

1 **SENATE FLOOR VERSION**

2 April 18, 2024

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

By: Cornwell of the House

and

Bergstrom of the Senate

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7  
8 [ revenue and taxation - investment rebate program -  
9 qualifying criteria - application - Oklahoma  
10 Department of Commerce - claims and payments - amount  
11 of rebate - conditional prequalification - Water  
12 Infrastructure for Economic Development Fund -  
13 appropriation - codification - effective date -  
14 emergency ]

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

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

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

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

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

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

11           3. Provide documentation that the water and wastewater  
12 infrastructure expenditures are to provide services for an  
13 establishment within an incentive or increment district formed  
14 pursuant to the Local Development Act, Section 850 et seq. of Title  
15 62 of the Oklahoma Statutes; and

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

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

23           2. The Department shall disapprove all applications and claims  
24 or any portion of applications and claims for rebates that would

1 exceed the balance of available funds in the Water Infrastructure  
2 for Economic Development Fund.

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

7 D. 1. Subject to the approval and ongoing review of the  
8 eligibility application by the Oklahoma Department of Commerce, the  
9 investment rebate payment authorized by this act shall be equal to  
10 the cost of the water and wastewater infrastructure expenditures in  
11 the year of expenditure, not to exceed Thirty-five Million Dollars  
12 (\$35,000,000.00) for any municipality.

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

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

23 A. There is hereby created in the State Treasury a fund for the  
24 Oklahoma Department of Commerce to be designated the "Water

1 Infrastructure for Economic Development Fund". The fund shall be a  
2 continuing fund, not subject to fiscal year limitations, and shall  
3 consist of all monies designated for deposit to the fund by law.  
4 All monies accruing to the credit of the fund are hereby  
5 appropriated and may be budgeted and expended by the Department for  
6 the purpose of paying rebates as provided by this act. Expenditures  
7 from the fund shall be made upon warrants issued by the State  
8 Treasurer against claims filed as prescribed by law with the  
9 Director of the Office of Management and Enterprise Services for  
10 approval and payment.

11 B. All unencumbered funds remaining in the Water Infrastructure  
12 for Economic Development Fund upon July 1, 2029, shall be  
13 transferred to the State Treasurer for deposit in the General  
14 Revenue Fund.

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

16 SECTION 4. It being immediately necessary for the preservation  
17 of the public peace, health or safety, an emergency is hereby  
18 declared to exist, by reason whereof this act shall take effect and  
19 be in full force from and after its passage and approval.

20 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
21 April 18, 2024 - DO PASS AS AMENDED BY CS  
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