

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 588

By: Montgomery

AS INTRODUCED

An Act relating to tax rebates; creating the Carbon Sequestration Gross Production Rebate Program; providing short title; providing rebate for certain entities; stating amount of rebate; requiring the Oklahoma Tax Commission to administer the program; stating eligibility for rebate; requiring payment of rebate upon submission of certain documentation; requiring the Commission to approve or disapprove all claims; authorizing the promulgation of rules; creating agency special account; amending 68 O.S. 2021, Section 1004, as amended by Section 1, Chapter 111, O.S.L. 2022 (68 O.S. Supp. 2022, Section 1004), which relates to apportionment of gross production tax revenues; providing for certain transfer of funds; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1031 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the "Carbon Sequestration Gross Production Rebate Program".

B. Any entity that receives a federal tax credit for carbon oxide sequestration pursuant to 26 U.S.C., Section 45Q for tax year

1 2024 and subsequent tax years shall be eligible for a rebate payment
2 from the collections of gross production taxes levied pursuant to
3 subsection B of Section 1001 of Title 68 of the Oklahoma Statutes.
4 Rebate payments provided pursuant to this subsection shall be equal
5 to the amount of federal tax credit received for each tax year.

6 C. The rebate program created pursuant to this section shall be
7 administered by the Oklahoma Tax Commission.

8 D. To be eligible for a rebate payment as provided in this
9 section, an entity shall submit a claim for rebate on a form
10 prescribed by the Tax Commission no later than two years after
11 receipt of the federal tax credit.

12 E. The Commission shall approve or disapprove all claims for
13 rebate payment. Upon approval of a claim, the Commission shall
14 issue a rebate payment from funds, as they become available, in the
15 special account created pursuant to Section 2 of this act.

16 F. The Commission may promulgate rules necessary to effectuate
17 the provisions of this act.

18 SECTION 2. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 1032 of Title 68, unless there
20 is created a duplication in numbering, reads as follows:

21 There is hereby created in the State Treasury an agency special
22 account for the Oklahoma Tax Commission for the transfer of gross
23 production tax collections necessary to provide for rebate payments
24 made pursuant to the Carbon Sequestration Gross Production Rebate

1 Program created pursuant to Section 1 of this act. The Commission
2 shall transfer, each month, from the collection of gross production
3 taxes, an amount the Commission estimates is necessary to provide
4 for the rebate payments made pursuant to the Carbon Sequestration
5 Gross Production Rebate Program.

6 SECTION 3. AMENDATORY 68 O.S. 2021, Section 1004, as
7 amended by Section 1, Chapter 111, O.S.L. 2022 (68 O.S. Supp. 2022,
8 Section 1004), is amended to read as follows:

9 Section 1004. A. As used in this section:

10 1. "Moving five-year average amount for gas" means, for
11 purposes of the apportionments prescribed by this section, the
12 amount of gross production tax on natural gas collected for each of
13 the five (5) complete fiscal years, as computed by the State Board
14 of Equalization pursuant to Section 34.103 of Title 62 of the
15 Oklahoma Statutes; and

16 2. "Moving five-year average amount for oil" means, for
17 purposes of the apportionments prescribed by this section, the
18 amount of gross production tax on oil collected for each of the five
19 (5) complete fiscal years, as computed by the State Board of
20 Equalization pursuant to Section 34.103 of Title 62 of the Oklahoma
21 Statutes.

22 B. Before any other apportionment of revenue has been made
23 pursuant to this subsection, beginning on the effective date of this
24 act, the Oklahoma Tax Commission shall transfer, each month, an

1 amount which the Commission estimates to be necessary to pay the
2 rebates claimed pursuant to the Carbon Sequestration Gross
3 Production Rebate Program created in Section 1 of this act to the
4 special account created pursuant to Section 2 of this act.

5 Beginning July 1, 2017, the gross production tax provided for in
6 Section 1001 of this title is hereby levied and shall be collected
7 and apportioned as follows:

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

10 a. eighty-five and seventy-two one-hundredths percent
11 (85.72%) shall be paid to the State Treasurer of the
12 state to be placed in the General Revenue Fund of the
13 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. seven and fourteen one-hundredths percent (7.14%) of
17 the sum collected from natural gas and/or casinghead
18 gas or asphalt or ores bearing uranium, lead, zinc,
19 jack, gold, silver or copper shall be paid to the
20 various county treasurers to be credited to the County
21 Highway Fund as follows: Each county shall receive a
22 proportionate share of the funds available based upon
23 the proportion of the total value of production from
24

1 such county in the corresponding month of the
2 preceding year, and

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

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

17 a. after the total revenue apportioned to the General
18 Revenue Fund as prescribed by subparagraph b of this
19 paragraph equals the moving five-year average amount
20 for gas as defined by paragraph 1 of subsection A of
21 this section, there shall be apportioned from the
22 gross production tax levy imposed pursuant to Section
23 1001 of this title on natural gas and/or casinghead
24 gas to the Revenue Stabilization Fund created by

1 Section 34.102 of Title 62 of the Oklahoma Statutes,
2 the amount of revenue, if any, which exceeds the
3 moving five-year average amount for gas as defined
4 pursuant to paragraph 1 of subsection A of this
5 section,

6 b. until the apportionment to the General Revenue Fund
7 equals the moving five-year average amount for gas as
8 prescribed by paragraph 1 of subsection A of this
9 section, eighty-five and seventy-two one-hundredths
10 percent (85.72%) shall be paid to the State Treasurer
11 of the state to be placed in the General Revenue Fund
12 of the state and used for the general expense of state
13 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, seven and fourteen
17 one-hundredths percent (7.14%) of the sum collected
18 from natural gas and/or casinghead gas shall be paid
19 to the various county treasurers to be credited to the
20 County Highway Fund as follows: Each county shall
21 receive a proportionate share of the funds available
22 based upon the proportion of the total value of
23 production from such county in the corresponding month
24 of the preceding year, and

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

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

17 a. after the total revenue apportioned to the General
18 Revenue Fund as prescribed by subparagraph b of this
19 paragraph equals the moving five-year average amount
20 for gas as defined by paragraph 1 of subsection A of
21 this section, there shall be apportioned from the
22 gross production tax levy imposed pursuant to Section
23 1001 of this title on natural gas and/or casinghead
24 gas to the Revenue Stabilization Fund created pursuant

1 to Section 34.102 of Title 62 of the Oklahoma
2 Statutes, the amount of revenue, if any, which exceeds
3 the moving five-year average amount for gas as defined
4 pursuant to paragraph 1 of subsection A of this
5 section,

6 b. until the apportionment to the General Revenue Fund
7 equals the moving five-year average amount for gas as
8 prescribed by paragraph 1 of subsection A of this
9 section, seventy-five percent (75%) shall be paid to
10 the State Treasurer of the state to be placed in the
11 General Revenue Fund of the state and used for the
12 general expense of state government, to be paid out
13 pursuant to direct appropriation by the Legislature,

14 c. before any other apportionment of revenue has been
15 made pursuant to this paragraph, twelve and one-half
16 percent (12.5%) of the sum collected from natural gas
17 and/or casinghead gas shall be paid to the various
18 county treasurers to be credited to the County Highway
19 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 d. 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 for in subparagraph c of this paragraph and
5 shall be apportioned, on an average daily attendance
6 per capita distribution basis, as certified by the
7 State Superintendent of Public Instruction to the
8 school districts of the county where such pupils
9 attend school regardless of residence of such pupil,
10 provided the school district makes an ad valorem tax
11 levy of fifteen (15) mills for the current year and
12 maintains twelve (12) years of instruction;

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

16 a. fifty percent (50%) of the sum collected from natural
17 gas and/or casinghead gas shall be paid to the various
18 county treasurers to be credited to the County Highway
19 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 b. fifty percent (50%) shall be allocated to each county
2 as provided for in subparagraph a of this paragraph
3 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 5. For all monies collected from the tax levied on natural gas
12 and/or casinghead gas at a tax rate of two percent (2%) pursuant to
13 the provisions of paragraph 3 of subsection B of Section 1001 of
14 this title:

15 a. after the total revenue apportioned to the General
16 Revenue Fund as prescribed by subparagraph b of this
17 paragraph equals the moving five-year average amount
18 for gas as defined by paragraph 1 of subsection A of
19 this section, there shall be apportioned from the
20 gross production tax levy imposed pursuant to Section
21 1001 of this title on gas to the Revenue Stabilization
22 Fund created by Section 34.102 of Title 62 of the
23 Oklahoma Statutes, the amount of revenue, if any,
24 which exceeds the moving five-year average amount for

1 natural gas and/or casinghead gas as defined pursuant
2 to paragraph 1 of subsection A of this section,

3 b. until the apportionment to the General Revenue Fund
4 equals the moving five-year average amount for gas as
5 prescribed by paragraph 1 of subsection A of this
6 section, fifty percent (50%) shall be paid to the
7 State Treasurer to be placed in the General Revenue
8 Fund of the state and used for the general expense of
9 state government, to be paid out pursuant to direct
10 appropriation by the Legislature,

11 c. before any other apportionment of revenue has been
12 made pursuant to this paragraph, twenty-five percent
13 (25%) of the sum collected from natural gas and/or
14 casinghead gas shall be paid to the various county
15 treasurers to be credited to the County Highway Fund
16 as follows: Each county shall receive a proportionate
17 share of the funds available based upon the proportion
18 of the total value of production from such county in
19 the corresponding month of the preceding year, and

20 d. before any other apportionment of revenue has been
21 made pursuant to this paragraph, twenty-five percent
22 (25%) shall be allocated to each county as provided
23 for in subparagraph c of this paragraph and shall be
24 apportioned on an average daily attendance per capita

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

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

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

23 b. before any other apportionment of revenue has been
24 made pursuant to this paragraph, twenty-five and
25

1 seventy-two one-hundredths percent (25.72%) shall be
2 paid to the State Treasurer to be placed in the Common
3 Education Technology Revolving Fund created in Section
4 34.90 of Title 62 of the Oklahoma Statutes,

5 c. before any other apportionment of revenue has been
6 made pursuant to this paragraph, twenty-five and
7 seventy-two one-hundredths percent (25.72%) shall be
8 paid to the State Treasurer to be placed in the Higher
9 Education Capital Revolving Fund created in Section
10 34.91 of Title 62 of the Oklahoma Statutes,

11 d. before any other apportionment of revenue has been
12 made pursuant to this paragraph, twenty-five and
13 seventy-two one-hundredths percent (25.72%) shall be
14 paid to the State Treasurer to be placed in the
15 Oklahoma Student Aid Revolving Fund created in Section
16 34.92 of Title 62 of the Oklahoma Statutes,

17 e. before any other apportionment of revenue has been
18 made pursuant to this paragraph, three and seven
19 hundred forty-five one-thousandths percent (3.745%)
20 shall be distributed to the various counties of the
21 state for deposit into the County Bridge and Road
22 Improvement Fund of each county based on a formula
23 developed by the Department of Transportation and
24 approved by the Department of Transportation County

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

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

14 (1) the following sources and in the following
15 amounts through the fiscal year ending June 30,
16 2027:

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

22 (b) thirty-three and one-third percent (33 1/3%)
23 to the Oklahoma Conservation Commission
24 Infrastructure Revolving Fund created
25

1 pursuant to Section 3-2-110 of Title 27A of
2 the Oklahoma Statutes, and

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

8 (2) the Oklahoma Water Resources Board Rural Economic
9 Action Plan Water Projects Fund for the fiscal
10 year beginning July 1, 2027, and for each fiscal
11 year thereafter,

12 g. before any other apportionment of revenue has been
13 made pursuant to this paragraph, seven and fourteen
14 one-hundredths percent (7.14%) of the sum collected
15 from oil shall be paid to the various county
16 treasurers, to be credited to the County Highway Fund
17 as follows: Each county shall receive a proportionate
18 share of the funds available based upon the proportion
19 of the total value of production from such county in
20 the corresponding month of the preceding year,

21 h. before any other apportionment of revenue has been
22 made pursuant to this paragraph, seven and fourteen
23 one-hundredths percent (7.14%) shall be allocated to
24 each county as provided in subparagraph g of this

1 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, and

- 10 i. before any other apportionment of revenue has been
11 made pursuant to this paragraph, five hundred thirty-
12 five one-thousandths percent (0.535%) of the levy
13 shall be transmitted by the Oklahoma Tax Commission to
14 the Statewide Circuit Engineering District Revolving
15 Fund as created in Section 687.2 of Title 69 of the
16 Oklahoma Statutes;

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

- 20 a. there shall be apportioned from the gross production
21 tax levy imposed pursuant to Section 1001 of this
22 title on oil to the Revenue Stabilization Fund created
23 by Section 34.102 of Title 62 of the Oklahoma
24 Statutes, after the applicable maximum amount

1 prescribed by subsection C of this section has been
2 deposited to the funds therein specified, the amount
3 of revenue, if any, which would otherwise be
4 apportioned to the General Revenue Fund and which
5 exceeds the moving five-year average amount for oil as
6 defined pursuant to paragraph 2 of subsection A of
7 this section,

8 b. before any other apportionment of revenue has been
9 made pursuant to this paragraph, twenty-two and one-
10 half percent (22.5%) shall be paid to the State
11 Treasurer to be placed in the Common Education
12 Technology Revolving Fund created in Section 34.90 of
13 Title 62 of the Oklahoma Statutes,

14 c. before any other apportionment of revenue has been
15 made pursuant to this paragraph, twenty-two and one-
16 half percent (22.5%) shall be paid to the State
17 Treasurer to be placed in the Higher Education Capital
18 Revolving Fund created in Section 34.91 of Title 62 of
19 the Oklahoma Statutes,

20 d. before any other apportionment of revenue has been
21 made pursuant to this paragraph, twenty-two and one-
22 half percent (22.5%) shall be paid to the State
23 Treasurer to be placed in the Oklahoma Student Aid
24

1 Revolving Fund created in Section 34.92 of Title 62 of
2 the Oklahoma Statutes,

3 e. before any other apportionment of revenue has been
4 made pursuant to this paragraph, three and twenty-
5 eight one-hundredths percent (3.28%) shall be
6 distributed to the various counties of the state for
7 deposit into the County Bridge and Road Improvement
8 Fund of each county based on a formula developed by
9 the Department of Transportation and approved by the
10 Department of Transportation County Advisory Board
11 created pursuant to Section 302.1 of Title 69 of the
12 Oklahoma Statutes to be used for the purposes set
13 forth in the County Bridge and Road Improvement Act.
14 The formula shall be similar to the formula currently
15 used for the distribution of monies in the County
16 Bridge Program funds, but shall also take into
17 consideration the effect of the terrain and traffic
18 volume as related to county road improvement and
19 maintenance costs,

20 f. before any other apportionment of revenue has been
21 made pursuant to this paragraph, three and seventy-
22 five one-hundredths percent (3.75%) shall be paid to
23 the State Treasurer to be apportioned to:
24

1 (1) the following sources and in the following
2 amounts through the fiscal year ending June 30,
3 2027:

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, 2027, and for each fiscal
22 year thereafter,

23 g. before any other apportionment of revenue has been
24 made pursuant to this paragraph, twelve and one-half
25

1 percent (12.5%) of the sum collected from oil shall be
2 paid to the various county treasurers, to be credited
3 to the County Highway Fund as follows: Each county
4 shall receive a proportionate share of the funds
5 available based upon the proportion of the total value
6 of production from such county in the corresponding
7 month of the preceding year,

8 h. 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 in subparagraph g of this paragraph and shall
12 be apportioned on an average daily attendance per
13 capita distribution basis, as certified by the State
14 Superintendent of Public Instruction, to the school
15 districts of the county where such pupils attend
16 school regardless of residence of such pupil, provided
17 the school district makes an ad valorem tax levy of
18 fifteen (15) mills for the current year and maintains
19 twelve (12) years of instruction, and

20 i. before any other apportionment of revenue has been
21 made pursuant to this paragraph, forty-seven one-
22 hundredths percent (0.47%) of the levy shall be
23 transmitted by the Tax Commission to the Statewide
24

1 Circuit Engineering District Revolving Fund as created
2 in Section 687.2 of Title 69 of the Oklahoma Statutes;

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

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

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

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

4 a. there shall be apportioned from the gross production
5 tax levy imposed pursuant to Section 1001 of this
6 title on oil to the Revenue Stabilization Fund created
7 by Section 34.102 of Title 62 of the Oklahoma
8 Statutes, the amount of revenue, if any, which exceeds
9 the moving five-year average amount for oil as defined
10 pursuant to paragraph 2 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 oil as
14 prescribed by paragraph 2 of subsection A of this
15 section, fifty percent (50%) shall be paid to the
16 State Treasurer to be placed in the General Revenue
17 Fund of the state and used for the general expense of
18 state government, to be paid out pursuant to direct
19 appropriation by the Legislature,

20 c. before any other apportionment of revenue has been
21 made pursuant to this paragraph, twenty-five percent
22 (25%) of the sum collected from oil shall be paid to
23 the various county treasurers, to be credited to the
24 County Highway Fund as follows: Each county shall

1 receive a proportionate share of the funds available
2 based upon the proportion of the total value of
3 production from such county in the corresponding month
4 of the preceding year, and

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

17 10. On or after June 28, 2018, the gross production tax levied
18 on natural gas or casinghead gas at the rate of five percent (5%)
19 provided for in paragraph 3 of subsection B of Section 1001 of this
20 title shall be apportioned as follows:

- 21 a. after the total revenue apportioned to the General
22 Revenue Fund as prescribed by subparagraph b of this
23 paragraph equals the moving five-year average amount
24 for gas as defined by paragraph 1 of subsection A of

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

10 b. until the apportionment to the General Revenue Fund
11 equals the moving five-year average amount for gas as
12 prescribed by paragraph 1 of subsection A of this
13 section, eighty percent (80%) shall be paid to the
14 State Treasurer of the state to be placed in the
15 General Revenue Fund of the state and used for the
16 general expense of state government, to be paid out
17 pursuant to direct appropriation by the Legislature,

18 c. before any other apportionment of revenue has been
19 made pursuant to this paragraph, ten percent (10%) of
20 the sum collected from natural gas and/or casinghead
21 gas shall be paid to the various county treasurers to
22 be credited to the County Highway Fund as follows:
23 Each county shall receive a proportionate share of the
24 funds available based upon the proportion of the total

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

15 11. On or after June 28, 2018, the gross production tax on oil
16 levied at the rate of five percent (5%) provided for in paragraph 3
17 of subsection B of Section 1001 of this title shall be apportioned
18 as follows:

19 a. there shall be apportioned from the gross production
20 tax levy imposed pursuant to Section 1001 of this
21 title on oil to the Revenue Stabilization Fund created
22 by Section 34.102 of Title 62 of the Oklahoma
23 Statutes, after the applicable maximum amount
24 prescribed by subsection C of this section has been

1 deposited to the funds therein specified, the amount
2 of revenue, if any, which would otherwise be
3 apportioned to the General Revenue Fund and which
4 exceeds the moving five-year average amount for oil as
5 defined pursuant to paragraph 2 of subsection A of
6 this section,

7 b. before any other apportionment of revenue has been
8 made pursuant to this paragraph, twenty-three and
9 seventy-five one-hundredths percent (23.75%) shall be
10 paid to the State Treasurer to be placed in the Common
11 Education Technology Revolving Fund created in Section
12 34.90 of Title 62 of the Oklahoma Statutes,

13 c. before any other apportionment of revenue has been
14 made pursuant to this paragraph, twenty-three and
15 seventy-five one-hundredths percent (23.75%) shall be
16 paid to the State Treasurer to be placed in the Higher
17 Education Capital Revolving Fund created in Section
18 34.91 of Title 62 of the Oklahoma Statutes,

19 d. before any other apportionment of revenue has been
20 made pursuant to this paragraph, twenty-three and
21 seventy-five one-hundredths percent (23.75%) shall be
22 paid to the State Treasurer to be placed in the
23 Oklahoma Student Aid Revolving Fund created in Section
24 34.92 of Title 62 of the Oklahoma Statutes,

1 e. before any other apportionment of revenue has been
2 made pursuant to this paragraph, three and twenty-
3 eight one-hundredths percent (3.28%) shall be
4 distributed to the various counties of the state for
5 deposit into the County Bridge and Road Improvement
6 Fund of each county based on a formula developed by
7 the Department of Transportation and approved by the
8 Department of Transportation County Advisory Board
9 created pursuant to Section 302.1 of Title 69 of the
10 Oklahoma Statutes to be used for the purposes set
11 forth in the County Bridge and Road Improvement Act.
12 The formula shall be similar to the formula currently
13 used for the distribution of monies in the County
14 Bridge Program funds, but shall also take into
15 consideration the effect of the terrain and traffic
16 volume as related to county road improvement and
17 maintenance costs,

18 f. before any other apportionment of revenue has been
19 made pursuant to this paragraph, five percent (5%)
20 shall be paid to the State Treasurer to be apportioned
21 to:

- 22 (1) the following sources and in the following
23 amounts through the fiscal year ending June 30,
24 2027:

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

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

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

16 (2) the Oklahoma Water Resources Board Rural Economic
17 Action Plan Water Projects Fund for the fiscal
18 year beginning July 1, 2027, and for each fiscal
19 year thereafter,

20 g. before any other apportionment of revenue has been
21 made pursuant to this paragraph, ten percent (10%) of
22 the sum collected from oil shall be paid to the
23 various county treasurers, to be credited to the
24 County Highway Fund as follows: Each county shall

1 receive a proportionate share of the funds available
2 based upon the proportion of the total value of
3 production from such county in the corresponding month
4 of the preceding year,

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

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

23 C. Provided, notwithstanding any other provision of this
24 section, the total amounts deposited to the Common Education
25

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

14 SECTION 4. This act shall become effective November 1, 2023.

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