

1 **SENATE FLOOR VERSION**

2 April 13, 2022

3 ENGROSSED HOUSE
4 BILL NO. 3037

5 By: Boles, Conley, Roe,
6 Crosswhite Hader, Lowe
7 (Dick), Davis, and
8 Patzkowsky of the House

9 and

10 Allen, Paxton, and David of
11 the Senate

12 [cities and towns - apportionment of sales tax
13 revenues - creating the Municipal Road Drilling
14 Activity Revolving Fund - prescribing procedures for
15 applications by certain municipalities - effective
16 date -

17 emergency]

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

19 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1353, is
20 amended to read as follows:

21 Section 1353. A. It is hereby declared to be the purpose of
22 the Oklahoma Sales Tax Code to provide funds for the financing of
23 the program provided for by the Oklahoma Social Security Act and to
24 provide revenues for the support of the functions of the state
government of Oklahoma, and for this purpose it is hereby expressly
provided that, revenues derived pursuant to the provisions of the
Oklahoma Sales Tax Code, subject to the apportionment requirements

1 for the Oklahoma Tax Commission and Office of Management and
2 Enterprise Services Joint Computer Enhancement Fund provided by
3 Section 265 of this title, shall be apportioned as follows:

4 1. Except as provided in subsections C ~~and~~, D, and E of this
5 section, the following amounts shall be paid to the State Treasurer
6 to be placed to the credit of the General Revenue Fund to be paid
7 out pursuant to direct appropriation by the Legislature:

8 Fiscal Year	Amount
9 FY 2003 and FY 2004	86.04%
10 FY 2005	85.83%
11 FY 2006	85.54%
12 FY 2007	85.04%
13 FY 2008 through FY 2022	83.61%
14 FY 2023 through FY 2027	83.36%
15 FY 2028 and each fiscal year thereafter	83.61%;

16 2. The following amounts shall be paid to the State Treasurer
17 to be placed to the credit of the Education Reform Revolving Fund of
18 the State Department of Education:

- 19 a. for FY 2003, FY 2004 and FY 2005, ten and forty-two
20 one-hundredths percent (10.42%),
- 21 b. for FY 2006 through FY 2020, ten and forty-six one-
22 hundredths percent (10.46%),
- 23 c. for FY 2021:

24

1 (1) for the month beginning July 1, 2020, through the
2 month ending August 31, 2020, ten and forty-six
3 one-hundredths percent (10.46%), and

4 (2) for the month beginning September 1, 2020,
5 through the month ending June 30, 2021, eleven
6 and ninety-six one-hundredths percent (11.96%),

7 d. for FY 2022 and each fiscal year thereafter, ten and
8 forty-six one-hundredths percent (10.46%);

9 3. The following amounts shall be paid to the State Treasurer
10 to be placed to the credit of the Teachers' Retirement System
11 Dedicated Revenue Revolving Fund:

12 Fiscal Year	Amount
13 FY 2003 and FY 2004	3.54%
14 FY 2005	3.75%
15 FY 2006	4.0%
16 FY 2007	4.5%
17 FY 2008 through FY 2020	5.0%
18 FY 2021:	

19 a. for the month beginning July
20 1, 2020, through the month
21 ending August 31, 2020 5.0%

22 b. for the month beginning
23 September 1, 2020, through
24

1	the month ending June 30,	
2	2021	3.5%
3	FY 2022	5.0%
4	FY 2023 through FY 2027	5.25%
5	FY 2028 and each fiscal year thereafter	5.0%;

6 4. a. except as otherwise provided in subparagraph b of this
7 paragraph, for the fiscal year beginning July 1, 2015,
8 and for each fiscal year thereafter, eighty-seven one-
9 hundredths percent (0.87%) shall be paid to the State
10 Treasurer to be further apportioned as follows:

11 (1) thirty-six percent (36%) shall be placed to the
12 credit of the Oklahoma Tourism Promotion
13 Revolving Fund, but in no event shall such
14 apportionment exceed Five Million Dollars
15 (\$5,000,000.00) in any fiscal year, and

16 (2) sixty-four percent (64%) shall be placed to the
17 credit of the Oklahoma Tourism Capital
18 Improvement Revolving Fund, but in no event shall
19 such apportionment exceed Nine Million Dollars
20 (\$9,000,000.00) in any fiscal year, and

21 b. any amounts which exceed the limitations of
22 subparagraph a of this paragraph shall be placed to
23 the credit of the General Revenue Fund; and
24

1 5. For the fiscal year beginning July 1, 2015, and for each
2 fiscal year thereafter, six one-hundredths percent (0.06%) shall be
3 placed to the credit of the Oklahoma Historical Society Capital
4 Improvement and Operations Revolving Fund, but in no event shall
5 such apportionment exceed the total amount apportioned pursuant to
6 this paragraph for the fiscal year ending on June 30, 2015. Any
7 amounts which exceed the limitations of this paragraph shall be
8 placed to the credit of the General Revenue Fund.

9 B. Provided, for the fiscal year beginning July 1, 2007, and
10 every fiscal year thereafter, an amount of revenue shall be
11 apportioned to each municipality or county which levies a sales tax
12 subject to the provisions of Section 1357.10 of this title and
13 subsection F of Section 2701 of this title equal to the amount of
14 sales tax revenue of such municipality or county exempted by the
15 provisions of Section 1357.10 of this title and subsection F of
16 Section 2701 of this title. The Oklahoma Tax Commission shall
17 promulgate and adopt rules necessary to implement the provisions of
18 this subsection.

19 C. From the monies that would otherwise be apportioned to the
20 General Revenue Fund pursuant to subsection A of this section, there
21 shall be apportioned the following amounts:

22 1. For the month ending August 31, 2019:

23 a. Nine Million Six Hundred Thousand Dollars

24 (\$9,600,000.00) to the credit of the State Highway

1 Construction and Maintenance Fund created in Section
2 1501 of Title 69 of the Oklahoma Statutes, and
3 b. Two Million Dollars (\$2,000,000.00) to the credit of
4 the Oklahoma Railroad Maintenance Revolving Fund
5 created in Section 309 of Title 66 of the Oklahoma
6 Statutes;

7 2. For the month ending September 30, 2019:

8 a. Twenty Million Dollars (\$20,000,000.00) to the credit
9 of the State Highway Construction and Maintenance Fund
10 created in Section 1501 of Title 69 of the Oklahoma
11 Statutes, and

12 b. Two Million Dollars (\$2,000,000.00) to the credit of
13 the Oklahoma Railroad Maintenance Revolving Fund
14 created in Section 309 of Title 66 of the Oklahoma
15 Statutes;

16 3. For the month ending October 31, 2019:

17 a. Twenty Million Dollars (\$20,000,000.00) to the credit
18 of the State Highway Construction and Maintenance Fund
19 created in Section 1501 of Title 69 of the Oklahoma
20 Statutes, and

21 b. Two Million Dollars (\$2,000,000.00) to the credit of
22 the Oklahoma Railroad Maintenance Revolving Fund
23 created in Section 309 of Title 66 of the Oklahoma
24 Statutes;

1 4. For the month ending November 30, 2019:

2 a. Twenty Million Dollars (\$20,000,000.00) to the credit
3 of the State Highway Construction and Maintenance Fund
4 created in Section 1501 of Title 69 of the Oklahoma
5 Statutes, and

6 b. Two Million Dollars (\$2,000,000.00) to the credit of
7 the Oklahoma Railroad Maintenance Revolving Fund
8 created in Section 309 of Title 66 of the Oklahoma
9 Statutes; and

10 5. For the month ending December 31, 2019:

11 a. Twenty Million Dollars (\$20,000,000.00) to the credit
12 of the State Highway Construction and Maintenance Fund
13 created in Section 1501 of Title 69 of the Oklahoma
14 Statutes, and

15 b. Two Million Dollars (\$2,000,000.00) to the credit of
16 the Oklahoma Railroad Maintenance Revolving Fund
17 created in Section 309 of Title 66 of the Oklahoma
18 Statutes.

19 D. For fiscal year 2023, and each subsequent fiscal year,
20 before any other apportionment otherwise required by this section is
21 made to the General Revenue Fund, there shall be apportioned to the
22 State Public Common School Building Equalization Fund an amount, if
23 any, as required pursuant to Section 3-104 of Title 70 of the
24 Oklahoma Statutes, not to exceed the state sales tax generated by

1 medical marijuana sales in the preceding fiscal year as reported by
2 the Oklahoma Tax Commission.

3 E. For the fiscal year ending June 30, 2023, and for each
4 fiscal year thereafter, after the apportionment required by
5 subsection D of this section, but before any other apportionment to
6 the General Revenue Fund is made, there shall be apportioned to the
7 Municipal Road Drilling Activity Revolving Fund created pursuant to
8 Section 2 of this act the amount of Five Million Dollars
9 (\$5,000,000.00) for use by municipalities to repair roads as
10 prescribed pursuant to the requirements of Section 2 of this act.

11 SECTION 2. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 37-501 of Title 11, unless there
13 is created a duplication in numbering, reads as follows:

14 There is hereby created in the State Treasury a revolving fund
15 for the Oklahoma Department of Transportation to be designated the
16 "Municipal Road Drilling Activity Revolving Fund". The fund shall
17 be a continuing fund, not subject to fiscal year limitations, and
18 shall consist of all monies received by the Oklahoma Department of
19 Transportation from the apportionment of sales tax prescribed by
20 subsection E of Section 1353 of Title 68 of the Oklahoma Statutes.
21 All monies accruing to the credit of said fund are hereby
22 appropriated and may be budgeted and expended by the Oklahoma
23 Department of Transportation for the purposes prescribed by and
24 according to the requirements of Section 3 of this act.

1 Expenditures from said fund shall be made upon warrants issued by
2 the State Treasurer against claims filed as prescribed by law with
3 the Director of the Office of Management and Enterprise Services for
4 approval and payment.

5 SECTION 3. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 37-502 of Title 11, unless there
7 is created a duplication in numbering, reads as follows:

8 A. The monies in the Municipal Road Drilling Activity Revolving
9 Fund shall be allocated by the Oklahoma Department of Transportation
10 only to municipalities having a population of less than fifteen
11 thousand (15,000) persons according to the Federal Decennial Census
12 or most recent population estimate to repair damage to municipal
13 roads caused by or reasonably caused by increased use of such roads
14 resulting from oil or gas drilling activity. The damage may be
15 attributable to traffic associated with exploration and drilling
16 activity, completion of an oil or gas well, production from an oil
17 or gas well, servicing during the period of production, repairs or
18 other necessary activity associated with the drilling or production
19 activity, and other actions necessary for the operation or cessation
20 of drilling or production activities.

21 B. A municipality seeking funds for distribution pursuant to
22 the provisions of Section 2 of this act and this section shall make
23 application to the Oklahoma Department of Transportation on such
24

1 forms as may be prescribed by the Department for such purpose. The
2 initial application shall be filed not later than May 1, 2023.

3 C. A municipality shall be required to provide twenty-five
4 percent (25%) of the total project costs in order to be eligible for
5 distribution of funds from the Municipal Road Drilling Activity
6 Revolving Fund.

7 D. The Department shall review applications in the order in
8 which they are received and shall make distribution of funds based
9 on analysis of considerations of public safety, volume of traffic
10 which contributes to the need for repairs, and such other factors as
11 the Department may determine to be relevant. The initial
12 distribution of funds shall take place not later than October 1,
13 2023.

14 E. If the Department determines that the damage to a road has
15 been caused or reasonably has been caused by increased traffic
16 related to oil and gas drilling or production activity as provided
17 by this section, the Department shall transfer the eligible amount
18 of funds to the municipality for deposit into the municipal general
19 fund or such other public fund as the municipality shall specify in
20 its application.

21 F. Funds distributed pursuant to the provisions of this section
22 shall only be used by a municipality for the repair of roads
23 according to the requirements of this act and shall not be used to
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1 construct a new road unless the damage to an existing road has
2 become extensive enough to require such replacement.

3 SECTION 4. This act shall become effective July 1, 2022.

4 SECTION 5. It being immediately necessary for the preservation
5 of the public peace, health or safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

8 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
9 April 13, 2022 - DO PASS

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