

1 **SENATE FLOOR VERSION**

2 February 20, 2019

3 **AS AMENDED**

4 SENATE BILL NO. 553

By: Thompson of the Senate

and

Fetgatter and McDugle of  
the House

7  
8 **[ Rural Economic Action Plan of 1996 - accounts -  
9 population limits - priority funding for certain  
10 entities - ~~effective date~~ -**

**emergency ]**

11  
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

20 B. The monies referred to in subsection A of this section shall  
21 be distributed to eligible cities and towns, unincorporated areas or  
22 other qualified entities located within the areas represented by the  
23 following organizations:

- 24 1. Association of Central Oklahoma Governments (ACOG);

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

C. The monies referred to in subsection A of this section shall not be expended for the benefit of cities or towns with a population in excess of ~~seven thousand (7,000)~~ fifteen thousand (15,000) persons according to the latest Federal Decennial Census. Funds may also be expended for any city or town with a population below ~~seven thousand (7,000)~~ fifteen thousand (15,000) persons based upon the current population estimate according to the U.S. Census Bureau. Funds may be expended for such cities and towns until the next following Federal Decennial Census. Any municipality may enter into an agreement with an entity described in subsection B of this section to apply for available funds described by this section if the municipality is located within the area served by the entity. Upon approval of the application, funds shall be paid to the municipality requesting the funds.

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

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

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

23 G. The Oklahoma Water Resources Board shall establish ten  
24 separate accounts containing one-tenth (1/10) of the amount annually

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

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

19 I. The Oklahoma Water Resources Board shall not be allowed to  
20 retain any of the funds referred to in subsection A of this section  
21 for administration. All such funds shall be distributed to eligible  
22 entities as authorized by law.

23 J. In order to ensure fair and equitable distribution of the  
24 funds referred to in subsection A of this section, the Oklahoma

1 Water Resources Board shall promulgate rules for administering,  
2 determining priority of, approving and funding applications for such  
3 funds. The rules shall implement the provisions of this section  
4 including the following:

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

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

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

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

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

24

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

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

1 Action Plan Fund shall be deposited as provided in subsection D of  
2 this section and the provisions of this subsection shall not be in  
3 effect.

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

17 D. In the first fiscal year for which the amount appropriated  
18 to the Rural Economic Action Plan Fund equals or exceeds the sum of  
19 Seventeen Million Fifty Thousand Dollars (\$17,050,000.00), and in  
20 every subsequent fiscal year, there shall be deposited an equal  
21 amount to each of eleven accounts created for the use and benefit of  
22 the entities described by subsections A and B of Section 2007 of  
23 this title.

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

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

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

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

21 C. Except as otherwise provided by Section 2004 of this title,  
22 one account shall be divided equally into two subaccounts. One of  
23 the two subaccounts shall be available to each of the entities  
24 described by subsection B of Section 2007 of this title for



1 distribution to any city or town within the respective jurisdiction  
2 of the entity if the population of such city or town does not exceed  
3 ~~seven thousand (7,000)~~ fifteen thousand (15,000) persons according  
4 to the latest Federal Decennial Census or for the benefit of an  
5 unincorporated area. Funds may also be expended for any city or  
6 town with a population below ~~seven thousand (7,000)~~ fifteen thousand  
7 (15,000) persons based upon the current population estimate  
8 according to the U.S. Census Bureau. Funds may be expended for such  
9 cities and towns until the next following Federal Decennial Census.

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

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

18 SECTION 4. AMENDATORY 62 O.S. 2011, Section 2007, is  
19 amended to read as follows:

20 Section 2007. A. A voluntary association of Oklahoma local  
21 governmental jurisdictions or another legal entity, including a  
22 public trust or a nonprofit corporation or other entity which  
23 performs functions for the benefit of or which exists for the  
24 primary benefit of Oklahoma local governmental jurisdictions and

1 which is not described in subsection B of this section, shall be  
2 eligible to obtain funding for rural economic development projects  
3 as authorized by Section 2004 of this title or as authorized by  
4 subsection B of Section 2006 of this title.

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

11 C. The entities described in subsection A or B of this section  
12 and which are eligible for any funds authorized by Section 2006 of  
13 this title shall be prohibited from making expenditures on behalf of  
14 or from making payment directly to any city or town with a  
15 population in excess of ~~seven thousand (7,000)~~ fifteen thousand  
16 (15,000) persons using any funds deposited to the Rural Economic  
17 Action Plan Fund created by Section 2006 of this title. 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.

23 D. An organization described in subsection A or B of this  
24 section shall be authorized to make payment of funds obtained

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

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

21 F. Priority in funding for economic development projects  
22 authorized by Sections 2004 through 2013 of this title, shall be  
23 given to cities, towns or unincorporated areas with less than seven  
24 thousand (7,000) persons according to either the latest Federal

1 Decennial Census or the current population estimates according to  
2 the U.S. Census Bureau.

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

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

8 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
9 February 20, 2019 - DO PASS AS AMENDED

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