and capital reserve fund, such that each
22 will be its own continuing fund carrying over its balance from year
23 to year.

24 SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 3034.1 of Title 68, unless there
is created a duplication in numbering, reads as follows:

1 A. As used in this act, a "rainy day fund" shall be a cash
2 account to pay for unforeseen future emergencies or loss in revenue
3 for the county budget. The rainy day fund shall be funded with
4 surplus funds or monies receipted over and above the itemized
5 estimate of needs for the general fund. Such transfers from the
6 surplus funds shall occur at the time of the budget approval. The
7 balance of the rainy day fund shall not be part of the general
8 budget within the estimate of needs but shall be recorded on the
9 estimate of needs as a special fund. When the county has excess
10 funds, the county may by resolution deposit the funds in the rainy
11 day fund. However, after funds are so transferred, they are not
12 transferable back to the original source. The rainy day fund may
13 contain up to, but not more than, fifty percent (50%) of the
14 previous year's approved budget.

15 B. 1. Up to one-half (1/2) of the balance of the rainy day
16 fund may be used for natural disasters that are declared such by the
17 Governor, board of county commissioners or by the federal
18 government. Such expenditures must be spent in accordance with
19 Section 1500 et seq. of Title 19 of the Oklahoma Statutes.

20 2. Up to one-eighth (1/8) of the balance of the rainy day fund
21 may be used to supplement the county's current general budget if it
22 is less than the previous year's budget.

23 3. Up to one-eighth (1/8) of the balance of the rainy day fund
24 may be used to supplement the current year's revenue when

1 collections come in shorter than estimated and a revenue failure is
2 declared by the board of county commissioners.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 3034.2 of Title 68, unless there
5 is created a duplication in numbering, reads as follows:

6 A. As used in this act, a "capital reserve fund" shall be a
7 cash account, which may be used to pay for long-term capital needs
8 of the county. The capital reserve fund shall be funded from the
9 general budget or other legal source. The balance of the capital
10 reserve fund shall not be part of the general budget within the
11 estimate of needs but shall be recorded on the estimate of needs as
12 a special fund. When the county has excess funds, the county may by
13 resolution deposit the funds in the capital reserve fund. However,
14 after the funds are so transferred, they are not transferable back
15 to the original source.

16 B. Expenditures may be made out of the capital reserve fund as
17 needed and determined by the board of authority. Expenditures are
18 limited to county facilities. Such expenditures must be spent in
19 accordance with Section 1500 et seq. of Title 19 of the Oklahoma
20 Statutes.

21 C. The Office of the State Auditor and Inspector may establish
22 proper documents and procedures.

23 SECTION 4. This act shall become effective July 1, 2021.
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