

1 ENGROSSED SENATE
2 BILL NO. 1072

By: Thompson and Rader of the
Senate

3 and

4 Wallace and Hilbert of the
5 House

6
7 An Act relating to public finance; amending Section
8 1, Chapter 337, O.S.L. 2016, as amended by Section 1,
9 Chapter 316, O.S.L. 2018 (62 O.S. Supp. 2018, Section
10 34.102), which relates to the Revenue Stabilization
11 Fund; prohibiting deposits under certain conditions;
12 limiting deposits under certain conditions; requiring
13 deposits be reduced under certain conditions;
14 defining term; and providing an effective date.

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

16 SECTION 1. AMENDATORY Section 1, Chapter 337, O.S.L.
17 2016, as amended by Section 1, Chapter 316, O.S.L. 2018 (62 O.S.
18 Supp. 2018, Section 34.102), is amended to read as follows:

19 Section 34.102. A. There is hereby created in the State
20 Treasury a revolving fund to be known and designated as the "Revenue
21 Stabilization Fund". The fund shall be a continuing fund, not
22 subject to fiscal year limitations.

23 B. For determinations made regarding deposits for fiscal years
24 beginning on or after July 1, 2019, no monies shall be deposited to
the credit of the Revenue Stabilization Fund until such time as the
amount of actual revenue certified by the State Board of

1 Equalization as having been deposited into the General Revenue Fund
2 for the first fiscal year prior to the beginning of the fiscal year
3 that deposits to the Revenue Stabilization Fund are first made
4 equals or exceeds Six Billion Six Hundred Million Dollars
5 (\$6,600,000,000.00).

6 C. Once the provisions prescribed by subsection B of this
7 section have been met, deposits to the Revenue Stabilization Fund as
8 prescribed by this section may be made during any subsequent fiscal
9 year according to the requirements and limitations imposed by this
10 act; provided that no deposits shall be made during a fiscal year
11 where the State Board of Equalization General Revenue Fund
12 certification for said fiscal year is less than the State Board of
13 Equalization General Revenue Fund certification for the previous
14 fiscal year plus an increment equal to the amount otherwise
15 calculated for deposit pursuant to subsection E of this section.

16 D. Notwithstanding any other provisions of this section, no
17 monies shall be deposited to the credit of the Revenue Stabilization
18 Fund ~~for~~:

19 1. For any month during a fiscal year after the month during
20 which the declaration of a revenue failure pursuant to the
21 provisions of Section 34.49 of this title has been made. For
22 purposes of this subsection, the limitation on deposits to the
23 Revenue Stabilization Fund shall be imposed for the remaining months
24 of the fiscal year during which the revenue failure was declared,

1 but shall not operate as a limitation upon deposits for any
2 subsequent fiscal year unless a revenue failure is declared at some
3 time during such fiscal year; or

4 2. That would cause deposits to the Revenue Stabilization Fund
5 for the fiscal year to exceed three percent (3%) of the State Board
6 of Equalization General Revenue Fund certification for that fiscal
7 year.

8 E. The Except as provided in subsection I of this section, the
9 Revenue Stabilization Fund shall consist of:

10 1. One hundred percent (100%) of the revenue derived from the
11 gross production tax on oil levied pursuant to Section 1001 of Title
12 68 of the Oklahoma Statutes which is in excess of the five-year
13 average computed as prescribed by Section 34.103 of this title;

14 2. One hundred percent (100%) of the revenue derived from the
15 gross production tax on natural gas levied pursuant to Section 1001
16 of Title 68 of the Oklahoma Statutes which is in excess of the five-
17 year average computed as prescribed by Section 34.103 of this title;

18 3. Seventy-five percent (75%) of the revenue derived from
19 corporate income tax levied pursuant to Section 2355 of Title 68 of
20 the Oklahoma Statutes which is in excess of the five-year average
21 computed as prescribed by Section 34.103 of this title; and

22 4. Any amounts appropriated by the Legislature.

23 F. In the event that a revenue failure is declared with respect
24 to the General Revenue Fund pursuant to Section 34.49 of this title,

1 the Director of the Office of Management and Enterprise Services may
2 withdraw up to one-quarter (1/4) of the balance of the Revenue
3 Stabilization Fund available at the beginning of the fiscal year,
4 provided the total amount withdrawn shall not exceed the amount of
5 the declared revenue failure, to reduce or avoid reductions to
6 agencies for the current fiscal year and to mitigate potential
7 reductions of funds to be expended by common school districts which
8 were appropriated or authorized by the Legislature, but excluding
9 any funds which are apportioned directly to common school districts.

10 G. In the event that a revenue failure is declared with respect
11 to the General Revenue Fund pursuant to Section 34.49 of this title,
12 the Legislature may appropriate up to one-quarter (1/4) of the
13 balance of the Revenue Stabilization Fund available at the beginning
14 of the fiscal year, not to exceed the amount of the revenue failure
15 as declared with respect to the General Revenue Fund pursuant to
16 Section 34.49 of this title.

17 H. If the amount of revenue certified by the State Board of
18 Equalization at its February meeting in any year to be collected in
19 the General Revenue Fund for the upcoming fiscal year is less than
20 the amount of revenue certified by the State Board of Equalization
21 to be collected in the General Revenue Fund for the current fiscal
22 year as determined at its February meeting conducted in the
23 preceding calendar year, the Legislature may appropriate up to one-
24 half (1/2) of the balance of the Revenue Stabilization Fund

1 available at the beginning of the fiscal year; provided, that the
2 amount withdrawn shall not exceed the amount of the decline in
3 revenue certified.

4 I. If during the Board of Equalization certification process,
5 one or more of the revenue sources identified in paragraphs 1, 2 and
6 3 of subsection E of this section are forecasted to experience a
7 revenue decrease, then the total deposits to the Revenue
8 Stabilization Fund as otherwise calculated under subsection E of
9 this section shall be reduced in an amount equal to such revenue
10 decreases. For purposes of this subsection, "revenue decrease"
11 means an identified revenue source derived in an amount less than
12 the five-year average for such revenue source.

13 SECTION 2. This act shall become effective November 1, 2019.

14 Passed the Senate the 21st day of May, 2019.

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Presiding Officer of the Senate

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18 Passed the House of Representatives the ____ day of _____,

19 2019.

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Presiding Officer of the House
of Representatives

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