

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 SENATE BILL 573

By: Montgomery

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5  
6 AS INTRODUCED

7 An Act relating to cities and towns; providing  
8 effects of condemnation of certain facility;  
9 requiring certain public utilities to allow municipal  
10 utilities or public trusts to furnish and deliver  
11 certain services at agreed-upon rates, terms, and  
12 conditions of service; allowing municipalities and  
13 municipal utilities to petition the Oklahoma  
14 Corporation Commission under certain circumstances;  
15 requiring certain provider to pay certain tax or  
16 payment; providing applicability of certain tax;  
17 repealing 11 O.S. 2011, Section 21-222, which relates  
18 to moratorium of municipal condemnation proceeding;  
19 providing for codification; and providing for an  
20 effective date.

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

22 SECTION 1. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 21-223 of Title 11, unless there  
24 is created a duplication in numbering, reads as follows:

25 The condemnation of any facility of an electric public utility  
26 by a municipality or public trust thereof, performed upon expiration  
27 or in preparation for the expiration of a franchise agreement  
28 between electric public utility and the municipality, shall have the  
29 effect of granting written, mutual consent to such municipal

1 corporation or public trust thereof to furnish retail electric  
2 service to an electric consuming facility which is currently being  
3 served, in accordance with Section 21-121 of Title 11 of the  
4 Oklahoma Statutes and Section 190.7 of Title 17 of the Oklahoma  
5 Statutes. The exercise of the right of condemnation by a  
6 municipality or public trust thereof upon any electric consuming  
7 facility shall also render such facility, as defined by Section 21-  
8 121 of Title 11 of the Oklahoma Statutes and Section 190.7 of Title  
9 17 of the Oklahoma Statutes, as not currently being served.

10 Any public utility that owns or operates electrical distribution  
11 facilities within the boundaries of a municipality shall allow the  
12 municipal utility or public trust thereof to furnish and deliver  
13 retail electric service across the electrical distribution  
14 facilities, at such rates, terms and conditions of service that are  
15 agreed upon by the parties. Provided, if the parties are unable to  
16 negotiate acceptable terms, the municipal utility or public trust  
17 thereof may petition the Oklahoma Corporation Commission to  
18 establish such rates, terms and conditions of service, pursuant to  
19 Section 152 of Title 17 of the Oklahoma Statutes.

20 SECTION 2. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 21-224 of Title 11, unless there  
22 is created a duplication in numbering, reads as follows:

23 For tax year 2022 and subsequent tax years, the provider of any  
24 wholesale sale of electric power to a municipal corporation or  
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1 public trust thereof that was not a purchaser of wholesale electric  
2 power before July 1, 2021, shall pay a tax, or payment in lieu  
3 thereof in the case of electric power providing agencies of this  
4 state, equal to two percent (2%) of such gross sales, to this state.  
5 Provided, that a publicly owned utility operating under the  
6 jurisdiction of the Oklahoma Corporation Commission shall pay such  
7 tax without consideration or effect upon the normal corporate income  
8 tax, or any other tax, assessed against it in any taxable year.

9 SECTION 3. REPEALER 11 O.S. 2011, Section 21-222, is  
10 hereby repealed.

11 SECTION 4. This act shall become effective November 1, 2021.

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