

ENGROSSED HOUSE  
BILL NO. 2644

By: Reese, Adair, Blackburn,  
Boyd (Laura), Braddock,  
Claunch, Coleman, Dank,  
Hutchison, Ingmire,  
Liotta, McCarter,  
Morgan, Newport, O'Neal,  
Ramsey, Roberts,  
Satterfield, Steidley  
and Sullivan (Leonard)  
of the House

and

Laughlin of the Senate

( Teachers' Retirement System - amending 68 O.S., Sections  
1004 and 1004a - apportionment of gross production taxes  
- effective date - emergency )

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

SECTION 1. AMENDATORY 68 O.S. 1991, Section 1004, as  
last amended by Section 18, Chapter 239, O.S.L. 1993 (68 O.S. Supp.  
1997, Section 1004), is amended to read as follows:

Section 1004. The gross production tax provided for in this  
article is hereby levied and shall be collected and apportioned as  
follows, to wit:

1. Eighty percent (80%) of all monies collected hereunder from  
the tax levied on oil, asphalt or ores bearing uranium, lead, zinc,  
jack, gold, silver or copper shall be paid to the State Treasurer of  
the state to be placed in the General Revenue Fund of the state and  
used for the general expense of state government, to be paid out  
pursuant to direct appropriation by the Legislature;

2. Seventy-eight percent (78%) of all monies levied and collected under this article from the tax on natural gas and/or casinghead gas shall be paid to the State Treasurer of the state and by him distributed among the funds referred to in Section 17-108 of Title 70 of the Oklahoma Statutes, as directed by the Board of Trustees of the Oklahoma Teachers' Retirement System;

3. One-tenth (1/10) of the sum collected from each county whence the oil or natural gas and/or casinghead gas or asphalt or ores bearing uranium, lead, zinc, jack, gold, silver or copper was produced shall be paid to the county treasurer of such county, to be credited by said county treasurer of such county to the County Highway Fund;

4. a. Except as provided in subparagraph b of this paragraph, one-tenth (1/10) of the sum collected from each county whence the oil or natural gas and/or casinghead gas or asphalt or ores bearing uranium, lead, zinc, jack, gold, silver or copper or other mineral or substance covered hereby was produced shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction, and

b. Beginning July 1, 1991, if the amendment to Section 12a of Article X of the Constitution of the State of Oklahoma contained in Enrolled House Joint Resolution No. 1005 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature is approved by the people, one-tenth (1/10) of the sum collected from the gross

production of oil or natural gas and/or casinghead gas or asphalt or ores bearing uranium, lead, zinc, jack, gold, silver or copper or other mineral or substance covered hereby shall be remitted to the State Treasurer to be deposited in the Common School Fund; and

5. Two percent (2%) of all monies collected from the tax upon natural gas and casinghead gas shall be placed to the credit of the ~~General Revenue Fund of the State Treasury~~ Teachers' Retirement System of Oklahoma.

SECTION 2. AMENDATORY 68 O.S. 1991, Section 1004a, as amended by Section 2, Chapter 337, O.S.L. 1995 (68 O.S. Supp. 1997, Section 1004a), is amended to read as follows:

Section 1004a. A. An amount equal to the revenue including penalty and interest thereon derived from ~~five percent (5%)~~ five-sevenths (5/7) of the gross value of the production of petroleum or other crude or mineral oil and natural gas and/or casinghead gas levied by Section 1001 of this title shall be apportioned monthly by the Oklahoma Tax Commission as provided by Section 1004 of this title.

B. ~~All~~ Except as otherwise provided by this section, all revenue derived from the remaining ~~two percent (2%)~~ two-sevenths (2/7) of the ~~seven percent (7%)~~ revenue derived from the levies imposed in Section 1001 of this title shall be deposited in the State Treasury to the credit of the General Revenue Fund of the state to be used for governmental functions and to be paid out only pursuant to direct appropriation by the Legislature.

C. The apportionment of the revenue prescribed by subsection B of this section shall be made to the Teachers' Retirement System of Oklahoma for the following fiscal years and in the following amounts:

1. For the fiscal year beginning July 1, 1998: thirty-three and one-third percent (33 1/3%);

2. For the fiscal year beginning July 1, 1999: sixty-six and two-thirds percent (66 2/3%); and

3. For the fiscal year beginning July 1, 2000, and for each fiscal year thereafter: one hundred percent (100%).

D. The apportionment of the revenue prescribed by subsection B of this section shall be made to the General Revenue Fund for the following fiscal years and in the following amounts:

1. For the fiscal year beginning July 1, 1998: sixty-six and two-thirds percent (66 2/3%);

2. For the fiscal year beginning July 1, 1999: thirty-three and one-third percent (33 1/3%); and

3. For the fiscal year beginning July 1, 2000, and for each fiscal year thereafter: zero percent (0%).

SECTION 3. This act shall become effective July 1, 1998.

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

Passed the House of Representatives the 5th day of March, 1998.

Speaker of the House of Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 1998.

President of the Senate