

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 1846

6 By: Osborn (Leslie)

7 COMMITTEE SUBSTITUTE

8 An Act relating to revenue and taxation; amending 68
9 O.S. 2011, Section 1004, as last amended by Section
10 4, Chapter 337, O.S.L. 2016 (68 O.S. Supp. 2016,
11 Section 1004), which relates to the apportionment of
12 gross production tax collections; modifying
13 destination of certain allocations; creating the
14 Gross Production Support for Education Fund;
15 exempting fund from certain budgetary limitations;
16 identifying revenue source for fund; declaring funds
17 appropriated; requiring legislative authorization;
18 prohibiting supplantation of other funding; requiring
19 certain methodology for apportionment of funds
20 appropriated from fund; defining term; providing for
21 codification; providing an effective date; and
22 declaring an emergency

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

24 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:

Section 1004. A. As used in this section:

1. "Moving five-year average amount for gas" means, for
purposes of the apportionments prescribed by this section, the

1 amount of gross production tax on natural gas collected for each of
2 the five (5) complete fiscal years, as computed by the State Board
3 of Equalization pursuant to Section ~~2~~ 34.103 of ~~this act~~ Title 62 of
4 the Oklahoma Statutes; and

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

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

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

16 a. eighty-five and seventy-two one-hundredths percent
17 (85.72%) shall be paid to the State Treasurer of the
18 state to be placed in the General Revenue Fund of the
19 state and used for the general expense of state
20 government, to be paid out pursuant to direct
21 appropriation by the Legislature,

22 b. seven and fourteen one-hundredths percent (7.14%) of
23 the sum collected from natural gas and/or casinghead
24 gas or asphalt or ores bearing uranium, lead, zinc,

1 jack, gold, silver or copper shall be paid to the
2 various county treasurers to be credited to the County
3 Highway Fund as follows: Each county shall receive a
4 proportionate share of the funds available based upon
5 the proportion of the total value of production from
6 such county in the corresponding month of the
7 preceding year, and

8 c. seven and fourteen one-hundredths percent (7.14%)
9 shall be allocated to ~~each county as provided for in~~
10 ~~subparagraph b 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~~ the Gross Production
19 Support for Education Fund created in Section 2 of
20 this act;

21 2. For all monies collected from the tax levied on natural gas
22 and/or casinghead gas at a tax rate of seven percent (7%) pursuant
23 to the provisions of subsection B of Section 1001 of this title:
24

- 1 a. after the total revenue apportioned to the General
2 Revenue Fund as prescribed by subparagraph b 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 natural gas and/or casinghead
8 gas to the Revenue Stabilization Fund created by
9 Section ~~±~~ 34.102 of ~~this act~~ Title 62 of the Oklahoma
10 Statutes, the amount of revenue, if any, which exceeds
11 the moving five-year average amount for gas as defined
12 pursuant to paragraph 1 of subsection A of this
13 section,
- 14 b. 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, eighty-five and seventy-two one-hundredths
18 percent (85.72%) shall be paid to the State Treasurer
19 of the state to be placed in the General Revenue Fund
20 of the state and used for the general expense of state
21 government, to be paid out pursuant to direct
22 appropriation by the Legislature,
- 23 c. before any other apportionment of revenue has been
24 made pursuant to this paragraph, seven and fourteen

1 one-hundredths percent (7.14%) of the sum collected
2 from natural gas and/or casinghead gas shall be paid
3 to the various county treasurers to be credited to the
4 County Highway Fund as follows: Each county shall
5 receive a proportionate share of the funds available
6 based upon the proportion of the total value of
7 production from such county in the corresponding month
8 of the preceding year, and

9 d. before any other apportionment of revenue has been
10 made pursuant to this paragraph, seven and fourteen
11 one-hundredths percent (7.14%) shall be allocated to
12 ~~each county as provided for in subparagraph c of this~~
13 ~~paragraph and shall be apportioned, on an average~~
14 ~~daily attendance per capita distribution basis, as~~
15 ~~certified by the State Superintendent of Public~~
16 ~~Instruction to the school districts of the county~~
17 ~~where such pupils attend school regardless of~~
18 ~~residence of such pupil, provided the school district~~
19 ~~makes an ad valorem tax levy of fifteen (15) mills for~~
20 ~~the current year and maintains twelve (12) years of~~
21 ~~instruction~~ the Gross Production Support for Education
22 Fund created in Section 2 of this act;
23
24

1 3. For all monies collected from the tax levied on natural gas
2 and/or casinghead gas at a tax rate of four percent (4%) pursuant to
3 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 pursuant
12 to Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the
13 Oklahoma Statutes, the amount of revenue, if any,
14 which exceeds the moving five-year average amount for
15 gas as defined pursuant to paragraph 1 of subsection A
16 of this 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, seventy-five percent (75%) shall be paid to
21 the State Treasurer of the state to be placed in the
22 General Revenue Fund of the state and used for the
23 general expense of state government, to be paid out
24 pursuant to direct appropriation by the Legislature,

1 c. before any other apportionment of revenue has been
2 made pursuant to this paragraph, twelve and one-half
3 percent (12.5%) of the sum collected from natural gas
4 and/or casinghead gas shall be paid to the various
5 county treasurers to be credited to the County Highway
6 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 d. before any other apportionment of revenue has been
12 made pursuant to this paragraph, twelve and one-half
13 percent (12.5%) shall be allocated to each county as
14 ~~provided for in subparagraph c of this paragraph and~~
15 ~~shall be apportioned, on an average daily attendance~~
16 ~~per capita distribution basis, as certified by the~~
17 ~~State Superintendent of Public Instruction to the~~
18 ~~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~~ the Gross
23 Production Support for Education Fund created in
24 Section 2 of this act;

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

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

12 b. fifty percent (50%) shall be allocated to ~~each county~~
13 ~~as provided for in subparagraph a of this paragraph~~
14 ~~and shall be apportioned, on an average daily~~
15 ~~attendance per capita distribution basis, as certified~~
16 ~~by the State Superintendent of Public Instruction to~~
17 ~~the school districts of the county where such pupils~~
18 ~~attend school regardless of residence of such pupil,~~
19 ~~provided the school district makes an ad valorem tax~~
20 ~~levy of fifteen (15) mills for the current year and~~
21 ~~maintains twelve (12) years of instruction~~ the Gross
22 Production Support for Education Fund created in
23 Section 2 of this act;
24

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

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

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

1 state 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, twenty-five percent
5 (25%) of the sum collected from natural gas and/or
6 casinghead gas shall be paid to the various county
7 treasurers to be credited to the County Highway Fund
8 as follows: Each county shall receive a proportionate
9 share of the funds available based upon the proportion
10 of the total value of production from such county in
11 the corresponding month of the preceding year, and

12 d. 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~~
15 ~~for in subparagraph c 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~~ 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 apportioned 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 apportionment 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 apportionment 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 apportionment 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 apportionment 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 56-1-7034 JM 02/21/17

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