

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 SENATE BILL 472

By: Sparks

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5
6 AS INTRODUCED

7 An Act relating to gross production tax; amending 68
8 O.S. 2011, Section 1004, as last amended by Section
9 3, Chapter 346, O.S.L. 2014 (68 O.S. Supp. 2014,
10 Section 1004), which relates to apportionment;
11 providing exception; directing apportionment of
12 certain percentage of revenue to specified fund; and
13 providing contingent effective date.

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

15 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1004, as
16 last amended by Section 3, Chapter 346, O.S.L. 2014 (68 O.S. Supp.
17 2014, Section 1004), is amended to read as follows:

18 Section 1004. A. ~~Beginning~~ Except as otherwise provided in
19 subsection C of this section, beginning July 1, 2002, the gross
20 production tax provided for in Section 1001 of this title is hereby
21 levied and shall be collected and apportioned as follows:

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

24 a. eighty-five and seventy-two one-hundredths percent
(85.72%) shall be paid to the State Treasurer of the

1 state to be placed in the General Revenue Fund of the
2 state and used for the general expense of state
3 government, to be paid out pursuant to direct
4 appropriation by the Legislature,

5 b. seven and fourteen one-hundredths percent (7.14%) of
6 the sum collected from natural gas and/or casinghead
7 gas or asphalt or ores bearing uranium, lead, zinc,
8 jack, gold, silver or copper shall be paid to the
9 various county treasurers to be credited to the County
10 Highway Fund as follows: Each county shall receive a
11 proportionate share of the funds available based upon
12 the proportion of the total value of production from
13 such county in the corresponding month of the
14 preceding year, and

15 c. seven and fourteen one-hundredths percent (7.14%)
16 shall be allocated to each county as provided for in
17 subparagraph b of this paragraph and shall be
18 apportioned, on an average daily attendance per capita
19 distribution basis, as certified by the State
20 Superintendent of Public Instruction to the school
21 districts of the county where such pupils attend
22 school regardless of residence of such pupil, provided
23 the school district makes an ad valorem tax levy of
24

1 fifteen (15) mills for the current year and maintains
2 twelve (12) years of instruction;

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

6 a. eighty-five and seventy-two one-hundredths percent
7 (85.72%) shall be paid to the State Treasurer of the
8 state to be placed in the General Revenue Fund of the
9 state and used for the general expense of state
10 government, to be paid out pursuant to direct
11 appropriation by the Legislature,

12 b. seven and fourteen one-hundredths percent (7.14%) of
13 the sum collected from natural gas and/or casinghead
14 gas shall be paid to the various county treasurers to
15 be credited to the County Highway Fund as follows:
16 Each county shall receive a proportionate share of the
17 funds available based upon the proportion of the total
18 value of production from such county in the
19 corresponding month of the preceding year, and

20 c. seven and fourteen one-hundredths percent (7.14%)
21 shall be allocated to each county as provided for in
22 subparagraph b of this paragraph and shall be
23 apportioned, on an average daily attendance per capita
24 distribution basis, as certified by the State

1 Superintendent of Public Instruction to the school
2 districts of the county where such pupils attend
3 school regardless of residence of such pupil, provided
4 the school district makes an ad valorem tax levy of
5 fifteen (15) mills for the current year and maintains
6 twelve (12) years of instruction;

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

10 a. seventy-five percent (75%) shall be paid to the State
11 Treasurer of the state to be placed in the General
12 Revenue Fund of the state and used for the general
13 expense of state government, to be paid out pursuant
14 to direct appropriation by the Legislature,

15 b. twelve and one-half percent (12.5%) of the sum
16 collected from natural gas and/or casinghead gas shall
17 be paid to the various county treasurers to be
18 credited to the County Highway Fund as follows: Each
19 county shall receive a proportionate share of the
20 funds available based upon the proportion of the total
21 value of production from such county in the
22 corresponding month of the preceding year, and

23 c. twelve and one-half percent (12.5%) shall be allocated
24 to each county as provided for in subparagraph b of

1 this paragraph and shall be apportioned, on an average
2 daily attendance per capita distribution basis, as
3 certified by the State Superintendent of Public
4 Instruction to the school districts of the county
5 where such pupils attend school regardless of
6 residence of such pupil, provided the school district
7 makes an ad valorem tax levy of fifteen (15) mills for
8 the current year and maintains twelve (12) years of
9 instruction;

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

13 a. fifty percent (50%) of the sum collected from natural
14 gas and/or casinghead gas shall be paid to the various
15 county treasurers to be credited to the County Highway
16 Fund as follows: Each county shall receive a
17 proportionate share of the funds available based upon
18 the proportion of the total value of production from
19 such county in the corresponding month of the
20 preceding year, and

21 b. fifty percent (50%) shall be allocated to each county
22 as provided for in subparagraph a of this paragraph
23 and shall be apportioned, on an average daily
24 attendance per capita distribution basis, as certified

1 by the State Superintendent of Public Instruction to
2 the school districts of the county where such pupils
3 attend school regardless of residence of such pupil,
4 provided the school district makes an ad valorem tax
5 levy of fifteen (15) mills for the current year and
6 maintains twelve (12) years of instruction;

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

11 a. fifty percent (50%) shall be paid to the State

12 Treasurer to be placed in the General Revenue Fund of
13 the state and used for the general expense of state
14 government, to be paid out pursuant to direct
15 appropriation by the Legislature,

16 b. twenty-five percent (25%) of the sum collected from
17 natural gas and/or casinghead gas shall be paid to the
18 various county treasurers to be credited to the County
19 Highway Fund as follows: Each county shall receive a
20 proportionate share of the funds available based upon
21 the proportion of the total value of production from
22 such county in the corresponding month of the
23 preceding year, and
24

1 c. twenty-five percent (25%) shall be allocated to each
2 county as provided for in subparagraph b of this
3 paragraph and shall be apportioned on an average daily
4 attendance per capita distribution basis, as certified
5 by the State Superintendent of Public Instruction, to
6 the school districts of the county where such pupils
7 attend school regardless of residence of such pupil,
8 provided the school district makes an ad valorem tax
9 levy of fifteen (15) mills for the current year and
10 maintains twelve (12) years of instruction;

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

14 a. twenty-five and seventy-two one-hundredths percent
15 (25.72%) shall be paid to the State Treasurer to be
16 placed in the Common Education Technology Revolving
17 Fund created in Section 34.90 of Title 62 of the
18 Oklahoma Statutes,

19 b. twenty-five and seventy-two one-hundredths percent
20 (25.72%) shall be paid to the State Treasurer to be
21 placed in the Higher Education Capital Revolving Fund
22 created in Section 34.91 of Title 62 of the Oklahoma
23 Statutes,

1 c. twenty-five and seventy-two one-hundredths percent
2 (25.72%) shall be paid to the State Treasurer to be
3 placed in the Oklahoma Student Aid Revolving Fund
4 created in Section 34.92 of Title 62 of the Oklahoma
5 Statutes,

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

21 e. four and twenty-eight one-hundredths percent (4.28%)
22 shall be paid to the State Treasurer to be apportioned
23 to:
24

1 (1) the following sources and in the following
2 amounts through the fiscal year ending June 30,
3 2016:

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

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

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

19 (2) the Oklahoma Water Resources Board Rural Economic
20 Action Plan Water Projects Fund for the fiscal
21 year beginning July 1, 2016, and for each fiscal
22 year thereafter,

23 f. seven and fourteen one-hundredths percent (7.14%) of
24 the sum collected from oil shall be paid to the

1 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,

7 g. seven and fourteen one-hundredths percent (7.14%)
8 shall be allocated to each county as provided in
9 subparagraph f 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, and

18 h. five hundred thirty-five one-thousandths percent
19 (0.535%) of the levy shall be transmitted by the
20 Oklahoma Tax Commission to the Statewide Circuit
21 Engineering District Revolving Fund as created in
22 Section 687.2 of Title 69 of the Oklahoma Statutes;
23
24

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

4 a. twenty-two and one-half percent (22.5%) shall be paid
5 to the State Treasurer to be placed in the Common
6 Education Technology Revolving Fund created in Section
7 34.90 of Title 62 of the Oklahoma Statutes,

8 b. twenty-two and one-half percent (22.5%) shall be paid
9 to the State Treasurer to be placed in the Higher
10 Education Capital Revolving Fund created in Section
11 34.91 of Title 62 of the Oklahoma Statutes,

12 c. twenty-two and one-half percent (22.5%) shall be paid
13 to the State Treasurer to be placed in the Oklahoma
14 Student Aid Revolving Fund created in Section 34.92 of
15 Title 62 of the Oklahoma Statutes,

16 d. three and twenty-eight one-hundredths percent (3.28%)
17 shall be distributed to the various counties of the
18 state for deposit into the County Bridge and Road
19 Improvement Fund of each county based on a formula
20 developed by the Department of Transportation and
21 approved by the Department of Transportation County
22 Advisory Board created pursuant to Section 302.1 of
23 Title 69 of the Oklahoma Statutes to be used for the
24 purposes set forth in the County Bridge and Road

1 Improvement Act. The formula shall be similar to the
2 formula currently used for the distribution of monies
3 in the County Bridge Program funds, but shall also
4 take into consideration the effect of the terrain and
5 traffic volume as related to county road improvement
6 and maintenance costs,

7 e. three and seventy-five one-hundredths percent (3.75%)
8 shall be paid to the State Treasurer to be apportioned
9 to:

10 (1) the following sources and in the following
11 amounts through the fiscal year ending June 30,
12 2016:

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, 2016, and for each fiscal
7 year thereafter,

8 f. twelve and one-half percent (12.5%) of the sum
9 collected from oil shall be paid to the various county
10 treasurers, to be credited to the County Highway Fund
11 as follows: Each county shall receive a proportionate
12 share of the funds available based upon the proportion
13 of the total value of production from such county in
14 the corresponding month of the preceding year,

15 g. twelve and one-half percent (12.5%) shall be allocated
16 to each county as provided in subparagraph f of this
17 paragraph and shall be apportioned on an average daily
18 attendance per capita distribution basis, as certified
19 by the State Superintendent of Public Instruction, to
20 the school districts of the county where such pupils
21 attend school regardless of residence of such pupil,
22 provided the school district makes an ad valorem tax
23 levy of fifteen (15) mills for the current year and
24 maintains twelve (12) years of instruction, and

1 h. forty-seven one-hundredths percent (0.47%) of the levy
2 shall be transmitted by the Tax Commission to the
3 Statewide Circuit Engineering District Revolving Fund
4 as created in Section 687.2 of Title 69 of the
5 Oklahoma Statutes;

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

9 a. fifty percent (50%) of the sum collected shall be paid
10 to the various county treasurers, to be credited to
11 the County Highway Fund as follows: Each county shall
12 receive a proportionate share of the funds available
13 based upon the proportion of the total value of
14 production from such county in the corresponding month
15 of the preceding year, and

16 b. fifty percent (50%) shall be allocated to each county
17 as provided for in subparagraph a of this paragraph
18 and shall be apportioned on an average daily
19 attendance per capita distribution basis, as certified
20 by the State Superintendent of Public Instruction, to
21 the school districts of the county where such pupils
22 attend school regardless of residence of such pupil,
23 provided the school district makes an ad valorem tax
24

1 levy of fifteen (15) mills for the current year and
2 maintains twelve (12) years of instruction;

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

6 a. fifty percent (50%) shall be paid to the State

7 Treasurer to be placed in the General Revenue Fund of
8 the state and used for the general expense of state
9 government, to be paid out pursuant to direct
10 appropriation by the Legislature,

11 b. twenty-five percent (25%) of the sum collected from
12 oil shall be paid to the various county treasurers, to
13 be credited to the County Highway Fund as follows:

14 Each county shall receive a proportionate share of the
15 funds available based upon the proportion of the total
16 value of production from such county in the
17 corresponding month of the preceding year, and

18 c. twenty-five percent (25%) shall be allocated to each
19 county as provided in subparagraph b of this paragraph
20 and shall be apportioned on an average daily

21 attendance per capita distribution basis, as certified
22 by the State Superintendent of Public Instruction, to
23 the school districts of the county where such pupils
24 attend school regardless of residence of such pupil,

1 provided the school district makes an ad valorem tax
2 levy of fifteen (15) mills for the current year and
3 maintains twelve (12) years of instruction.

4 B. Provided, notwithstanding any other provision of this
5 section, the total amounts deposited to the Common Education
6 Technology Revolving Fund, the Higher Education Capital Revolving
7 Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic
8 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation
9 Department Capital Expenditure Revolving Fund, the Oklahoma
10 Conservation Commission Infrastructure Revolving Fund and the
11 Community Water Infrastructure Development Revolving Fund pursuant
12 to paragraphs 6 and 7 of subsection A of this section shall not
13 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any
14 fiscal year. Except as otherwise provided in this subsection, all
15 sums in excess of One Hundred Fifty Million Dollars
16 (\$150,000,000.00) in any fiscal year which would otherwise be
17 deposited in such funds shall be apportioned by the Oklahoma Tax
18 Commission to the General Revenue Fund of the state.

19 C. Beginning July 1, 2017, prior to any apportionment made
20 pursuant to subsection A of this section, five percent (5%) of the
21 gross production tax levied and collected pursuant to subsection B
22 of Section 1001 of this title shall be apportioned to the Revenue
23 Replacement Endowment Fund created in Section 44 of Article X of the
24 Oklahoma Constitution.

1 SECTION 2. The provisions of this act shall be contingent upon
2 the approval of the proposed amendment to add a Section 44 to
3 Article X of the Oklahoma Constitution contained in Senate Joint
4 Resolution No. of the 1st Session of the 55th Oklahoma
5 Legislature and shall have the force and effect of law upon the
6 adoption of the amendment contained therein.

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