

1 ENGROSSED SENATE
2 BILL NO. 553

By: Thompson of the Senate

3 and

4 Fetgatter and McDugle of
5 the House

6
7 An Act relating to the Rural Economic Action Plan of
8 1996; amending 62 O.S. 2011, Sections 2003, 2004,
9 2006 and 2007, which relate to administration of the
10 Plan, deposit of monies into accounts, establishing
11 accounts and eligibility to obtain funding;
12 increasing population limits for eligible entities;
13 requiring priority funding for certain entities;
14 providing an effective date; and declaring an
15 emergency.

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

17 SECTION 1. AMENDATORY 62 O.S. 2011, Section 2003, is
18 amended to read as follows:

19 Section 2003. A. Monies appropriated by law to the Oklahoma
20 Water Resources Board for the purpose of funding the Rural Economic
21 Action Plan grant program and the Rural Economic Action Plan Water
22 Projects Fund shall be administered by the Oklahoma Water Resources
23 Board as provided by this section.

24 B. The monies referred to in subsection A of this section shall
be distributed to eligible cities and towns, unincorporated areas or

1 other qualified entities located within the areas represented by the
2 following organizations:

- 3 1. Association of Central Oklahoma Governments (ACOG);
- 4 2. Association of South Central Oklahoma Governments (ASCOG);
- 5 3. Central Oklahoma Economic Development District (COEDD);
- 6 4. Eastern Oklahoma Economic Development District (EOEDD);
- 7 5. Grand Gateway Economic Development Association (GGEDA);
- 8 6. Indian Nations Council of Governments (INCOG);
- 9 7. Kiamichi Economic Development District (KEDDO);
- 10 8. Northern Oklahoma Development Association (NODA);
- 11 9. Oklahoma Economic Development Association (OEDA);
- 12 10. Southern Oklahoma Development Association (SODA); and
- 13 11. South Western Oklahoma Development Authority (SWODA).

14 C. The monies referred to in subsection A of this section shall
15 not be expended for the benefit of cities or towns with a population
16 in excess of ~~seven thousand (7,000)~~ fifteen thousand (15,000)
17 persons according to the latest Federal Decennial Census. Funds may
18 also be expended for any city or town with a population below ~~seven~~
19 ~~thousand (7,000)~~ fifteen thousand (15,000) persons based upon the
20 current population estimate according to the U.S. Census Bureau.
21 Funds may be expended for such cities and towns until the next
22 following Federal Decennial Census. Any municipality may enter into
23 an agreement with an entity described in subsection B of this
24 section to apply for available funds described by this section if

1 the municipality is located within the area served by the entity.
2 Upon approval of the application, funds shall be paid to the
3 municipality requesting the funds.

4 D. An entity described in subsection B of this section may
5 apply for a grant to be used for the benefit of an unincorporated
6 area within a county served by that entity if the area benefited
7 does not contain a population in excess of ~~seven thousand (7,000)~~
8 fifteen thousand (15,000) persons. Any county may enter into an
9 agreement with an entity described in subsection B of this section
10 if the county is located within the area served by the entity. Upon
11 approval of the application, funds shall be paid to the county
12 requesting the funds.

13 E. The monies referred to in subsection A of this section may
14 be expended for water quality projects, including but not limited to
15 sewer line construction or repair and related storm or sanitary
16 sewer projects, water line construction or repair, water treatment,
17 water acquisition, distribution or recovery and related projects.

18 F. Any city or town with a population less than ~~one thousand~~
19 ~~seven hundred fifty (1,750)~~ seven thousand (7,000) persons according
20 to the latest Federal Decennial Census shall have a higher priority
21 for funds allocated by the Oklahoma Water Resources Board from the
22 amount referred to in subsection A of this section than
23 jurisdictions of greater size. Among such cities or towns, those
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1 municipalities having relatively weaker fiscal capacity shall have a
2 priority for project funding in preference to other municipalities.

3 G. The Oklahoma Water Resources Board shall establish ten
4 separate accounts containing one-tenth (1/10) of the amount annually
5 appropriated to the Rural Economic Action Plan Water Projects Fund
6 per account. Each account shall be available for distribution to
7 qualified entities located within the area served by entities
8 described in subsection A of Section 2007 of this title or for
9 distribution to benefit unincorporated areas with the exception of
10 one account which shall be divided equally into two subaccounts.
11 Each one of the two subaccounts shall be available for distribution
12 to qualified entities located within the respective jurisdiction of
13 one of the entities described by subsection B of Section 2007 of
14 this title or for distribution to benefit unincorporated areas. No
15 funds deposited into one account or subaccount shall be transferred
16 to any other account. The total expenditure from any one account or
17 subaccount for each fiscal year may not exceed the amount of funds
18 available to each account as may be provided by law.

19 H. No city, town or other entity to which funds will be awarded
20 pursuant to this section shall be required to provide any form of
21 match to obtain the funds, whether through cash, services or any
22 other method.

23 I. The Oklahoma Water Resources Board shall not be allowed to
24 retain any of the funds referred to in subsection A of this section

1 for administration. All such funds shall be distributed to eligible
2 entities as authorized by law.

3 J. In order to ensure fair and equitable distribution of the
4 funds referred to in subsection A of this section, the Oklahoma
5 Water Resources Board shall promulgate rules for administering,
6 determining priority of, approving and funding applications for such
7 funds. The rules shall implement the provisions of this section
8 including the following:

9 1. No qualified entity shall be approved nor funded for more
10 than One Hundred Fifty Thousand Dollars (\$150,000.00) from such
11 funds in any twelve-month period;

12 2. If a qualified entity has previously been approved for or
13 received such funds and makes a subsequent application, that
14 subsequent application may be assigned lower priority than an
15 application by qualified entities who have not previously been
16 approved for or received such funds;

17 3. In order to prevent substantially the same entity or area
18 from receiving an undue advantage, a political subdivision and all
19 its public trusts and similar subordinate entities together shall be
20 treated as one and the same qualified entity; provided rural water
21 or sewer districts shall not be construed to be subordinate entities
22 of counties unless the effect would be to make multiple grants to
23 substantially the same entity or service area; and

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1 4. The Oklahoma Water Resources Board may establish limited
2 time periods for processing applications for available funds.

3 SECTION 2. AMENDATORY 62 O.S. 2011, Section 2004, is
4 amended to read as follows:

5 Section 2004. A. The monies appropriated to the Rural Economic
6 Action Plan Fund shall be subject to all of the requirements of
7 Sections 2006 through 2013 of this title.

8 B. In a fiscal year for which the amount appropriated to the
9 Rural Economic Action Plan Fund is less than or equal to the sum of
10 Fifteen Million Five Hundred Thousand Dollars (\$15,500,000.00),
11 there shall be deposited into each of the accounts provided by
12 Section 2006 of this title the sum of one-tenth (1/10) of the amount
13 appropriated to the Rural Economic Action Plan Fund with the
14 exception of one account which shall be divided equally into two
15 subaccounts. One of the two subaccounts shall be available to one
16 and only one of the entities described by subsection B of Section
17 2007 of this title for distribution to cities or towns within the
18 respective jurisdiction of the entity if the population of such city
19 or town does not exceed ~~seven thousand (7,000)~~ fifteen thousand
20 (15,000) persons according to the latest Federal Decennial Census or
21 for the benefit of an unincorporated area. Funds may also be
22 expended for any city or town with a population below ~~seven thousand~~
23 ~~(7,000)~~ fifteen thousand (15,000) persons based upon the current
24 population estimate according to the U.S. Census Bureau. Funds may

1 be expended for such cities and towns until the next following
2 Federal Decennial Census. Provided, for any fiscal year following
3 the first fiscal year that the provisions of subsection D of this
4 section have taken effect, funds appropriated to the Rural Economic
5 Action Plan Fund shall be deposited as provided in subsection D of
6 this section and the provisions of this subsection shall not be in
7 effect.

8 C. In a fiscal year for which the amount appropriated to the
9 Rural Economic Action Plan Fund is greater than Fifteen Million Five
10 Hundred Thousand Dollars (\$15,500,000.00), but less than Seventeen
11 Million Fifty Thousand Dollars (\$17,050,000.00), there shall be
12 deposited into each of nine separate accounts for the entities
13 described by subsection A of Section 2007 of this title the sum of
14 One Million Five Hundred Fifty Thousand Dollars (\$1,550,000.00).
15 There shall be divided equally between two additional accounts for
16 the use and benefit of the entities described by subsection B of
17 Section 2007 of this title the balance of any such appropriation in
18 excess of Thirteen Million Nine Hundred Fifty Thousand Dollars
19 (\$13,950,000.00), but less than Seventeen Million Fifty Thousand
20 Dollars (\$17,050,000.00).

21 D. In the first fiscal year for which the amount appropriated
22 to the Rural Economic Action Plan Fund equals or exceeds the sum of
23 Seventeen Million Fifty Thousand Dollars (\$17,050,000.00), and in
24 every subsequent fiscal year, there shall be deposited an equal

1 amount to each of eleven accounts created for the use and benefit of
2 the entities described by subsections A and B of Section 2007 of
3 this title.

4 E. Regardless of the number of accounts created based upon the
5 appropriation amount to the Rural Economic Action Plan Fund, all
6 expenditures from all accounts shall be governed by the limitations
7 imposed pursuant to Sections 2002 through 2013 of this title,
8 including the limitations applicable to expenditures for the benefit
9 of cities or towns based upon population limits or expenditures for
10 the benefit of unincorporated areas.

11 SECTION 3. AMENDATORY 62 O.S. 2011, Section 2006, is
12 amended to read as follows:

13 Section 2006. A. There is hereby established a fund within the
14 State Treasury to be known as the Rural Economic Action Plan Fund,
15 to be administered by the Oklahoma Department of Commerce. The fund
16 shall be a continuing fund not subject to fiscal year limitations.
17 Within the Rural Economic Action Plan Fund there shall be
18 established separate accounts as prescribed by Section 2004 of this
19 title into which shall be deposited such funds as may be provided by
20 law.

21 B. Except as otherwise provided by Section 2004 of this title,
22 one of nine accounts shall be available to each entity described in
23 subsection A of Section 2007 of this title.

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1 C. Except as otherwise provided by Section 2004 of this title,
2 one account shall be divided equally into two subaccounts. One of
3 the two subaccounts shall be available to each of the entities
4 described by subsection B of Section 2007 of this title for
5 distribution to any city or town within the respective jurisdiction
6 of the entity if the population of such city or town does not exceed
7 ~~seven thousand (7,000)~~ fifteen thousand (15,000) persons according
8 to the latest Federal Decennial Census or for the benefit of an
9 unincorporated area. Funds may also be expended for any city or
10 town with a population below ~~seven thousand (7,000)~~ fifteen thousand
11 (15,000) persons based upon the current population estimate
12 according to the U.S. Census Bureau. Funds may be expended for such
13 cities and towns until the next following Federal Decennial Census.

14 D. No funds deposited into one account or subaccount shall be
15 transferred to any other account. No entity may access any more
16 than one account per fiscal year and the total expenditure from any
17 one account for each fiscal year may not exceed the amount of funds
18 available to each account as may be provided by law.

19 E. No monies in the Rural Economic Action Plan Fund shall be
20 used for the payment of administrative expenses, salaries or any
21 other continuing obligation of the Oklahoma Department of Commerce.

22 SECTION 4. AMENDATORY 62 O.S. 2011, Section 2007, is
23 amended to read as follows:
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1 Section 2007. A. A voluntary association of Oklahoma local
2 governmental jurisdictions or another legal entity, including a
3 public trust or a nonprofit corporation or other entity which
4 performs functions for the benefit of or which exists for the
5 primary benefit of Oklahoma local governmental jurisdictions and
6 which is not described in subsection B of this section, shall be
7 eligible to obtain funding for rural economic development projects
8 as authorized by Section 2004 of this title or as authorized by
9 subsection B of Section 2006 of this title.

10 B. A voluntary association of Oklahoma local governmental
11 jurisdictions containing at least one municipality with a population
12 in excess of three hundred fifty thousand (350,000) persons
13 according to the latest Federal Decennial Census, shall be eligible
14 to obtain funding as authorized by Section 2004 of this title or as
15 authorized by subsection C of Section 2006 of this title.

16 C. The entities described in subsection A or B of this section
17 and which are eligible for any funds authorized by Section 2006 of
18 this title shall be prohibited from making expenditures on behalf of
19 or from making payment directly to any city or town with a
20 population in excess of ~~seven thousand (7,000)~~ fifteen thousand
21 (15,000) persons using any funds deposited to the Rural Economic
22 Action Plan Fund created by Section 2006 of this title. Funds may
23 also be expended for any city or town with a population below ~~seven~~
24 ~~thousand (7,000)~~ fifteen thousand (15,000) persons based upon the

1 current population estimate according to the U.S. Census Bureau.
2 Funds may be expended for such cities and towns until the next
3 following Federal Decennial Census.

4 D. An organization described in subsection A or B of this
5 section shall be authorized to make payment of funds obtained
6 pursuant to Section 2006 of this title directly to a county if the
7 funds are used for the benefit of an unincorporated area located
8 within the county to which payment is made if the area benefited
9 does not contain a population in excess of ~~seven thousand (7,000)~~
10 fifteen thousand (15,000) persons. After the county has provided a
11 request to an organization described in subsection A or B of this
12 section for funds to benefit an unincorporated area of the county,
13 together with a statement that the county has conducted a review of
14 the needs of unincorporated areas located within the county and that
15 the funding requested is consistent with the evaluation of
16 priorities for funds by the county, the funds requested may be paid
17 to the county. Any funds paid to a county pursuant to the
18 provisions of this subsection shall be expended by the county
19 exclusively for the purpose identified in the request.

20 E. No county to which funds are paid pursuant to the provisions
21 of subsection D of this section shall be liable to any person or
22 other legal entity for damages arising out of any condition, act,
23 omission or other cause alleged to have arisen as a result of a
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1 project upon which funds expended pursuant to the authority of
2 subsection D of this section were paid to the county.

3 F. Priority in funding for economic development projects
4 authorized by Sections 2004 through 2013 of this title, shall be
5 given to cities, towns or unincorporated areas with less than seven
6 thousand (7,000) persons according to either the latest Federal
7 Decennial Census or the current population estimates according to
8 the U.S. Census Bureau.

9 SECTION 5. This act shall become effective July 1, 2019.

10 SECTION 6. It being immediately necessary for the preservation
11 of the public peace, health or safety, an emergency is hereby
12 declared to exist, by reason whereof this act shall take effect and
13 be in full force from and after its passage and approval.

14 Passed the Senate the 11th day of March, 2019.

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Presiding Officer of the Senate

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18 Passed the House of Representatives the ____ day of _____,
19 2019.

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Presiding Officer of the House
of Representatives

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