

1 **SENATE FLOOR VERSION**

2 February 26, 2025

3 **AS AMENDED**

4 SENATE BILL NO. 265

By: Murdock of the Senate

and

Newton of the House

6
7
8 **[water and water rights - Loan Program - eligible**
9 **projects and entities - fund - allocation -**
10 **promulgation of rules - reporting - auditing -**
11 **codification -**

emergency]

12
13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

17 A. 1. The Oklahoma Water Resources Board shall establish an
18 Oklahoma Water Infrastructure Loan Program. The program shall be
19 utilized to:

- 20 a. finance the development of water infrastructure
21 improvements through low-interest loans and grants to
22 municipalities, rural water districts, and other
23 eligible entities for approved water infrastructure
24 projects, and

1 b. provide technical assistance and administrative
2 expense support for water infrastructure project
3 implementation.

4 2. Approved water infrastructure projects shall include, but
5 not be limited to:

6 a. the construction, repair, and rehabilitation of water
7 treatment plants, pipelines, and storage facilities,

8 b. projects to ensure water quality and conservation, and

9 c. other projects deemed necessary by the Board to
10 address current and future water needs.

11 B. The Board shall promulgate rules for project eligibility,
12 application procedures, and fund disbursement.

13 C. 1. The Board shall submit an annual report electronically
14 to the President Pro Tempore of the Senate, the Speaker of the House
15 of Representatives, and the Governor, detailing the following:

16 a. fund revenues and expenditures,

17 b. projects financed and the current status of such
18 projects,

19 c. future funding needs and recommendations, and

20 d. any other information deemed necessary for inclusion
21 by the Board or its staff.

22 2. The program shall be subject to an annual independent audit
23 of expenditures from the fund.

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

4 A. 1. There is hereby created in the State Treasury a
5 revolving fund for the Oklahoma Water Resources Board to be
6 designated the "Oklahoma Water Infrastructure Revolving Fund". The
7 fund shall be a continuing fund, not subject to fiscal year
8 limitations, and shall consist of all monies received by the Board
9 from the sources prescribed in subsection B of this section provided
10 for the purpose of funding water infrastructure projects as
11 prescribed by this act. All monies accruing to the credit of the
12 fund are hereby appropriated and may be budgeted and expended by the
13 Board for the purpose provided for in this act. Expenditures from
14 the fund shall be made upon warrants issued by the State Treasurer
15 against claims filed as prescribed by law with the Director of the
16 Office of Management and Enterprise Services for approval and
17 payment. The Board may enter into contracts with financial
18 institutions and execute such instruments as may be necessary to
19 hold and disseminate program funds in accordance with applicable
20 regulations and Board policies.

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

1 3. Not less than ten percent (10%) of the fund's annual revenue
2 shall be allocated to projects in rural or underserved communities,
3 as determined by the Board.

4 B. Monies deposited to the fund shall include, but not be
5 limited to:

6 1. Proceeds derived from the sale of surplus water from state-
7 owned water resources. Provided:

8 a. all proceeds from the sale of state-owned water shall
9 be deposited into the fund within thirty (30) days of
10 receipt, and

11 b. the sale of water under this section shall not violate
12 existing water rights agreements;

13 2. Fees collected from the leasing of state-owned water rights
14 or usage agreements;

15 3. Grants, donations, or contributions from federal, state, or
16 private entities; and

17 4. Interest and investment returns generated from fund
18 balances.

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

23 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
24 February 26, 2025 - DO PASS AS AMENDED