

1 STATE OF OKLAHOMA

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

3 CONFERENCE COMMITTEE
4 SUBSTITUTE
5 FOR ENGROSSED
6 HOUSE BILL NO. 3854

By: Cornwell of the House

and

Bergstrom of the Senate

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9 CONFERENCE COMMITTEE SUBSTITUTE

10 An Act relating to revenue and taxation; creating
11 investment rebate program until certain date;
12 providing qualifying criteria; requiring submission
13 of application; requiring the Oklahoma Department of
14 Commerce to approve or disapprove certain claims and
15 issue payment; limiting source of payments; making
16 payments contingent upon deposits to certain fund;
17 providing amount of rebate; authorizing conditional
18 prequalification; creating the Water Infrastructure
19 for Economic Development Fund; establishing fund
20 procedures; providing sources of funds; directing
21 transfer of unencumbered fund upon certain date;
22 making an appropriation; providing for codification;
23 and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 3648.1 of Title 68, unless there
is created a duplication in numbering, reads as follows:

A. There is hereby created until July 1, 2029, an investment
rebate program for the cost of water and wastewater infrastructure

1 investments by municipalities with a population between five
2 thousand (5,000) and seven thousand (7,000), according to the latest
3 Federal Decennial Census.

4 B. To be eligible for consideration for an investment rebate
5 payment awarded under the provisions of this act, the municipality
6 shall:

7 1. Submit an application and documentation to the Oklahoma
8 Department of Commerce, as required by the Department, outlining the
9 planned water and wastewater infrastructure expenditures of at least
10 Thirty Million Dollars (\$30,000,000.00);

11 2. Provide documentation that the water and wastewater
12 infrastructure expenditures are to provide services for an
13 establishment, to be placed in service after the effective date of
14 this act, that is defined or classified in the NAICS Manual under
15 Industry Group No. 721211 or 71311 and whose combined capital
16 investment exceeds One Hundred Million Dollars (\$100,000,000.00);

17 3. Provide documentation that the water and wastewater
18 infrastructure expenditures are to provide services for an
19 establishment within an incentive or increment district created and
20 approved pursuant to the Local Development Act, Section 850 et seq.
21 of Title 62 of the Oklahoma Statutes; and

22 4. Have made expenditures of no less than twenty percent (20%)
23 of the water and wastewater infrastructure expenditure plan outlined
24 in the application submitted by the municipality.

1 C. 1. The Oklahoma Department of Commerce shall approve or
2 disapprove claims for rebates and shall issue payment for all
3 approved claims from funds held in the Water Infrastructure for
4 Economic Development Fund created in Section 2 of this act.

5 2. The Department shall disapprove all applications and claims
6 or any portion of applications and claims for rebates that would
7 exceed the balance of available funds in the Water Infrastructure
8 for Economic Development Fund.

9 3. The total amount of applications approved and investment
10 rebate payments awarded under the provisions of this act shall not
11 exceed the total amount of monies designated by law for deposit to
12 the Water Infrastructure for Economic Development Fund.

13 D. 1. Subject to the approval and ongoing review of the
14 eligibility application by the Oklahoma Department of Commerce, the
15 investment rebate payment authorized by this act shall be equal to
16 the cost of the water and wastewater infrastructure expenditures in
17 the year of expenditure, not to exceed Thirty-five Million Dollars
18 (\$35,000,000.00) for any municipality.

19 2. The Department is authorized to conditionally prequalify and
20 account for anticipated future investment rebate payments. The
21 Oklahoma Department of Commerce shall not prequalify investment
22 rebate payments, encumber funds, pre-encumber funds, or otherwise
23 allocate resources that would result in the allocation of investment
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1 rebate payments in excess of the balance of available funds in the
2 Water Infrastructure for Economic Development Fund.

3 E. If the entity which is described by NAICS Manual Industry
4 Group No. 71311 in paragraph 2 of subsection B of this section does
5 not begin receiving gross revenue from the sale of tickets within
6 sixty (60) months, any incentive payments paid by the Oklahoma
7 Department of Commerce that have been paid pursuant to this section
8 shall be required to be repaid by the establishment not later than
9 90 days after a formal written demand for payment is communicated to
10 the establishment.

11 SECTION 2. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 3648.2 of Title 68, unless there
13 is created a duplication in numbering, reads as follows:

14 A. There is hereby created in the State Treasury a fund for the
15 Oklahoma Department of Commerce to be designated the "Water
16 Infrastructure for Economic Development Fund". The fund shall be a
17 continuing fund, not subject to fiscal year limitations, and shall
18 consist of all monies designated for deposit to the fund by law.
19 All monies accruing to the credit of the fund are hereby
20 appropriated and may be budgeted and expended by the Department for
21 the purpose of paying rebates as provided by this act. Expenditures
22 from the fund shall be made upon warrants issued by the State
23 Treasurer against claims filed as prescribed by law with the
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1 Director of the Office of Management and Enterprise Services for
2 approval and payment.

3 B. All unencumbered funds remaining in the Water Infrastructure
4 for Economic Development Fund upon July 1, 2029, shall be
5 transferred to the State Treasurer for deposit in the General
6 Revenue Fund.

7 SECTION 3. It being immediately necessary for the preservation
8 of the public peace, health or safety, an emergency is hereby
9 declared to exist, by reason whereof this act shall take effect and
10 be in full force from and after its passage and approval.

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