

1 ENGROSSED HOUSE
2 BILL NO. 1846

By: Osborn (Leslie) of the
House

3 and

4 Smalley of the Senate
5
6

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

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

23 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1004, as
24 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
amount of gross production tax on natural gas collected for each of

1 the five (5) complete fiscal years, as computed by the State Board
2 of Equalization pursuant to Section 2 34.103 of ~~this act~~ Title 62 of
3 the Oklahoma Statutes; and

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

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

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

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

21 b. seven and fourteen one-hundredths percent (7.14%) of
22 the sum collected from natural gas and/or casinghead
23 gas or asphalt or ores bearing uranium, lead, zinc,
24 jack, gold, silver or copper shall be paid to the

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

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

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

23 a. after the total revenue apportioned to the General
24 Revenue Fund as prescribed by subparagraph b of this

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

12 b. until the apportionment to the General Revenue Fund
13 equals the moving five-year average amount for gas as
14 prescribed by paragraph 1 of subsection A of this
15 section, eighty-five and seventy-two one-hundredths
16 percent (85.72%) shall be paid to the State Treasurer
17 of the state to be placed in the General Revenue Fund
18 of the state and used for the general expense of state
19 government, to be paid out pursuant to direct
20 appropriation by the Legislature,

21 c. before any other apportionment of revenue has been
22 made pursuant to this paragraph, seven and fourteen
23 one-hundredths percent (7.14%) of the sum collected
24 from natural gas and/or casinghead gas shall be paid

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

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

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

- 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 pursuant
9 to Section ~~±~~ 34.102 of ~~this act~~ Title 62 of the
10 Oklahoma Statutes, the amount of revenue, if any,
11 which exceeds the moving five-year average amount for
12 gas as defined pursuant to paragraph 1 of subsection A
13 of this 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, seventy-five percent (75%) shall be paid to
18 the State Treasurer of the state to be placed in the
19 General Revenue Fund of the state and used for the
20 general expense of state government, to be paid out
21 pursuant to direct appropriation by the Legislature,
- 22 c. before any other apportionment of revenue has been
23 made pursuant to this paragraph, twelve and one-half
24 percent (12.5%) of the sum collected from natural gas

1 and/or casinghead gas shall be paid to the various
2 county treasurers to be credited to the County Highway
3 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 d. 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 for in subparagraph c 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~~ the Gross
20 Production Support for Education Fund created in
21 Section 2 of this act;

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

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

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

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

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

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

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

19 c. before any other apportionment of revenue has been
20 made pursuant to this paragraph, twenty-five and
21 seventy-two one-hundredths percent (25.72%) shall be
22 paid to the State Treasurer to be placed in the Higher
23 Education Capital Revolving Fund created in Section
24 34.91 of Title 62 of the Oklahoma Statutes,

1 d. 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
5 Oklahoma Student Aid Revolving Fund created in Section
6 34.92 of Title 62 of the Oklahoma Statutes,

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

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

5 (1) the following sources and in the following
6 amounts through the fiscal year ending June 30,
7 2019:

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

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

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

23 (2) the Oklahoma Water Resources Board Rural Economic
24 Action Plan Water Projects Fund for the fiscal

1 year beginning July 1, 2019, and for each fiscal
2 year thereafter,

3 g. 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 oil 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,

12 h. before any other apportionment of revenue has been
13 made pursuant to this paragraph, seven and fourteen
14 one-hundredths percent (7.14%) shall be allocated to
15 ~~each county as provided in subparagraph g of this~~
16 ~~paragraph and shall be apportioned, on an average~~
17 ~~daily attendance per capita distribution basis, as~~
18 ~~certified by the State Superintendent of Public~~
19 ~~Instruction, to the school districts of the county~~
20 ~~where such pupils attend school regardless of~~
21 ~~residence of such pupil, provided the school district~~
22 ~~makes an ad valorem tax levy of fifteen (15) mills for~~
23 ~~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, and

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

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

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

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

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

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

19 e. before any other apportionment of revenue has been
20 made pursuant to this paragraph, three and twenty-
21 eight one-hundredths percent (3.28%) shall be
22 distributed to the various counties of the state for
23 deposit into the County Bridge and Road Improvement
24 Fund of each county based on a formula developed by

1 the Department of Transportation and approved by the
2 Department of Transportation County Advisory Board
3 created pursuant to Section 302.1 of Title 69 of the
4 Oklahoma Statutes to be used for the purposes set
5 forth in the County Bridge and Road Improvement Act.
6 The formula shall be similar to the formula currently
7 used for the distribution of monies in the County
8 Bridge Program funds, but shall also take into
9 consideration the effect of the terrain and traffic
10 volume as related to county road improvement and
11 maintenance costs,

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

16 (1) the following sources and in the following
17 amounts through the fiscal year ending June 30,
18 2019:

19 (a) thirty-three and one-third percent (33 1/3%)
20 to the Oklahoma Tourism and Recreation
21 Department Capital Expenditure Revolving
22 Fund created pursuant to Section 2254.1 of
23 Title 74 of the Oklahoma Statutes,
24

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

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

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

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

1 h. before any other apportionment of revenue has been
2 made pursuant to this paragraph, twelve and one-half
3 percent (12.5%) shall be allocated to ~~each county as~~
4 ~~provided in subparagraph g of this paragraph and shall~~
5 ~~be apportioned on an average daily attendance per~~
6 ~~capita distribution basis, as certified by the State~~
7 ~~Superintendent of Public Instruction, to the school~~
8 ~~districts of the county where such pupils attend~~
9 ~~school regardless of residence of such pupil, provided~~
10 ~~the school district makes an ad valorem tax levy of~~
11 ~~fifteen (15) mills for the current year and maintains~~
12 ~~twelve (12) years of instruction~~ the Gross Production
13 Support for Education Fund created in Section 2 of
14 this act, and

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

21 8. For all monies collected from the tax levied on oil at a tax
22 rate of one percent (1%) pursuant to the provisions of subsection B
23 of Section 1001 of this title:
24

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

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

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

23 a. there shall be apportioned from the gross production
24 tax levy imposed pursuant to Section 1001 of this

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

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

15 c. before any other apportionment of revenue has been
16 made pursuant to this paragraph, twenty-five percent
17 (25%) of the sum collected from oil shall be paid to
18 the various county treasurers, to be credited to the
19 County Highway Fund as follows: Each county shall
20 receive a proportionate share of the funds available
21 based upon the proportion of the total value of
22 production from such county in the corresponding month
23 of the preceding year, and
24

1 d. before any other apportionment of revenue has been
2 made pursuant to this paragraph, twenty-five percent
3 (25%) shall be allocated to ~~each county as provided in~~
4 ~~subparagraph c of this paragraph and shall be~~
5 ~~apportioned on an average daily attendance per capita~~
6 ~~distribution basis, as certified by the State~~
7 ~~Superintendent of Public Instruction, to the school~~
8 ~~districts of the county where such pupils attend~~
9 ~~school regardless of residence of such pupil, provided~~
10 ~~the school district makes an ad valorem tax levy of~~
11 ~~fifteen (15) mills for the current year and maintains~~
12 ~~twelve (12) years of instruction~~ the Gross Production
13 Support for Education Fund created in Section 2 of
14 this act.

15 C. Provided, notwithstanding any other provision of this
16 section, the total amounts deposited to the Common Education
17 Technology Revolving Fund, the Higher Education Capital Revolving
18 Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic
19 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation
20 Department Capital Expenditure Revolving Fund, the Oklahoma
21 Conservation Commission Infrastructure Revolving Fund and the
22 Community Water Infrastructure Development Revolving Fund pursuant
23 to paragraphs 6 and 7 of subsection B of this section shall not
24 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any

1 fiscal year. Except as otherwise provided in this subsection, all
2 sums in excess of One Hundred Fifty Million Dollars
3 (\$150,000,000.00) in any fiscal year which would otherwise be
4 deposited in such funds shall be apportioned by the Oklahoma Tax
5 Commission to the General Revenue Fund of the state.

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

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

19 B. Monies in the Gross Production Support for Education Fund
20 shall only be expended for kindergarten through twelfth-grade public
21 education, including but not limited to compensation and benefits
22 for public school teachers and support employees.

23 C. The Legislature shall authorize funds from the Gross
24 Production Support for Education Fund only for the purposes

1 specified in subsection B of this section. Even when the funds from
2 the Fund are used for these purposes, the Legislature shall not use
3 funds from the Fund to supplant or replace other state funds
4 supporting common education.

5 D. All funds authorized to the State Board of Education by the
6 Legislature from the Gross Production Support for Education Fund
7 shall be apportioned by the State Board of Education in a manner
8 that:

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

17 2. Allocates to each qualifying school district within each
18 county a proportional share of the applicable total county amount,
19 designated pursuant to paragraph 1 of this subsection, on an average
20 daily attendance per capita basis of each qualifying school district
21 within the county where such pupils attend school regardless of
22 residence of such pupil, as certified by the State Superintendent of
23 Public Instruction.

24

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

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

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

10 Passed the House of Representatives the 21st day of March, 2017.

11

12

Presiding Officer of the House
of Representatives

13

14

Passed the Senate the ___ day of _____, 2017.

15

16

17

Presiding Officer of the Senate

18

19

20

21

22

23

24