

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. 1846

By: Osborn (Leslie) of the  
House

and

Smalley of the Senate

7  
8  
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10                                   COMMITTEE SUBSTITUTE

11                   An Act relating to revenue and taxation; amending 68  
12                   O.S. 2011, Section 1004, as last amended by Section  
13                   4, Chapter 337, O.S.L. 2016 (68 O.S. Supp. 2016,  
14                   Section 1004), which relates to the apportionment of  
15                   gross production tax collections; modifying  
16                   destination of certain allocations; creating the  
17                   Gross Production Support for Education Fund;  
18                   exempting fund from certain budgetary limitations;  
19                   identifying revenue source for fund; declaring funds  
20                   appropriated; requiring legislative authorization;  
21                   prohibiting supplantation of other funding; requiring  
22                   certain methodology for apportionment of funds  
23                   appropriated from fund; defining term; providing for  
24                   codification; providing an effective date; and  
                  declaring an emergency

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

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

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

2 1. "Moving five-year average amount for gas" means, for  
3 purposes of the apportionments prescribed by this section, the  
4 amount of gross production tax on natural gas collected for each of  
5 the five (5) complete fiscal years, as computed by the State Board  
6 of Equalization pursuant to Section ~~2~~ 34.103 of ~~this act~~ Title 62 of  
7 the Oklahoma Statutes; and

8 2. "Moving five-year average amount for oil" means, for  
9 purposes of the apportionments prescribed by this section, the  
10 amount of gross production tax on oil collected for each of the five  
11 (5) complete fiscal years, as computed by the State Board of  
12 Equalization pursuant to Section ~~2~~ 34.103 of ~~this act~~ Title 62 of  
13 the Oklahoma Statutes.

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

17 1. For all monies collected from the tax levied on asphalt or  
18 ores bearing uranium, lead, zinc, jack, gold, silver or copper:

- 19 a. eighty-five and seventy-two one-hundredths percent  
20 (85.72%) shall be paid to the State Treasurer of the  
21 state to be placed in the General Revenue Fund of the  
22 state and used for the general expense of state  
23 government, to be paid out pursuant to direct  
24 appropriation by the Legislature,

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

11           c.    seven and fourteen one-hundredths percent (7.14%)  
12                   shall be allocated to ~~each county as provided for in~~  
13                   ~~subparagraph b of this paragraph and shall be~~  
14                   ~~apportioned, on an average daily attendance per capita~~  
15                   ~~distribution basis, as certified by the State~~  
16                   ~~Superintendent of Public Instruction to the school~~  
17                   ~~districts of the county where such pupils attend~~  
18                   ~~school regardless of residence of such pupil, provided~~  
19                   ~~the school district makes an ad valorem tax levy of~~  
20                   ~~fifteen (15) mills for the current year and maintains~~  
21                   ~~twelve (12) years of instruction~~ the Gross Production  
22                   Support for Education Fund created in Section 2 of  
23                   this act;

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

17           b. until the apportionment to the General Revenue Fund  
18 equals the moving five-year average amount for gas as  
19 prescribed by paragraph 1 of subsection A of this  
20 section, eighty-five and seventy-two one-hundredths  
21 percent (85.72%) shall be paid to the State Treasurer  
22 of the state to be placed in the General Revenue Fund  
23 of the state and used for the general expense of state  
24

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

3 c. before any other apportionment of revenue has been  
4 made pursuant to this paragraph, seven and fourteen  
5 one-hundredths percent (7.14%) of the sum collected  
6 from natural gas and/or casinghead gas shall be paid  
7 to the various county treasurers to be credited to the  
8 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 d. before any other apportionment of revenue has been  
14 made pursuant to this paragraph, seven and fourteen  
15 one-hundredths percent (7.14%) shall be allocated to  
16 ~~each county as provided for in subparagraph c of this~~  
17 ~~paragraph and shall be apportioned, on an average~~  
18 ~~daily attendance per capita distribution basis, as~~  
19 ~~certified by the State Superintendent of Public~~  
20 ~~Instruction to the school districts of the county~~  
21 ~~where such pupils attend school regardless of~~  
22 ~~residence of such pupil, provided the school district~~  
23 ~~makes an ad valorem tax levy of fifteen (15) mills for~~  
24 ~~the current year and maintains twelve (12) years of~~

1 ~~instruction~~ the Gross Production Support for Education  
2 Fund created in Section 2 of this act;

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

6 a. after the total revenue apportioned to the General  
7 Revenue Fund as prescribed by subparagraph b of this  
8 paragraph equals the moving five-year average amount  
9 for gas as defined by paragraph 1 of subsection A of  
10 this section, there shall be apportioned from the  
11 gross production tax levy imposed pursuant to Section  
12 1001 of this title on natural gas and/or casinghead  
13 gas to the Revenue Stabilization Fund created pursuant  
14 to 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 gas as defined pursuant to paragraph 1 of subsection A  
18 of this section,

19 b. until the apportionment to the General Revenue Fund  
20 equals the moving five-year average amount for gas as  
21 prescribed by paragraph 1 of subsection A of this  
22 section, seventy-five percent (75%) shall be paid to  
23 the State Treasurer of the state to be placed in the  
24 General Revenue Fund of the state and used for the

1           general expense of state government, to be paid out  
2           pursuant to direct appropriation by the Legislature,  
3       c.     before any other apportionment of revenue has been  
4           made pursuant to this paragraph, twelve and one-half  
5           percent (12.5%) of the sum collected from natural gas  
6           and/or casinghead gas shall be paid to the various  
7           county treasurers to be credited to the County Highway  
8           Fund as follows: Each county shall receive a  
9           proportionate share of the funds available based upon  
10          the proportion of the total value of production from  
11          such county in the corresponding month of the  
12          preceding year, and

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

1                   Production Support for Education Fund created in  
2                   Section 2 of this act;

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

6           a. fifty percent (50%) of the sum collected from natural  
7 gas and/or casinghead gas shall be paid to the various  
8 county treasurers to be credited to the County Highway  
9 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           b. fifty percent (50%) shall be allocated to ~~each county~~  
15 ~~as provided for in subparagraph a of this paragraph~~  
16 ~~and shall be apportioned, on an average daily~~  
17 ~~attendance per capita distribution basis, as certified~~  
18 ~~by the State Superintendent of Public Instruction to~~  
19 ~~the school districts of the county where such pupils~~  
20 ~~attend school regardless of residence of such pupil,~~  
21 ~~provided the school district makes an ad valorem tax~~  
22 ~~levy of fifteen (15) mills for the current year and~~  
23 ~~maintains twelve (12) years of instruction~~ the Gross



1                   Production Support for Education Fund created in  
2                   Section 2 of this act;

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

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

20           b. until the apportionment to the General Revenue Fund  
21 equals the moving five-year average amount for gas as  
22 prescribed by paragraph 1 of subsection A of this  
23 section, fifty percent (50%) shall be paid to the  
24 State Treasurer to be placed in the General Revenue

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

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

13 d. before any other apportionment of revenue has been  
14 made pursuant to this paragraph, twenty-five percent  
15 (25%) shall be allocated to ~~each county as provided~~  
16 ~~for in subparagraph c 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~~ the Gross Production

1                   Support for Education Fund created in Section 2 of  
2                   this act;

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

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

18           b. before any other apportionment of revenue has been  
19 made pursuant to this paragraph, twenty-five and  
20 seventy-two one-hundredths percent (25.72%) shall be  
21 paid to the State Treasurer to be placed in the Common  
22 Education Technology Revolving Fund created in Section  
23 34.90 of Title 62 of the Oklahoma Statutes,  
24

- 1 c. before any other apportionment of revenue has been  
2 made pursuant to this paragraph, twenty-five and  
3 seventy-two one-hundredths percent (25.72%) shall be  
4 paid to the State Treasurer to be placed in the Higher  
5 Education Capital Revolving Fund created in Section  
6 34.91 of Title 62 of the Oklahoma Statutes,
- 7 d. before any other apportionment of revenue has been  
8 made pursuant to this paragraph, twenty-five and  
9 seventy-two one-hundredths percent (25.72%) shall be  
10 paid to the State Treasurer to be placed in the  
11 Oklahoma Student Aid Revolving Fund created in Section  
12 34.92 of Title 62 of the Oklahoma Statutes,
- 13 e. before any other apportionment of revenue has been  
14 made pursuant to this paragraph, three and seven  
15 hundred forty-five one-thousandths percent (3.745%)  
16 shall be distributed to the various counties of the  
17 state for deposit into the County Bridge and Road  
18 Improvement Fund of each county based on a formula  
19 developed by the Department of Transportation and  
20 approved by the Department of Transportation County  
21 Advisory Board created pursuant to Section 302.1 of  
22 Title 69 of the Oklahoma Statutes to be used for the  
23 purposes set forth in the County Bridge and Road  
24 Improvement Act. The formula shall be similar to the

1 formula currently used for the distribution of monies  
2 in the County Bridge Program funds, but shall also  
3 take into consideration the effect of the terrain and  
4 traffic volume as related to county road improvement  
5 and maintenance costs,

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

10 (1) the following sources and in the following  
11 amounts through the fiscal year ending June 30,  
12 2019:

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

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

23 (c) thirty-three and one-third percent (33 1/3%)  
24 to the Community Water Infrastructure

1 Development Revolving Fund created pursuant  
2 to Section 1085.7A of Title 82 of the  
3 Oklahoma Statutes, and

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

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

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

1           ~~where such pupils attend school regardless of~~  
2           ~~residence of such pupil, provided the school district~~  
3           ~~makes an ad valorem tax levy of fifteen (15) mills for~~  
4           ~~the current year and maintains twelve (12) years of~~  
5           ~~instruction~~ the Gross Production Support for Education  
6           Fund created in Section 2 of this act, and

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

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

- 17          a. there shall be apportioned from the gross production  
18          tax levy imposed pursuant to Section 1001 of this  
19          title on oil to the Revenue Stabilization Fund created  
20          by Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the  
21          Oklahoma Statutes, after the applicable maximum amount  
22          prescribed by subsection C of this section has been  
23          deposited to the funds therein specified, the amount  
24          of revenue, if any, which would otherwise be

1 apporportioned to the General Revenue Fund and which  
2 exceeds the moving five-year average amount for oil as  
3 defined pursuant to paragraph 2 of subsection A of  
4 this section,

5 b. before any other apporportionment of revenue has been  
6 made pursuant to this paragraph, twenty-two and one-  
7 half percent (22.5%) shall be paid to the State  
8 Treasurer to be placed in the Common Education  
9 Technology Revolving Fund created in Section 34.90 of  
10 Title 62 of the Oklahoma Statutes,

11 c. before any other apporportionment of revenue has been  
12 made pursuant to this paragraph, twenty-two and one-  
13 half percent (22.5%) shall be paid to the State  
14 Treasurer to be placed in the Higher Education Capital  
15 Revolving Fund created in Section 34.91 of Title 62 of  
16 the Oklahoma Statutes,

17 d. before any other apporportionment of revenue has been  
18 made pursuant to this paragraph, twenty-two and one-  
19 half percent (22.5%) shall be paid to the State  
20 Treasurer to be placed in the Oklahoma Student Aid  
21 Revolving Fund created in Section 34.92 of Title 62 of  
22 the Oklahoma Statutes,

23 e. before any other apporportionment of revenue has been  
24 made pursuant to this paragraph, three and twenty-



1 eight one-hundredths percent (3.28%) shall be  
2 distributed to the various counties of the state for  
3 deposit into the County Bridge and Road Improvement  
4 Fund of each county based on a formula developed by  
5 the Department of Transportation and approved by the  
6 Department of Transportation County Advisory Board  
7 created pursuant to Section 302.1 of Title 69 of the  
8 Oklahoma Statutes to be used for the purposes set  
9 forth in the County Bridge and Road Improvement Act.  
10 The formula shall be similar to the formula currently  
11 used for the distribution of monies in the County  
12 Bridge Program funds, but shall also take into  
13 consideration the effect of the terrain and traffic  
14 volume as related to county road improvement and  
15 maintenance costs,

16 f. before any other apportionment of revenue has been  
17 made pursuant to this paragraph, three and seventy-  
18 five one-hundredths percent (3.75%) shall be paid to  
19 the State Treasurer to be apportioned to:

20 (1) the following sources and in the following  
21 amounts through the fiscal year ending June 30,  
22 2019:

23 (a) thirty-three and one-third percent (33 1/3%)  
24 to the Oklahoma Tourism and Recreation

1 Department Capital Expenditure Revolving  
2 Fund created pursuant to Section 2254.1 of  
3 Title 74 of the Oklahoma Statutes,

4 (b) thirty-three and one-third percent (33 1/3%)  
5 to the Oklahoma Conservation Commission  
6 Infrastructure Revolving Fund created  
7 pursuant to Section 3-2-110 of Title 27A of  
8 the Oklahoma Statutes, and

9 (c) thirty-three and one-third percent (33 1/3%)  
10 to the Community Water Infrastructure  
11 Development Revolving Fund created pursuant  
12 to Section 1085.7A of Title 82 of the  
13 Oklahoma Statutes, and

14 (2) the Oklahoma Water Resources Board Rural Economic  
15 Action Plan Water Projects Fund for the fiscal  
16 year beginning July 1, 2019, and for each fiscal  
17 year thereafter,

18 g. before any other apportionment of revenue has been  
19 made pursuant to this paragraph, twelve and one-half  
20 percent (12.5%) of the sum collected from oil shall be  
21 paid to the various county treasurers, to be credited  
22 to the County Highway Fund as follows: Each county  
23 shall receive a proportionate share of the funds  
24 available based upon the proportion of the total value

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

3 h. 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 in subparagraph g of this paragraph and shall~~  
7 ~~be apportioned on an average daily attendance per~~  
8 ~~capita distribution basis, as certified by the State~~  
9 ~~Superintendent of Public Instruction, to the school~~  
10 ~~districts of the county where such pupils attend~~  
11 ~~school regardless of residence of such pupil, provided~~  
12 ~~the school district makes an ad valorem tax levy of~~  
13 ~~fifteen (15) mills for the current year and maintains~~  
14 ~~twelve (12) years of instruction~~ the Gross Production  
15 Support for Education Fund created in Section 2 of  
16 this act, and

17 i. before any other apportionment of revenue has been  
18 made pursuant to this paragraph, forty-seven one-  
19 hundredths percent (0.47%) of the levy shall be  
20 transmitted by the Tax Commission to the Statewide  
21 Circuit Engineering District Revolving Fund as created  
22 in Section 687.2 of Title 69 of the Oklahoma Statutes;  
23  
24

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

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

11 b. ~~fifty percent (50%) shall be allocated to each county~~  
12 ~~as provided for in subparagraph a of this paragraph~~  
13 ~~and shall be apportioned on an average daily~~  
14 ~~attendance per capita distribution basis, as certified~~  
15 ~~by the State Superintendent of Public Instruction, to~~  
16 ~~the school districts of the county where such pupils~~  
17 ~~attend school regardless of residence of such pupil,~~  
18 ~~provided the school district makes an ad valorem tax~~  
19 ~~levy of fifteen (15) mills for the current year and~~  
20 ~~maintains twelve (12) years of instruction~~ the Gross  
21 Production Support for Education Fund created in  
22 Section 2 of this act;

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. there shall be apportioned from the gross production  
5 tax levy imposed pursuant to Section 1001 of this  
6 title on oil to the Revenue Stabilization Fund created  
7 by Section ~~±~~ 34.102 of ~~this act~~ Title 62 of the  
8 Oklahoma Statutes, the amount of revenue, if any,  
9 which exceeds the moving five-year average amount for  
10 oil as defined pursuant to paragraph 2 of subsection A  
11 of this section,

12           b. until the apportionment to the General Revenue Fund  
13 equals the moving five-year average amount for oil as  
14 prescribed by paragraph 2 of subsection A of this  
15 section, fifty percent (50%) shall be paid to the  
16 State Treasurer to be placed in the General Revenue  
17 Fund of the state and used for the general expense of  
18 state government, to be paid out pursuant to direct  
19 appropriation by the Legislature,

20           c. before any other apportionment of revenue has been  
21 made pursuant to this paragraph, twenty-five percent  
22 (25%) of the sum collected from oil shall be paid to  
23 the various county treasurers, to be credited to the  
24 County Highway Fund as follows: Each county shall

1 receive a proportionate share of the funds available  
2 based upon the proportion of the total value of  
3 production from such county in the corresponding month  
4 of the preceding year, and

5 d. before any other apportionment of revenue has been  
6 made pursuant to this paragraph, twenty-five percent  
7 (25%) shall be allocated to ~~each county as provided in~~  
8 ~~subparagraph e of this paragraph and shall be~~  
9 ~~apportioned on an average daily attendance per capita~~  
10 ~~distribution basis, as certified by the State~~  
11 ~~Superintendent of Public Instruction, to the school~~  
12 ~~districts of the county where such pupils attend~~  
13 ~~school regardless of residence of such pupil, provided~~  
14 ~~the school district makes an ad valorem tax levy of~~  
15 ~~fifteen (15) mills for the current year and maintains~~  
16 ~~twelve (12) years of instruction~~ the Gross Production  
17 Support for Education Fund created in Section 2 of  
18 this act.

19 C. Provided, notwithstanding any other provision of this  
20 section, the total amounts deposited to the Common Education  
21 Technology Revolving Fund, the Higher Education Capital Revolving  
22 Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic  
23 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation  
24 Department Capital Expenditure Revolving Fund, the Oklahoma

1 Conservation Commission Infrastructure Revolving Fund and the  
2 Community Water Infrastructure Development Revolving Fund pursuant  
3 to paragraphs 6 and 7 of subsection B of this section shall not  
4 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any  
5 fiscal year. Except as otherwise provided in this subsection, all  
6 sums in excess of One Hundred Fifty Million Dollars  
7 (\$150,000,000.00) in any fiscal year which would otherwise be  
8 deposited in such funds shall be apportioned by the Oklahoma Tax  
9 Commission to the General Revenue Fund of the state.

10 SECTION 2. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 34.97 of Title 62, unless there  
12 is created a duplication in numbering, reads as follows:

13 A. There is hereby created a fund to be known as the "Gross  
14 Production Support for Education Fund". The fund shall be a  
15 continuing fund, not subject to fiscal year limitations, and shall  
16 consist of the funds apportioned to the Fund by Section 1004 of  
17 Title 68 of the Oklahoma Statutes and any monies designated to the  
18 Fund by law. All monies accruing to the credit of the Fund are  
19 hereby appropriated and may be budgeted and expended by the State  
20 Board of Education as authorized by the Oklahoma Legislature and in  
21 compliance with the provisions of subsections B, C and D of this  
22 section.

23 B. Monies in the Gross Production Support for Education Fund  
24 shall only be expended for kindergarten through twelfth-grade public

1 education, including but not limited to compensation and benefits  
2 for public school teachers and support employees.

3 C. The Legislature shall authorize funds from the Gross  
4 Production Support for Education Fund only for the purposes  
5 specified in subsection B of this section. Even when the funds from  
6 the Fund are used for these purposes, the Legislature shall not use  
7 funds from the Fund to supplant or replace other state funds  
8 supporting common education.

9 D. All funds authorized to the State Board of Education by the  
10 Legislature from the Gross Production Support for Education Fund  
11 shall be apportioned by the State Board of Education in a manner  
12 that:

13 1. Designates a total county amount for allocation to  
14 qualifying school districts within each county a proportional share  
15 of the funds apportioned to the Gross Production Support for  
16 Education Fund by Section 1004 of Title 68 of the Oklahoma Statutes,  
17 based upon the proportion of the total value of production subject  
18 to the gross production tax provided for in Section 1001 of Title 68  
19 of the Oklahoma Statutes from such county in the corresponding month  
20 of the preceding year; and

21 2. Allocates to each qualifying school district within each  
22 county a proportional share of the applicable total county amount,  
23 designated pursuant to paragraph 1 of this subsection, on an average  
24 daily attendance per capita basis of each qualifying school district



1 within the county where such pupils attend school regardless of  
2 residence of such pupil, as certified by the State Superintendent of  
3 Public Instruction.

4 E. For purposes of this section, the term "qualifying school  
5 district" means a school district that makes an ad valorem tax levy  
6 of fifteen (15) mills for the current year and maintains twelve (12)  
7 years of instruction.

8 SECTION 3. This act shall become effective July 1, 2017.

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

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14 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
15 02/21/2017 - DO PASS, As Amended and Coauthored.

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