

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1331

6 By: Bullard

7 COMMITTEE SUBSTITUTE

8 An Act relating to water and water rights; creating
9 the Water and Wastewater Infrastructure Investment
10 Program; providing for certain priority scoring;
11 providing for rescission of funds; creating the Water
12 and Wastewater Infrastructure Investment Revolving
13 Fund; stating purpose of fund; establishing fund
14 source; providing for allocation of certain funds;
15 making an appropriation to the Water and Wastewater
16 Infrastructure Investment Revolving Fund; providing
17 for codification; providing for noncodification;
18 providing an effective date; and declaring an
19 emergency.

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

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

24 A. 1. The Oklahoma Water Resources Board shall establish and
administer a Water and Wastewater Infrastructure Investment Program.
The Program shall include development of competitive loans for
eligible entities seeking to develop and implement water or
wastewater improvement projects. The Board shall promulgate rules

1 to effectuate the provisions of this act and loan criteria for the
2 Program.

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

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

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

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

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

6 A. 1. There is hereby created in the State Treasury a
7 revolving fund for the Oklahoma Water Resources Board to be
8 designated the "Water and Wastewater Infrastructure Investment
9 Revolving Fund". The fund shall be a continuing fund, not subject
10 to fiscal year limitations, and shall consist of all monies
11 appropriated pursuant to Section 3 of this act. All monies accruing
12 to the credit of the fund are hereby appropriated and may be
13 budgeted and expended by the Board for the purposes provided in this
14 act. The Board may enter into contracts with financial institutions
15 and execute such instruments as may be necessary to hold and
16 disseminate loan funds in accordance with applicable regulations and
17 Board policies.

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

22 B. 1. Of the monies appropriated to the fund, the Board may
23 use not more than Fifty Million Dollars (\$50,000,000.00) for
24 enhancements, leveraging, and reserve capacities for the Board loan

1 and grant programs, system evaluation and risk assessment
2 assistance, and long-range infrastructure planning.

3 2. The Board may reserve up to two percent (2%) per year from
4 the fund for the purpose of administering the Water and Wastewater
5 Infrastructure Investment Program. Any remaining funds may be
6 allocated to satisfy the purposes of paragraph 1 of this subsection.

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

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

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

23 3. Fifty percent (50%) of the allocated funds shall be for
24 approved projects located within a municipality or county with a

1 population of less than thirty thousand (30,000), or the equivalent
2 thereof for other eligible entities as prescribed by the Board.

3 SECTION 3. NEW LAW A new section of law not to be
4 codified in the Oklahoma Statutes reads as follows:

5 There is hereby appropriated to the Water and Wastewater
6 Infrastructure Investment Revolving Fund from any monies not
7 otherwise appropriated from the General Revenue Fund of the State
8 Treasury for the fiscal year ending June 30, 2023, the sum of Two
9 Hundred Fifty Million Dollars (\$250,000,000.00) or so much thereof
10 as may be necessary to perform the duties imposed upon the Oklahoma
11 Water Resources Board by law.

12 SECTION 4. This act shall become effective July 1, 2024.

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

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