

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED  
5 HOUSE BILL 3854

By: Cornwell of the House

and

Bergstrom of the Senate

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9 COMMITTEE SUBSTITUTE

10 [ revenue and taxation - investment rebate program -  
11 qualifying criteria - application - Oklahoma  
12 Department of Commerce - claims and payments - amount  
13 of rebate - conditional prequalification - Water  
Infrastructure for Economic Development Fund -  
appropriation - codification - effective date -  
emergency ]

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

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

21 A. There is hereby created until July 1, 2029, an investment  
22 rebate program for the cost of water and wastewater infrastructure  
23 investments by municipalities with a population between five  
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1 thousand (5,000) and seven thousand (7,000), according to the latest  
2 Federal Decennial Census.

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

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

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

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

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

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

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

18 B. All unencumbered funds remaining in the Water Infrastructure  
19 for Economic Development Fund upon July 1, 2029, shall be  
20 transferred to the State Treasurer for deposit in the General  
21 Revenue Fund.

22 SECTION 3. This act shall become effective July 1, 2024.

23 SECTION 4. It being immediately necessary for the preservation  
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

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