

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 56th Legislature (2017)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1401

By: Montgomery, Worthen,
7 Roberts (Dustin) and Lawson
8 of the House

and

Holt of the Senate

9
10
11 COMMITTEE SUBSTITUTE

12 [public finance - Oklahoma Legacy Act -
13 apportionment and deposit of monies - investment of
14 funds - effective date]

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

18 SECTION 1. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 4201 of Title 62, unless there
20 is created a duplication in numbering, reads as follows:

21 This act shall be known and may be cited as the "Oklahoma Legacy
22 Act".

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 4202 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 A. There is hereby created in the State Treasury a fund to be
5 known and designated as the "Oklahoma Legacy Fund". The fund shall
6 be a continuing fund, not subject to fiscal year limitations.

7 B. The Oklahoma Legacy Fund shall consist of:

8 1. Twenty percent (20%) of total actual revenue from the gross
9 production tax on oil levied pursuant to Section 1001 of Title 68 of
10 the Oklahoma Statutes in the manner prescribed by Section 7 of this
11 act, but subject to the requirements of Section 8 of this act;

12 2. Twenty percent (20%) of total actual revenue from the gross
13 production tax on natural gas levied pursuant to Section 1001 of
14 Title 68 of the Oklahoma Statutes, in the manner prescribed in
15 Section 7 of this act, but subject to the requirements of Section 8
16 of this act;

17 3. Any amounts accruing to the subfunds as prescribed by this
18 section; and

19 4. Any amounts appropriated by the Legislature.

20 C. Monies in the Oklahoma Legacy Fund shall be managed with the
21 care, skill, prudence and diligence under the circumstances then
22 prevailing that a prudent person acting in a like capacity and
23 familiar with such matters would use in the conduct of an enterprise
24 of a like character and with like aims and by diversifying the

1 investments of the system so as to minimize the risk of large
2 losses, unless under the circumstances it is clearly prudent not to
3 do so.

4 D. Funds shall be managed by the Office of the State Treasurer
5 who may hire and retain staff for the purpose of managing such funds
6 and use investment earnings in accordance with this act for the
7 performance of such duties as may be required.

8 SECTION 3. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 4203 of Title 62, unless there
10 is created a duplication in numbering, reads as follows:

11 A. Investment earnings shall consist of interest, dividends and
12 realized capital gains to the extent applicable.

13 B. Until such time as the ten-year moving average of total
14 investment earnings for the previous fiscal year shall equal the
15 ten-year moving average of the collections from the gross production
16 tax derived from the levy imposed by Section 1001 of Title 68 of the
17 Oklahoma Statutes, ninety percent (90%) of the total investment
18 earnings from the investment of the Oklahoma Legacy Fund shall be
19 reinvested into the corpus of the Oklahoma Legacy Fund. Two percent
20 (2%) may be used by the Office of the State Treasurer for the
21 purpose of managing the Oklahoma Legacy Fund and its investments.
22 Eight percent (8%) of the investment earnings from the Oklahoma
23 Legacy Fund shall be transferred to the credit of the Common Schools
24 Legacy Fund.

1 SECTION 4. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 4204 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 A. There is hereby created a subfund of the Oklahoma Legacy
5 Fund to be known and designated as the "Common Schools Legacy Fund".
6 The fund shall be a continuing fund, not subject to fiscal year
7 limitations.

8 B. The Common Schools Legacy Fund shall consist of:

9 1. All monies which would otherwise be apportioned to the
10 Common Education Technology Fund, or pending adjustment to
11 apportionments; and

12 2. Any amounts appropriated by the Legislature.

13 C. Until such time as the five-year moving average of total
14 investment earnings from the Common Schools Legacy Fund shall equal
15 the five-year moving average of deposits from the apportionment of
16 revenues from the gross production tax pursuant to this section,
17 ninety percent (90%) of the investment earnings shall be deposited
18 to the credit of the Common Schools Legacy Fund and be reinvested,
19 and ten percent (10%) of the investment earnings shall be
20 transferred to the State Department of Education for appropriation
21 through the State Aid Formula to common schools.

22 D. At such time that the five-year moving average of investment
23 earnings from the Common Schools Legacy Fund shall equal the five-
24 year moving average of deposits to the Common School Legacy Fund

1 from the gross production tax, ninety-five percent (95%) of the
2 investment earnings shall be made available for apportionment to the
3 common schools of the state for allocation through the State Aid
4 Formula by the State Department of Education and five percent (5%)
5 of the investment earnings shall be reinvested into the balance of
6 the Oklahoma Legacy Fund.

7 SECTION 5. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 4205 of Title 62, unless there
9 is created a duplication in numbering, reads as follows:

10 A. There is hereby created a subfund of the Oklahoma Legacy
11 Fund to be known and designated as the "Higher Education Legacy
12 Fund". The fund shall be a continuing fund, not subject to fiscal
13 year limitations.

14 B. The Higher Education Legacy Fund shall consist of:

15 1. All monies which would otherwise be apportioned to the
16 Higher Education Capital Revolving Fund and the Oklahoma Student Aid
17 Revolving Fund; and

18 2. Any amounts appropriated by the Legislature.

19 C. Until such time as the five-year moving average of total
20 investment earnings from the Higher Education Legacy Fund shall
21 equal the five-year moving average of deposits from the
22 apportionment of revenues from the gross production tax pursuant to
23 this section, eighty-five percent (85%) of the investment earnings
24 shall be deposited to the credit of the Higher Education Legacy Fund

1 and be reinvested. Five percent (5%) of the investment earnings
2 shall be transferred to the Higher Education Research and
3 Development Fund and ten percent (10%) of the investment earnings
4 shall be transferred to the State Regents for Higher Education for
5 apportionment to the universities and colleges of the State of
6 Oklahoma.

7 D. At such time that the five-year moving average of investment
8 earnings from the Higher Education Legacy Fund shall equal the five-
9 year moving average of deposits to the Higher Education Legacy Fund
10 from the gross production tax, forty percent (40%) of the investment
11 earnings shall be transferred to the Higher Education Research and
12 Development Fund, fifty percent (50%) of the investment earnings
13 shall be transferred to the colleges and universities of the state
14 for tuition assistance grants and five percent (5%) of the
15 investment earnings shall be reinvested into the balance of the
16 Higher Education Legacy Fund.

17 SECTION 6. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 4206 of Title 62, unless there
19 is created a duplication in numbering, reads as follows:

20 The State Auditor and Inspector shall conduct an audit every two
21 (2) years of the Oklahoma Legacy Fund, its subaccounts, and all
22 expenditures which are otherwise derived from the Oklahoma Legacy
23 Fund and report any findings to the Governor, the Legislature, and
24 make any documents pertaining to the audit publicly accessible.

1 SECTION 7. AMENDATORY 68 O.S. 2011, Section 1004, as
2 last amended by Section 4, Chapter 337, O.S.L. 2016 (68 O.S. Supp.
3 2016, Section 1004), is amended to read as follows:

4 Section 1004. A. As used in this section:

5 1. "Moving five-year average amount for gas" means, for
6 purposes of the apportionments prescribed by this section, the
7 amount of gross production tax on natural gas collected for each of
8 the five (5) complete fiscal years, as computed by the State Board
9 of Equalization pursuant to Section 2 34.102 of ~~this act~~ Title 62 of
10 the Oklahoma Statutes; and

11 2. "Moving five-year average amount for oil" means, for
12 purposes of the apportionments prescribed by this section, the
13 amount of gross production tax on oil collected for each of the five
14 (5) complete fiscal years, as computed by the State Board of
15 Equalization pursuant to Section 2 34.102 of ~~this act~~ Title 62 of
16 the Oklahoma Statutes.

17 B. Beginning July 1, 2017, the gross production tax provided
18 for in Section 1001 of this title is hereby levied and shall be
19 collected and apportioned as follows:

20 1. For all monies collected from the tax levied on asphalt or
21 ores bearing uranium, lead, zinc, jack, gold, silver or copper:
22 a. eighty-five and seventy-two one-hundredths percent
23 (85.72%) shall be paid to the State Treasurer of the
24 state to be placed in the General Revenue Fund of the

1 state and used for the general expense of state
2 government, to be paid out pursuant to direct
3 appropriation by the Legislature,

4 b. seven and fourteen one-hundredths percent (7.14%) of
5 the sum collected from natural gas and/or casinghead
6 gas or asphalt or ores bearing uranium, lead, zinc,
7 jack, gold, silver or copper shall be paid to the
8 various county treasurers to be credited to the County
9 Highway Fund as follows: Each county shall receive a
10 proportionate share of the funds available based upon
11 the proportion of the total value of production from
12 such county in the corresponding month of the
13 preceding year, and

14 c. seven and fourteen one-hundredths percent (7.14%)
15 shall be allocated to each county as provided for in
16 subparagraph b of this paragraph and shall be
17 apportioned, on an average daily attendance per capita
18 distribution basis, as certified by the State
19 Superintendent of Public Instruction to the school
20 districts of the county where such pupils attend
21 school regardless of residence of such pupil, provided
22 the school district makes an ad valorem tax levy of
23 fifteen (15) mills for the current year and maintains
24 twelve (12) years of instruction;

1 2. For all monies collected from the tax levied on natural gas
2 and/or casinghead gas at a tax rate of seven percent (7%) pursuant
3 to the provisions of subsection B of Section 1001 of this title:

4 a. for the fiscal year beginning July 1, 2019, and for
5 each fiscal year thereafter, prior to any other
6 apportionment that would otherwise be made to the
7 General Revenue Fund pursuant to the provisions of
8 this section, there shall be apportioned twenty
9 percent (20%) of such revenues to the Oklahoma Legacy
10 Fund created pursuant to Section 2 of this act,

11 b. after the total revenue apportioned to the General
12 Revenue Fund as prescribed by subparagraph ~~b~~ c of this
13 paragraph equals the moving five-year average amount
14 for gas as defined by paragraph 1 of subsection A of
15 this section, there shall be apportioned from the
16 gross production tax levy imposed pursuant to Section
17 1001 of this title on natural gas and/or casinghead
18 gas to the Revenue Stabilization Fund created by
19 Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the Oklahoma
20 Statutes, the amount of revenue, if any, which exceeds
21 the moving five-year average amount for gas as defined
22 pursuant to paragraph 1 of subsection A of this
23 section,

1 ~~b.~~ c. until the apportionment to the General Revenue Fund
2 equals the moving five-year average amount for gas as
3 prescribed by paragraph 1 of subsection A of this
4 section, eighty-five and seventy-two one-hundredths
5 percent (85.72%) shall be paid to the State Treasurer
6 of the state to be placed in the General Revenue Fund
7 of the state and used for the general expense of state
8 government, to be paid out pursuant to direct
9 appropriation by the Legislature,

10 ~~e.~~ d. before any other apportionment of revenue has been
11 made pursuant to this paragraph, seven and fourteen
12 one-hundredths percent (7.14%) of the sum collected
13 from natural gas and/or casinghead gas shall be paid
14 to the various county treasurers to be credited to the
15 County Highway Fund as follows: Each county shall
16 receive a proportionate share of the funds available
17 based upon the proportion of the total value of
18 production from such county in the corresponding month
19 of the preceding year, and

20 ~~d.~~ e. before any other apportionment of revenue has been
21 made pursuant to this paragraph, seven and fourteen
22 one-hundredths percent (7.14%) shall be allocated to
23 each county as provided for in subparagraph ~~e~~ d of
24 this paragraph and shall be apportioned, on an average

1 daily attendance per capita distribution basis, as
2 certified by the State Superintendent of Public
3 Instruction to the school districts of the county
4 where such pupils attend school regardless of
5 residence of such pupil, provided the school district
6 makes an ad valorem tax levy of fifteen (15) mills for
7 the current year and maintains twelve (12) years of
8 instruction;

9 3. For all monies collected from the tax levied on natural gas
10 and/or casinghead gas at a tax rate of four percent (4%) pursuant to
11 the provisions of subsection B of Section 1001 of this title:

12 a. for the fiscal year beginning July 1, 2019, and for
13 each fiscal year thereafter, prior to any other
14 apportionment that would otherwise be made to the
15 General Revenue Fund pursuant to the provisions of
16 this section, there shall be apportioned twenty
17 percent (20%) of such revenues to the Oklahoma Legacy
18 Fund created pursuant to Section 2 of this act,

19 b. after the total revenue apportioned to the General
20 Revenue Fund as prescribed by subparagraph ~~b~~ c of this
21 paragraph equals the moving five-year average amount
22 for gas as defined by paragraph 1 of subsection A of
23 this section, there shall be apportioned from the
24 gross production tax levy imposed pursuant to Section

1 1001 of this title on natural gas and/or casinghead
2 gas to the Revenue Stabilization Fund created pursuant
3 to Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the
4 Oklahoma Statutes, the amount of revenue, if any,
5 which exceeds the moving five-year average amount for
6 gas as defined pursuant to paragraph 1 of subsection A
7 of this section,

8 ~~b.~~ c. until the apportionment to the General Revenue Fund
9 equals the moving five-year average amount for gas as
10 prescribed by paragraph 1 of subsection A of this
11 section, seventy-five percent (75%) shall be paid to
12 the State Treasurer of the state to be placed in the
13 General Revenue Fund of the state and used for the
14 general expense of state government, to be paid out
15 pursuant to direct appropriation by the Legislature,

16 ~~e.~~ d. before any other apportionment of revenue has been
17 made pursuant to this paragraph, twelve and one-half
18 percent (12.5%) of the sum collected from natural gas
19 and/or casinghead gas shall be paid to the various
20 county treasurers to be credited to the County Highway
21 Fund as follows: Each county shall receive a
22 proportionate share of the funds available based upon
23 the proportion of the total value of production from
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1 such county in the corresponding month of the
2 preceding year, and

3 ~~e.~~ e. before any other apportionment of revenue has been
4 made pursuant to this paragraph, twelve and one-half
5 percent (12.5%) shall be allocated to each county as
6 provided for in subparagraph ~~e~~ d of this paragraph and
7 shall be apportioned, on an average daily attendance
8 per capita distribution basis, as certified by the
9 State Superintendent of Public Instruction to the
10 school districts of the county where such pupils
11 attend school regardless of residence of such pupil,
12 provided the school district makes an ad valorem tax
13 levy of fifteen (15) mills for the current year and
14 maintains twelve (12) years of instruction;

15 4. For all monies collected from the tax levied on natural gas
16 and/or casinghead gas at a tax rate of one percent (1%) pursuant to
17 the provisions of subsection B of Section 1001 of this title:

18 a. fifty percent (50%) of the sum collected from natural
19 gas and/or casinghead gas shall be paid to the various
20 county treasurers to be credited to the County Highway
21 Fund as follows: Each county shall receive a
22 proportionate share of the funds available based upon
23 the proportion of the total value of production from
24

1 such county in the corresponding month of the
2 preceding year, and

- 3 b. fifty percent (50%) shall be allocated to each county
4 as provided for in subparagraph a of this paragraph
5 and shall be apportioned, on an average daily
6 attendance per capita distribution basis, as certified
7 by the State Superintendent of Public Instruction to
8 the school districts of the county where such pupils
9 attend school regardless of residence of such pupil,
10 provided the school district makes an ad valorem tax
11 levy of fifteen (15) mills for the current year and
12 maintains twelve (12) years of instruction;

13 5. For all monies collected from the tax levied on natural gas
14 and/or casinghead gas at a tax rate of two percent (2%) pursuant to
15 the provisions of subparagraph c of paragraph 3 of subsection B of
16 Section 1001 of this title:

- 17 a. for the fiscal year beginning July 1, 2019, and for
18 each fiscal year thereafter, prior to any other
19 apportionment that would otherwise be made to the
20 General Revenue Fund pursuant to the provisions of
21 this section, there shall be apportioned twenty
22 percent (20%) of such revenues to the Oklahoma Legacy
23 Fund created pursuant to Section 2 of this act,

1 **b.** after the total revenue apportioned to the General
2 Revenue Fund as prescribed by subparagraph ~~b~~ c of this
3 paragraph equals the moving five-year average amount
4 for gas as defined by paragraph 1 of subsection A of
5 this section, there shall be apportioned from the
6 gross production tax levy imposed pursuant to Section
7 1001 of this title on gas to the Revenue Stabilization
8 Fund created by Section ~~4~~ 34.102 of ~~this act~~ Title 62
9 of the Oklahoma Statutes, the amount of revenue, if
10 any, which exceeds the moving five-year average amount
11 for natural gas and/or casinghead gas as defined
12 pursuant to paragraph 1 of subsection A of this
13 section,

14 ~~b.~~ c. until the apportionment to the General Revenue Fund
15 equals the moving five-year average amount for gas as
16 prescribed by paragraph 1 of subsection A of this
17 section, fifty percent (50%) shall be paid to the
18 State Treasurer to be placed in the General Revenue
19 Fund of the state and used for the general expense of
20 state government, to be paid out pursuant to direct
21 appropriation by the Legislature,

22 ~~e.~~ d. before any other apportionment of revenue has been
23 made pursuant to this paragraph, twenty-five percent
24 (25%) of the sum collected from natural gas and/or

1 casinghead gas shall be paid to the various county
2 treasurers to be credited to the County Highway Fund
3 as follows: Each county shall receive a proportionate
4 share of the funds available based upon the proportion
5 of the total value of production from such county in
6 the corresponding month of the preceding year, and
7 ~~d.~~ e. before any other apportionment of revenue has been
8 made pursuant to this paragraph, twenty-five percent
9 (25%) shall be allocated to each county as provided
10 for in subparagraph ~~e~~ d of this paragraph and shall be
11 apportioned on an average daily attendance per capita
12 distribution basis, as certified by the State
13 Superintendent of Public Instruction, to the school
14 districts of the county where such pupils attend
15 school regardless of residence of such pupil, provided
16 the school district makes an ad valorem tax levy of
17 fifteen (15) mills for the current year and maintains
18 twelve (12) years of instruction;

19 6. For all monies collected from the tax levied on oil at a tax
20 rate of seven percent (7%) pursuant to the provisions of subsection
21 B of Section 1001 of this title:

- 22 a. for the fiscal year beginning July 1, 2019, and for
23 each fiscal year thereafter, prior to any other
24 apportionment that would otherwise be made to the

1 General Revenue Fund pursuant to the provisions of
2 this section, there shall be apportioned twenty
3 percent (20%) of such revenues to the Oklahoma Legacy
4 Fund created pursuant to Section 2 of this act,

5 b. there shall be apportioned from the gross production
6 tax levy imposed pursuant to Section 1001 of this
7 title on oil to the Revenue Stabilization Fund created
8 by Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the
9 Oklahoma Statutes, after the applicable maximum amount
10 prescribed by subsection C of this section has been
11 deposited to the funds therein specified, the amount
12 of revenue, if any, which would otherwise be
13 apportioned to the General Revenue Fund and which
14 exceeds the moving five-year average amount for oil as
15 defined pursuant to paragraph 2 of subsection A of
16 this section,

17 ~~b.~~ c. before any other apportionment of revenue has been
18 made pursuant to this paragraph, twenty-five and
19 seventy-two one-hundredths percent (25.72%) shall be
20 paid to the State Treasurer to be placed in the Common
21 Education Technology Revolving Fund created in Section
22 34.90 of Title 62 of the Oklahoma Statutes,

23 ~~e.~~ d. before any other apportionment of revenue has been
24 made pursuant to this paragraph, twenty-five and

1 seventy-two one-hundredths percent (25.72%) shall be
2 paid to the State Treasurer to be placed in the Higher
3 Education Capital Revolving Fund created in Section
4 34.91 of Title 62 of the Oklahoma Statutes,

5 ~~d.~~ e. before any other apportionment of revenue has been
6 made pursuant to this paragraph, twenty-five and
7 seventy-two one-hundredths percent (25.72%) shall be
8 paid to the State Treasurer to be placed in the
9 Oklahoma Student Aid Revolving Fund created in Section
10 34.92 of Title 62 of the Oklahoma Statutes,

11 ~~e.~~ f. before any other apportionment of revenue has been
12 made pursuant to this paragraph, three and seven
13 hundred forty-five one-thousandths percent (3.745%)
14 shall be distributed to the various counties of the
15 state for deposit into the County Bridge and Road
16 Improvement Fund of each county based on a formula
17 developed by the Department of Transportation and
18 approved by the Department of Transportation County
19 Advisory Board created pursuant to Section 302.1 of
20 Title 69 of the Oklahoma Statutes to be used for the
21 purposes set forth in the County Bridge and Road
22 Improvement Act. The formula shall be similar to the
23 formula currently used for the distribution of monies
24 in the County Bridge Program funds, but shall also

1 take into consideration the effect of the terrain and
2 traffic volume as related to county road improvement
3 and maintenance costs,

4 ~~f.~~ g. before any other apportionment of revenue has been
5 made pursuant to this paragraph, four and twenty-eight
6 one-hundredths percent (4.28%) shall be paid to the
7 State Treasurer to be apportioned to:

8 (1) the following sources and in the following
9 amounts through the fiscal year ending June 30,
10 2019:

11 (a) thirty-three and one-third percent (33 1/3%)
12 to the Oklahoma Tourism and Recreation
13 Department Capital Expenditure Revolving
14 Fund created pursuant to Section 2254.1 of
15 Title 74 of the Oklahoma Statutes,

16 (b) thirty-three and one-third percent (33 1/3%)
17 to the Oklahoma Conservation Commission
18 Infrastructure Revolving Fund created
19 pursuant to Section 3-2-110 of Title 27A of
20 the Oklahoma Statutes, and

21 (c) thirty-three and one-third percent (33 1/3%)
22 to the Community Water Infrastructure
23 Development Revolving Fund created pursuant
24

1 to Section 1085.7A of Title 82 of the
2 Oklahoma Statutes, and

3 (2) the Oklahoma Water Resources Board Rural Economic
4 Action Plan Water Projects Fund for the fiscal
5 year beginning July 1, 2019, and for each fiscal
6 year thereafter,

7 ~~g.~~ h. before any other apportionment of revenue has been
8 made pursuant to this paragraph, seven and fourteen
9 one-hundredths percent (7.14%) of the sum collected
10 from oil shall be paid to the various county
11 treasurers, to be credited to the County Highway Fund
12 as follows: Each county shall receive a proportionate
13 share of the funds available based upon the proportion
14 of the total value of production from such county in
15 the corresponding month of the preceding year,

16 ~~h.~~ i. before any other apportionment of revenue has been
17 made pursuant to this paragraph, seven and fourteen
18 one-hundredths percent (7.14%) shall be allocated to
19 each county as provided in subparagraph ~~g~~ h of this
20 paragraph and shall be apportioned, on an average
21 daily attendance per capita distribution basis, as
22 certified by the State Superintendent of Public
23 Instruction, to the school districts of the county
24 where such pupils attend school regardless of

1 residence of such pupil, provided the school district
2 makes an ad valorem tax levy of fifteen (15) mills for
3 the current year and maintains twelve (12) years of
4 instruction, and

5 ~~i.~~ j. before any other apportionment of revenue has been
6 made pursuant to this paragraph, five hundred thirty-
7 five one-thousandths percent (0.535%) of the levy
8 shall be transmitted by the Oklahoma Tax Commission to
9 the Statewide Circuit Engineering District Revolving
10 Fund as created in Section 687.2 of Title 69 of the
11 Oklahoma Statutes;

12 7. For all monies collected from the tax levied on oil at a tax
13 rate of four percent (4%) pursuant to the provisions of subsection B
14 of Section 1001 of this title:

15 a. for the fiscal year beginning July 1, 2019, and for
16 each fiscal year thereafter, prior to any other
17 apportionment that would otherwise be made to the
18 General Revenue Fund pursuant to the provisions of
19 this section, there shall be apportioned twenty
20 percent (20%) of such revenues to the Oklahoma Legacy
21 Fund created pursuant to Section 2 of this act,

22 b. there shall be apportioned from the gross production
23 tax levy imposed pursuant to Section 1001 of this
24 title on oil to the Revenue Stabilization Fund created

1 by Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the
2 Oklahoma Statutes, after the applicable maximum amount
3 prescribed by subsection C of this section has been
4 deposited to the funds therein specified, the amount
5 of revenue, if any, which would otherwise be
6 apportioned to the General Revenue Fund and which
7 exceeds the moving five-year average amount for oil as
8 defined pursuant to paragraph 2 of subsection A of
9 this section,

10 ~~b.~~ c. before any other apportionment of revenue has been
11 made pursuant to this paragraph, twenty-two and one-
12 half percent (22.5%) shall be paid to the State
13 Treasurer to be placed in the Common Education
14 Technology Revolving Fund created in Section 34.90 of
15 Title 62 of the Oklahoma Statutes,

16 ~~e.~~ d. before any other apportionment of revenue has been
17 made pursuant to this paragraph, twenty-two and one-
18 half percent (22.5%) shall be paid to the State
19 Treasurer to be placed in the Higher Education Capital
20 Revolving Fund created in Section 34.91 of Title 62 of
21 the Oklahoma Statutes,

22 ~~d.~~ e. before any other apportionment of revenue has been
23 made pursuant to this paragraph, twenty-two and one-
24 half percent (22.5%) shall be paid to the State

1 Treasurer to be placed in the Oklahoma Student Aid
2 Revolving Fund created in Section 34.92 of Title 62 of
3 the Oklahoma Statutes,

4 ~~e.~~ f. before any other apportionment of revenue has been
5 made pursuant to this paragraph, three and twenty-
6 eight one-hundredths percent (3.28%) shall be
7 distributed to the various counties of the state for
8 deposit into the County Bridge and Road Improvement
9 Fund of each county based on a formula developed by
10 the Department of Transportation and approved by the
11 Department of Transportation County Advisory Board
12 created pursuant to Section 302.1 of Title 69 of the
13 Oklahoma Statutes to be used for the purposes set
14 forth in the County Bridge and Road Improvement Act.
15 The formula shall be similar to the formula currently
16 used for the distribution of monies in the County
17 Bridge Program funds, but shall also take into
18 consideration the effect of the terrain and traffic
19 volume as related to county road improvement and
20 maintenance costs,

21 ~~f.~~ g. before any other apportionment of revenue has been
22 made pursuant to this paragraph, three and seventy-
23 five one-hundredths percent (3.75%) shall be paid to
24 the State Treasurer to be apportioned to:

1 (1) the following sources and in the following
2 amounts through the fiscal year ending June 30,
3 2019:

4 (a) thirty-three and one-third percent (33 1/3%)
5 to the Oklahoma Tourism and Recreation
6 Department Capital Expenditure Revolving
7 Fund created pursuant to Section 2254.1 of
8 Title 74 of the Oklahoma Statutes,

9 (b) thirty-three and one-third percent (33 1/3%)
10 to the Oklahoma Conservation Commission
11 Infrastructure Revolving Fund created
12 pursuant to Section 3-2-110 of Title 27A of
13 the Oklahoma Statutes, and

14 (c) thirty-three and one-third percent (33 1/3%)
15 to the Community Water Infrastructure
16 Development Revolving Fund created pursuant
17 to Section 1085.7A of Title 82 of the
18 Oklahoma Statutes, and

19 (2) the Oklahoma Water Resources Board Rural Economic
20 Action Plan Water Projects Fund for the fiscal
21 year beginning July 1, 2019, and for each fiscal
22 year thereafter,

23 ~~g.~~ h. before any other apportionment of revenue has been
24 made pursuant to this paragraph, twelve and one-half

1 percent (12.5%) of the sum collected from oil shall be
2 paid to the various county treasurers, to be credited
3 to the County Highway Fund as follows: Each county
4 shall receive a proportionate share of the funds
5 available based upon the proportion of the total value
6 of production from such county in the corresponding
7 month of the preceding year,

8 ~~h.~~ i. before any other apportionment of revenue has been
9 made pursuant to this paragraph, twelve and one-half
10 percent (12.5%) shall be allocated to each county as
11 provided in subparagraph ~~g~~ h of this paragraph and
12 shall be apportioned on an average daily attendance
13 per capita distribution basis, as certified by the
14 State Superintendent of Public Instruction, to the
15 school districts of the county where such pupils
16 attend school regardless of residence of such pupil,
17 provided the school district makes an ad valorem tax
18 levy of fifteen (15) mills for the current year and
19 maintains twelve (12) years of instruction, and

20 ~~i.~~ j. before any other apportionment of revenue has been
21 made pursuant to this paragraph, forty-seven one-
22 hundredths percent (0.47%) of the levy shall be
23 transmitted by the Tax Commission to the Statewide
24

1 Circuit Engineering District Revolving Fund as created
2 in Section 687.2 of Title 69 of the Oklahoma Statutes;

3 8. For all monies collected from the tax levied on oil at a tax
4 rate of one percent (1%) pursuant to the provisions of subsection B
5 of Section 1001 of this title:

6 a. fifty percent (50%) of the sum collected shall be paid
7 to the various county treasurers, to be credited to
8 the County Highway Fund as follows: Each county shall
9 receive a proportionate share of the funds available
10 based upon the proportion of the total value of
11 production from such county in the corresponding month
12 of the preceding year, and

13 b. fifty percent (50%) shall be allocated to each county
14 as provided for in subparagraph a of this paragraph
15 and shall be apportioned on an average daily
16 attendance per capita distribution basis, as certified
17 by the State Superintendent of Public Instruction, to
18 the school districts of the county where such pupils
19 attend school regardless of residence of such pupil,
20 provided the school district makes an ad valorem tax
21 levy of fifteen (15) mills for the current year and
22 maintains twelve (12) years of instruction;

1 9. For all monies collected from the tax levied on oil at a tax
2 rate of two percent (2%) pursuant to the provisions of subparagraph
3 c of paragraph 3 of subsection B of Section 1001 of this title:

4 a. for the fiscal year beginning July 1, 2019, and for
5 each fiscal year thereafter, prior to any other
6 apportionment that would otherwise be made to the
7 General Revenue Fund pursuant to the provisions of
8 this section, there shall be apportioned twenty
9 percent (20%) of such revenues to the Oklahoma Legacy
10 Fund created pursuant to Section 2 of this act,

11 b. there shall be apportioned from the gross production
12 tax levy imposed pursuant to Section 1001 of this
13 title on oil to the Revenue Stabilization Fund created
14 by Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the
15 Oklahoma Statutes, the amount of revenue, if any,
16 which exceeds the moving five-year average amount for
17 oil as defined pursuant to paragraph 2 of subsection A
18 of this section,

19 ~~b.~~ c. until the apportionment to the General Revenue Fund
20 equals the moving five-year average amount for oil as
21 prescribed by paragraph 2 of subsection A of this
22 section, fifty percent (50%) shall be paid to the
23 State Treasurer to be placed in the General Revenue
24 Fund of the state and used for the general expense of

1 state government, to be paid out pursuant to direct
2 appropriation by the Legislature,

3 ~~e.~~ d. before any other apportionment of revenue has been
4 made pursuant to this paragraph, twenty-five percent
5 (25%) of the sum collected from oil shall be paid to
6 the various county treasurers, to be credited to the
7 County Highway Fund as follows: Each county shall
8 receive a proportionate share of the funds available
9 based upon the proportion of the total value of
10 production from such county in the corresponding month
11 of the preceding year, and

12 ~~d.~~ e. before any other apportionment of revenue has been
13 made pursuant to this paragraph, twenty-five percent
14 (25%) shall be allocated to each county as provided in
15 subparagraph ~~e~~ d of this paragraph and shall be
16 apportioned on an average daily attendance per capita
17 distribution basis, as certified by the State
18 Superintendent of Public Instruction, to the school
19 districts of the county where such pupils attend
20 school regardless of residence of such pupil, provided
21 the school district makes an ad valorem tax levy of
22 fifteen (15) mills for the current year and maintains
23 twelve (12) years of instruction.

1 C. Provided, notwithstanding any other provision of this
2 section, the total amounts deposited to the Common Education
3 Technology Revolving Fund, the Higher Education Capital Revolving
4 Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic
5 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation
6 Department Capital Expenditure Revolving Fund, the Oklahoma
7 Conservation Commission Infrastructure Revolving Fund and the
8 Community Water Infrastructure Development Revolving Fund pursuant
9 to paragraphs 6 and 7 of subsection B of this section shall not
10 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any
11 fiscal year. Except as otherwise provided in this subsection, all
12 sums in excess of One Hundred Fifty Million Dollars
13 (\$150,000,000.00) in any fiscal year which would otherwise be
14 deposited in such funds shall be apportioned by the Oklahoma Tax
15 Commission to the General Revenue Fund of the state.

16 SECTION 8. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 34.105 of Title 62, unless there
18 is created a duplication in numbering, reads as follows:

19 A. The provisions of this act shall not be operative until the
20 first July 1 date immediately following an annual determination, to
21 be made by the Office of Management and Enterprise Services and
22 reported to the Governor, the Speaker of the Oklahoma House of
23 Representatives and the President Pro Tempore of the Oklahoma State
24 Senate, not later than April 15 or the first business day following

1 such date, that the total collections for the General Revenue Fund
2 of the state for the fiscal year ending on the June 30 date
3 immediately preceding the April 15 date upon which the determination
4 has been reported, were equal to or in excess of the total
5 collections to the General Revenue Fund for the fiscal year ending
6 June 30, 2014, as certified by the State Board of Equalization at
7 its December 2014 meeting.

8 B. The provisions of this act shall be operative for any fiscal
9 year beginning July 1 if the revenue conditions described by
10 subsection A of this section are fulfilled as reported by the Office
11 of Management and Enterprise Services.

12 C. The provisions of this act shall not be operative as law for
13 any fiscal year beginning July 1 if the revenue conditions described
14 by subsection A of this section are not fulfilled as reported by the
15 Office of Management and Enterprise Services.

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

17
18 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
19 03/02/2017 - DO PASS, As Amended and Coauthored.
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