

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL 2763

By: Montgomery and Sherrer of
the House

and

Holt of the Senate

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9 COMMITTEE SUBSTITUTE

10 [public finance - Revenue Planning and Protection
11 Act of 2016 - Oklahoma Legacy Fund - deposit of
12 earnings - apportionment of tax revenue -
13 noncodification - codification - effective date]
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15 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

16 SECTION 1. NEW LAW A new section of law not to be
17 codified in the Oklahoma Statutes reads as follows:

18 This act shall be known and may be cited as the "Revenue
19 Planning and Protection Act of 2016".

20 SECTION 2. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 49A of Title 62, unless there is
22 created a duplication in numbering, reads as follows:

23 A. There is hereby created in the State Treasury a revolving
24 fund to be known and designated as the "Oklahoma Legacy Fund". The

1 fund shall be a continuing fund, not subject to fiscal year
2 limitations and shall consist of:

3 1. The portion of the revenue derived from the tax levied
4 pursuant to Section 1001 of Title 68 of the Oklahoma Statutes which
5 is determined pursuant to subsection A of Section 2 of this act;

6 2. The portion of the revenue derived from the tax levied
7 pursuant to subsection E of Section 2355 of Title 68 of the Oklahoma
8 Statutes which is determined pursuant to subsection a of Section 2
9 of this act; and

10 3. Any amounts appropriated by the Legislature.

11 B. The Oklahoma Legacy Fund shall be invested in a manner
12 prescribed by the State Treasurer with the primary intent of
13 generating returns, with all investment earnings from the Oklahoma
14 Legacy Fund to accrue to the balance of the fund. For purposes of
15 this section, "earnings" shall include, but not be limited to,
16 interest, dividends and realized capital gains from investment of
17 the Oklahoma Legacy Fund.

18 C. For the fiscal year beginning July 1, 2021, and each year
19 thereafter unless the provisions of subsection D are in effect,
20 Twenty-five percent (25%) of the amount of earnings reported
21 pursuant to subsection B of this section shall be deposited to the
22 credit of the General Revenue Fund.

23 D. For the fiscal year beginning July 1, 2022, and each year
24 thereafter if the amount of total revenue estimated by the State

1 Board of Equalization to have been collected either from the tax
2 levied pursuant to Section 1001 of Title 68 of the Oklahoma Statutes
3 or from the tax levied pursuant to subsection E of Section 2355 of
4 Title 68 of the Oklahoma Statutes shall have fallen for the two (2)
5 previous fiscal years, One hundred percent (100%) of the amount of
6 earnings reported pursuant to subsection B of this section shall be
7 deposited to the credit of the General Revenue Fund.

8 SECTION 3. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 49B of Title 62, unless there is
10 created a duplication in numbering, reads as follows:

11 A. In addition to any other duties prescribed by law, at the
12 meeting required by paragraph 1 of Section 23 of Article X of the
13 Oklahoma Constitution to be held in February of 2017, and each year
14 thereafter, the State Board of Equalization shall certify:

15 1. For the portion of revenue collections derived from the tax
16 levied pursuant to Section 1001 of Title 68 of the Oklahoma
17 Statutes, which would otherwise be apportioned to the General
18 Revenue Fund, the average annual amount of actual revenue
19 apportioned for the previous five (5) fiscal years; and

20 2. For the portion of revenue collections derived from the tax
21 levied pursuant to subsection E of Section 2355 of Title 68 the
22 Oklahoma Statutes, which would otherwise be apportioned to the
23 General Revenue Fund, the average annual amount of actual revenue
24 apportioned for the previous five (5) fiscal years.

1 B. 1. If the amount of revenue available for apportionment for
2 the next ensuing fiscal year exceeds the amounts certified pursuant
3 to either paragraph 1 or 2 of subsection A of this section by more
4 than seven and one-half percent (7.5%) and less than twelve and one-
5 half percent (12.5%), such amount in excess of seven and one-half
6 percent (7.5%) and less than twelve and one-half percent (12.5%)
7 shall not be appropriated in the next ensuing fiscal year and shall
8 be deposited to the credit of the Constitutional Reserve Fund.

9 2. If the amount of revenue available for apportionment for the
10 next ensuing fiscal year exceeds the amounts certified pursuant to
11 either paragraph 1 or 2 of subsection A of this section by twelve
12 and one-half percent (12.5%) or greater, such amount equal to or
13 greater than twelve and one-half percent (12.5%) shall not be
14 appropriated in the next ensuing fiscal year and shall be deposited
15 to the credit of the Oklahoma Legacy Fund.

16 SECTION 4. This act shall become effective November 1, 2016.

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