

1 **SENATE FLOOR VERSION**

2 February 18, 2021

3 **AS AMENDED**

4 SENATE BILL NO. 280

By: Quinn of the Senate

and

Humphrey of the House

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

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

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

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

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

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

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

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

4           3. Up to one-eighth (1/8) of the balance of the rainy day fund  
5 may be used to supplement the current year's revenue when  
6 collections come in shorter than estimated and a revenue failure is  
7 declared by the board of county commissioners.

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

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

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

3 C. The Office of the State Auditor and Inspector may establish  
4 proper documents and procedures.

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

6 SECTION 5. It being immediately necessary for the preservation  
7 of the public peace, health or safety, an emergency is hereby  
8 declared to exist, by reason whereof this act shall take effect and  
9 be in full force from and after its passage and approval.

10 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT  
11 February 18, 2021 - DO PASS AS AMENDED  
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