

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 SENATE BILL 265

By: Murdock

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7 AS INTRODUCED

8 An Act relating to water and water rights; creating
9 the Oklahoma Water Infrastructure Loan Program;
10 providing program purpose; specifying eligible
11 projects and entities; creating the Oklahoma Water
12 Infrastructure Revolving Fund; establishing purpose
13 of fund; stating source of fund; providing for
14 allocation of certain funds; requiring promulgation
15 of rules; requiring annual reporting; subjecting
16 program to annual auditing; providing for
17 codification; and declaring an emergency.

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

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

22 A. 1. The Oklahoma Water Resources Board shall establish an
23 Oklahoma Water Infrastructure Loan Program. The program shall be
24 utilized to:

- a. finance the development of water infrastructure improvements through low-interest loans and grants to municipalities, rural water districts, and other eligible entities for approved water infrastructure projects, and
- b. provide technical assistance and administrative expense support for water infrastructure project implementation.

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

- a. the construction, repair, and rehabilitation of water treatment plants, pipelines, and storage facilities,
- b. projects to ensure water quality and conservation, and
- c. other projects deemed necessary by the Board to address current and future water needs.

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

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

- a. fund revenues and expenditures,
- b. projects financed and the current status of such projects,
- c. future funding needs and recommendations, and

1 d. any other information deemed necessary for inclusion
2 by the Board or its staff.

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

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

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

1 2. Notwithstanding any other provisions of law, income and
2 investment return on fund principal and interest income and
3 repayment of principal on loans made from the balance of the fund
4 shall accrue to the fund.

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

8 B. Monies deposited to the fund shall include, but not be
9 limited to:

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

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

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

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

19 3. Grants, donations, or contributions from federal, state, or
20 private entities; and

21 4. Interest and investment returns generated from fund
22 balances.

23 SECTION 3. 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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