

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1928

By: Sims of the House

and

Rader of the Senate

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10 COMMITTEE SUBSTITUTE

11 An Act relating to public health and safety; amending
12 82 O.S. 2021, Sections 1085.91, 1085.92, 1085.93,
13 1085.94, and 1085.95, which relate to Hazard
14 Mitigation Financial Assistance; clarifying
15 legislative intent; clarifying definitions; changing
16 name of Oklahoma Department of Civil Emergency
17 Management to Oklahoma Department of Emergency
18 Management and Homeland Security; establishing a
19 revolving fund within the State Treasury; specifying
20 purpose of fund; permitting the use of funds for
21 hazard mitigation planning and projects; and
22 providing an effective date.

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

24 SECTION 1. AMENDATORY 82 O.S. 2021, Section 1085.91, is
amended to read as follows:

 Section 1085.91 In addition to the financial assistance ~~program~~
programs established under Sections 1085.31 through 1085.49, 1085.51
through 1085.65, and 1085.71 through 1085.84A of ~~Title 82 of the~~

1 ~~Oklahoma Statutes~~ this title pursuant to Section 39 of Article X of
2 the Oklahoma Constitution, it is the intention of the Legislature to
3 establish a ~~Flood~~ Hazard Mitigation Financial Assistance Program.
4 Financing projects to mitigate ~~flooding~~ is certain hazards are
5 hereby declared to be a public purpose.

6 SECTION 2. AMENDATORY 82 O.S. 2021, Section 1085.92, is
7 amended to read as follows:

8 Section 1085.92 As used in the ~~Flood~~ Hazard Mitigation
9 Financial Assistance Program:

10 1. "~~Flood hazard~~ Hazard mitigation projects" means those
11 projects designed to correct, alleviate or eliminate a condition or
12 situation which poses a repetitive threat to life, property, or
13 public safety from the effects of a ~~flood~~ disaster;

14 2. "Eligible entity" means any city, town, county, or the State
15 of Oklahoma, and any rural water or sewer district, irrigation
16 district, public trust, master conservancy district, or other
17 political subdivision or any combination thereof;

18 3. "Board" means the Oklahoma Water Resources Board; and

19 4. "Department" means the Oklahoma Department of ~~Civil~~
20 Emergency Management and Homeland Security.

21 SECTION 3. AMENDATORY 82 O.S. 2021, Section 1085.93, is
22 amended to read as follows:

23 Section 1085.93 A. ~~In addition to other lawful purposes,~~
24 ~~monies placed in the Statewide Water Development Revolving Fund,~~

1 ~~exclusive of such amounts of interest derived from investment~~
2 ~~deposits necessary to maintain the grant account at its maximum~~
3 ~~amount as provided in Section 1085.40 of this title, may be used by~~
4 ~~the Board for flood hazard mitigation projects pursuant to the Flood~~
5 ~~Hazard Mitigation Financial Assistance Program.~~

6 ~~B. Within the Water Resources Fund created pursuant to Section~~
7 ~~1085.33 of Title 82 of the Oklahoma Statutes, there is hereby~~
8 ~~created the "Flood Hazard Mitigation Account". The account shall be~~
9 ~~set apart as a permanent and perpetual account not subject to fiscal~~
10 ~~year limitations and shall consist of:~~

11 ~~1. All monies appropriated to the account;~~

12 ~~2. Interest income from deposits made to the Statewide Water~~
13 ~~Development Revolving Fund for the purpose of flood hazard~~
14 ~~mitigation;~~

15 ~~3. All income from the investment of monies held in the account~~
16 ~~consistent with applicable bond resolutions or indentures; and~~

17 ~~4. Any other sums designated for deposit to the account from~~
18 ~~any source, public or private.~~

19 ~~C. The monies in the account shall be used by the Oklahoma~~
20 ~~Department of Civil Emergency Management and the Oklahoma Water~~
21 ~~Resources Board after receipt of recommendations from the State~~
22 ~~Hazard Mitigation Team, to implement flood hazard mitigation~~
23 ~~projects, including but not limited to providing grants or loans to~~
24 ~~eligible entities to:~~

1 ~~1. Acquire land or a conservation easement from a willing~~
2 ~~seller or grantor in order to mitigate flood hazards; or~~

3 ~~2. Implement voluntary, incentive-based flood hazard mitigation~~
4 ~~measures in order to facilitate compliance with state or national~~
5 ~~regulations.~~

6 There is hereby created in the State Treasury a revolving fund
7 for the Oklahoma Water Resources Board to be designated the "Hazard
8 Mitigation Financial Assistance Fund". The fund shall be a
9 continuing fund, not subject to fiscal year limitations, and shall
10 consist of all monies received by the Oklahoma Water Resources Board
11 from appropriations, dedicated revenues, fees or other sources as
12 provided by law. All monies accruing to the credit of said fund are
13 hereby appropriated and may be budgeted and expended by the Oklahoma
14 Water Resources Board for the purpose of providing loans and grants
15 for hazard mitigation. Expenditures from said fund shall be made
16 upon warrants issued by the State Treasurer against claims filed as
17 prescribed by law with the Director of the Office of Management and
18 Enterprise Services for approval and payment.

19 B. In addition to other lawful purposes, monies placed in the
20 Fund, exclusive of such amounts of interest derived from investment
21 deposits necessary to maintain the grant account, may be used by the
22 Board to implement hazard mitigation planning and projects,
23 including but not limited to, providing grants or loans to eligible
24 entities to:

1 1. Develop a federal/state approved local/regional hazard
2 mitigation planning document;

3 2. Acquire land or a conservation easement from a willing
4 seller or grantor in order to mitigate hazards; or

5 3. Implement voluntary, incentive-based hazard mitigation
6 measures in order to facilitate compliance with state or national
7 regulations.

8 ~~D. C.~~ Monies in, or investment income derived from, the ~~Flood~~
9 Hazard Mitigation ~~Account~~ Financial Assistance Fund which is used to
10 match any grant funds provided by the Federal Emergency Management
11 Agency or any other federal agencies shall be restricted and used
12 consistent with ~~Federal Emergency Management Agency~~ federal agencies
13 procedures or guidance or regulations promulgated thereunder for
14 ~~flood~~ hazard mitigation projects.

15 ~~E. D.~~ Monies in the ~~Flood~~ Hazard Mitigation ~~Account~~ Financial
16 Assistance Fund, or investment income derived therefrom, shall be
17 used by the Oklahoma Water Resources Board and the Oklahoma
18 Department of ~~Civil~~ Emergency Management and Homeland Security in
19 carrying out their responsibilities as provided in a written annual
20 joint operating agreement which shall include, among other matters,
21 a budget for administering the Oklahoma ~~Flood~~ Hazard Mitigation
22 Program.

23 ~~F. E.~~ The monies placed in the ~~Flood~~ Hazard Mitigation ~~Account~~
24 Financial Assistance Fund may be invested by the State Treasurer in

1 an adequately collateralized manner and as prescribed by Section
2 89.2 of Title 62 of the Oklahoma Statutes or pursuant to investment
3 contracts or agreements with entities maintaining a rating in the
4 top two categories by a nationally recognized municipal bond rating
5 agency, all in a manner consistent with ~~the federal Safe Drinking~~
6 ~~Water Act or regulations~~ promulgated thereunder regulations. The
7 Board may transfer to the ~~Flood~~ Hazard Mitigation ~~Account~~ Financial
8 Assistance Fund income derived from investment of the fund. Monies
9 invested by the State Treasurer shall be available to implement
10 ~~flood~~ hazard mitigation projects.

11 ~~G.~~ F. The Board shall cause to be completed an annual audit of
12 any expenditures from the ~~Flood~~ Hazard Mitigation ~~Account~~ Financial
13 Assistance Fund, and such audit cost shall be included in the budget
14 for administering the Oklahoma ~~Flood~~ Hazard Mitigation Program.

15 SECTION 4. AMENDATORY 82 O.S. 2021, Section 1085.94, is
16 amended to read as follows:

17 Section 1085.94 A. In addition to other powers and duties
18 provided by law, the Oklahoma Water Resources Board shall have the
19 power and duty to:

20 1. After receipt from the Oklahoma Department of ~~Civil~~
21 Emergency Management and Homeland Security, process applications for
22 grant funds or loans from the ~~Flood~~ Hazard Mitigation ~~Account~~
23 Financial Assistance Fund and enter into grant or loan agreements
24 for use of such funds;

1 2. Promulgate rules as deemed necessary by the Board to
2 administer the ~~Flood~~ Hazard Mitigation Financial Assistance Program;

3 3. Utilize the priority listing of applicants compiled by the
4 Oklahoma Department of ~~Civil~~ Emergency Management and Homeland
5 Security ~~after recommendations from the State Hazard Mitigation Team~~
6 in considering ~~grant~~ applications;

7 4. a. Issue investment certificates, in accordance with the
8 provisions of Sections 1085.33 and 1085.37 of ~~Title 82~~
9 ~~of the Oklahoma Statutes~~ this title and the Oklahoma
10 Bond Oversight and Reform Act, to provide necessary
11 funds first to meet the demand for loan funding from
12 the ~~Flood~~ Hazard Mitigation Financial Assistance
13 Program; provided, any investment certificate proceeds
14 not needed for such demand may be used by the Board,
15 as needed, for funding other financial assistance
16 programs authorized in ~~Title 82 of the Oklahoma~~
17 ~~Statutes~~ this title, and

18 b. Enter into loan agreements with and make loans from
19 the proceeds of investment certificates to eligible
20 entities for ~~flood~~ hazard mitigation projects upon
21 terms not inconsistent with the provisions of Section
22 1085.36 of ~~Title 82 of the Oklahoma Statutes~~ this
23 title; and

1 5. Enter into agreements with the Oklahoma Department of ~~Civil~~
2 Emergency Management and Homeland Security or other state or federal
3 agencies as deemed necessary by the Board to monitor and measure
4 ~~flood hazard~~ events.

5 B. In addition to other powers and duties provided by law, the
6 Oklahoma Department of ~~Civil~~ Emergency Management and Homeland
7 Security shall ~~consider the recommendations, if any, of the State~~
8 ~~Hazard Mitigation Team prior to:~~

9 a. ~~promulgation of~~

10 1. Promulgate rules providing for and establishing a priority
11 listing of grant and loan applicants for flood hazard mitigation
12 projects subject to the Oklahoma Civil Defense and Emergency
13 Resources Management Act, ~~;~~ ; and

14 b. ~~determining~~

15 2. Determine eligibility of those entities authorized to
16 receive funding from the ~~Flood Hazard Mitigation Account~~ Financial
17 Assistance Fund.

18 SECTION 5. AMENDATORY 82 O.S. 2021, Section 1085.95, is
19 amended to read as follows:

20 Section 1085.95 A. Loans and grants under the ~~Flood~~ Hazard
21 Mitigation Financial Assistance Program may be used in conjunction
22 with other financial assistance available from the Oklahoma Water
23 Resources Board.

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1 B. If a ~~flood~~ hazard mitigation project includes activities to
2 be conducted on privately owned real property, the loan or grant
3 agreement between the Board and the eligible entity that receives
4 the grant shall contain a provision about any necessary
5 subagreements with the owners of the property.

6 SECTION 6. This act shall become effective November 1, 2023.

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8 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02/22/2023 - DO PASS,
9 As Amended and Coauthored.

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