

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 2033

By: Howard

AS INTRODUCED

An Act relating to economic development; amending 62 O.S. 2021, Sections 2004, 2006, 2007, 2008, and 2010; which relate to the Rural Economic Action Plan of 1996; expanding authority for entities to distribute monies from the Rural Economic Action Plan Fund to include loans; requiring repayment of principal and interest to accrue to certain accounts and subaccounts; prohibiting certain entities from making loans; limiting amounts available to provide loans; updating statutory language; and providing an effective date.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 2004, is amended to read as follows:

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

B. In a fiscal year for which the amount appropriated to the Rural Economic Action Plan Fund is less than or equal to the sum of Fifteen Million Five Hundred Thousand Dollars (\$15,500,000.00), there shall be deposited into each of the accounts provided by

1 Section 2006 of this title the sum of one-tenth (1/10) of the amount
2 appropriated to the Rural Economic Action Plan Fund with the
3 exception of one account which shall be divided equally into two
4 subaccounts. One of the two subaccounts shall be available to one
5 and only one of the entities described by subsection B of Section
6 2007 of this title for loans or distribution to cities or towns
7 within the respective jurisdiction of the entity if the population
8 of such city or town does not exceed seven thousand (7,000) persons
9 according to the latest Federal Decennial Census or for the benefit
10 of an unincorporated area. Funds may also be loaned or expended for
11 any city or town with a population below seven thousand (7,000)
12 persons based upon the current population estimate according to the
13 U.S. Census Bureau. Funds may be loaned or expended for such cities
14 and towns until the next following Federal Decennial Census.

15 Provided, for any fiscal year following the first fiscal year that
16 the provisions of subsection D of this section have taken effect,
17 funds appropriated to the Rural Economic Action Plan Fund shall be
18 deposited as provided in subsection D of this section and the
19 provisions of this subsection shall not be in effect.

20 C. In a fiscal year for which the amount appropriated to the
21 Rural Economic Action Plan Fund is greater than Fifteen Million Five
22 Hundred Thousand Dollars (\$15,500,000.00), but less than Seventeen
23 Million Fifty Thousand Dollars (\$17,050,000.00), there shall be
24 deposited into each of nine separate accounts for the entities

1 described by subsection A of Section 2007 of this title the sum of
2 One Million Five Hundred Fifty Thousand Dollars (\$1,550,000.00).
3 There shall be divided equally between two additional accounts for
4 the use and benefit of the entities described by subsection B of
5 Section 2007 of this title the balance of any such appropriation in
6 excess of Thirteen Million Nine Hundred Fifty Thousand Dollars
7 (\$13,950,000.00), but less than Seventeen Million Fifty Thousand
8 Dollars (\$17,050,000.00).

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

16 E. Regardless of the number of accounts created based upon the
17 appropriation amount to the Rural Economic Action Plan Fund, all
18 loans and expenditures from all accounts shall be governed by the
19 limitations imposed pursuant to Sections 2002 through 2013 of this
20 title, including the limitations applicable to loans and
21 expenditures for the benefit of cities or towns based upon
22 population limits or loans and expenditures for the benefit of
23 unincorporated areas.

1 SECTION 2. AMENDATORY 62 O.S. 2021, Section 2006, is

2 amended to read as follows:

3 Section 2006. A. There is hereby established a fund within the
4 State Treasury to be known as the Rural Economic Action Plan Fund,
5 to be administered by the Oklahoma Department of Commerce. The fund
6 shall be a continuing fund not subject to fiscal year limitations.

7 Within the Rural Economic Action Plan Fund there shall be
8 established separate accounts as prescribed by Section 2004 of this
9 title into which shall be deposited such funds as may be provided by
10 law.

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

14 C. Except as otherwise provided by Section 2004 of this title,
15 one account shall be divided equally into two subaccounts. One of
16 the two subaccounts shall be available to each of the entities
17 described by subsection B of Section 2007 of this title for loans or
18 distribution to any city or town within the respective jurisdiction
19 of the entity if the population of such city or town does not exceed
20 seven thousand (7,000) persons according to the latest Federal
21 Decennial Census or for the benefit of an unincorporated area.
22 Funds may also be loaned to or expended for any city or town with a
23 population below seven thousand (7,000) persons based upon the
24 current population estimate according to the U.S. Census Bureau.

1 Funds may be loaned to or expended for such cities and towns until
2 the next following Federal Decennial Census.

3 D. No funds deposited into one account or subaccount shall be
4 transferred to any other account. No entity may access any more
5 than one account per fiscal year and the total loans or expenditure
6 from any one account for each fiscal year may not exceed the amount
7 of funds available to each account as may be provided by law.

8 E. The repayment of principal and interest income for loans
9 distributed from an account or subaccount shall accrue to the
10 balance of the account or subaccount.

11 F. No monies in the Rural Economic Action Plan Fund shall be
12 used for the payment of administrative expenses, salaries, or any
13 other continuing obligation of the Oklahoma Department of Commerce.

14 SECTION 3. AMENDATORY 62 O.S. 2021, Section 2007, is
15 amended to read as follows:

16 Section 2007. A. A voluntary association of Oklahoma local
17 governmental jurisdictions or another legal entity, including a
18 public trust or a nonprofit corporation or other entity which
19 performs functions for the benefit of or which exists for the
20 primary benefit of Oklahoma local governmental jurisdictions and
21 which is not described in subsection B of this section, shall be
22 eligible to obtain funding for rural economic development projects
23 as authorized by Section 2004 of this title or as authorized by
24 subsection B of Section 2006 of this title.

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

7 C. The entities described in subsection A or B of this section
8 and which are eligible for any funds authorized by Section 2006 of
9 this title shall be prohibited from providing loans and making
10 expenditures on behalf of or from providing loans and making payment
11 directly to any city or town with a population in excess of seven
12 thousand (7,000) persons using any funds deposited to the Rural
13 Economic Action Plan Fund created by Section 2006 of this title.
14 Funds may also be expended for or loaned to any city or town with a
15 population below seven thousand (7,000) persons based upon the
16 current population estimate according to the U.S. Census Bureau.
17 Funds may be expended for or loaned to such cities and towns until
18 the next following Federal Decennial Census.

19 D. An organization described in subsection A or B of this
20 section shall be authorized to make payment of funds obtained
21 pursuant to Section 2006 of this title directly to a county if the
22 funds are used for the benefit of an unincorporated area located
23 within the county to which payment is made if the area benefited
24 does not contain a population in excess of seven thousand (7,000)

1 persons. After the county has provided a request to an organization
2 described in subsection A or B of this section for funds to benefit
3 an unincorporated area of the county, together with a statement that
4 the county has conducted a review of the needs of unincorporated
5 areas located within the county and that the funding requested is
6 consistent with the evaluation of priorities for funds by the
7 county, the funds requested may be paid to the county. Any funds
8 loaned or paid to a county pursuant to the provisions of this
9 subsection shall be expended by the county exclusively for the
10 purpose identified in the request.

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

17 SECTION 4. AMENDATORY 62 O.S. 2021, Section 2008, is
18 amended to read as follows:

19 Section 2008. A. The governing board of an entity described by
20 subsection A or B of Section 2007 of this title shall develop a plan
21 for the use of available funds for the economic development of areas
22 included within its respective jurisdiction. For purposes of this
23 act, "economic development" shall include, but shall not be limited
24 to, the following purposes:

1 1. Rural water quality projects, including acquisition,
2 treatment, distribution and recovery of water for consumption by
3 humans or animals or both;

4 2. Rural solid waste disposal, treatment or similar projects;

5 3. Rural sanitary sewer construction or improvement projects;

6 4. Rural road or street construction or improvement projects;

7 5. Provision of rural fire protection services and public
8 safety services;

9 6. Expenditures designed to increase the employment level
10 within the jurisdiction of the entity;

11 7. Provision of health care services, including emergency
12 medical care, in rural areas;

13 8. Construction or improvement of telecommunication facilities
14 or systems;

15 9. Improvement of municipal energy distribution systems; and

16 10. Community buildings, courthouses, town halls, senior
17 nutrition centers, meeting rooms or similar public facilities.

18 B. Effective July 1, 2010, at least eighty percent (80%) of any
19 funds distributed to an entity as provided by this section shall be
20 loaned or expended for assets described in paragraphs 1 through 6 of
21 subsection A of this section. The remaining amount of any funds
22 distributed to an entity as provided by this section may be loaned
23 or expended on assets or purposes described in paragraphs 7 through
24 10 of subsection A of this section.

1 C. Upon the effective date of this act, up to ten percent (10%)
2 of the balance of an account or subaccount available to each of the
3 entities described by Section 2007 of this title may be loaned to
4 private entities, government subdivisions, or tribal governments for
5 the purposes described in subsection A of this section.

6 D. Not later than July 31, each entity described by Section
7 2007 of this title shall transmit, in such electronic form as may be
8 prescribed by the Oklahoma Department of Commerce for purposes of
9 access to such information on the website maintained by the
10 Department, a summary of each project upon which funds received by
11 the entity from the Rural Economic Action Plan Fund were expended or
12 loaned during the fiscal year ending on the June 30 date immediately
13 preceding the July 31 reporting date.

14 SECTION 5. AMENDATORY 62 O.S. 2021, Section 2010, is
15 amended to read as follows:

16 Section 2010. No entity which qualifies for funds pursuant to
17 Section 2006 of this title shall be required to provide matching
18 funds or to provide equivalent value in order to obtain available
19 funds or funds for planning loans and expenditures.

20 SECTION 6. This act shall become effective November 1, 2024.

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