

1 STATE OF OKLAHOMA

2 1st Session of the 47th Legislature (1999)

3 CONFERENCE COMMITTEE SUBSTITUTE
4 FOR ENGROSSED

5 HOUSE BILL NO. 1468

6 By: Corn of the House

7 and

8 Robinson of the Senate

9 CONFERENCE COMMITTEE SUBSTITUTE

10 An Act relating to revenue and taxation; amending
11 Section 6, Chapter 345, O.S.L. 1996, as last amended
12 by Section 3, Chapter 405, O.S.L. 1998 (68 O.S. Supp.
13 1998, Section 500.6), which relates to apportionment
14 of motor fuel taxes; clarifying taxes to be
15 apportioned; amending 68 O.S. 1991, Section 3202, as
16 last amended by Section 41 of Enrolled Senate Bill
17 No. 720 of the 1st Session of the 47th Oklahoma
18 Legislature, which relates to exemptions from
19 documentary stamp tax; modifying certain exemption;
20 providing an effective date; and declaring an
21 emergency.

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

23 SECTION 1. AMENDATORY Section 6, Chapter 345, O.S.L.
24 1996, as last amended by Section 3, Chapter 405, O.S.L. 1998 (68
25 O.S. Supp. 1998, Section 500.6), is amended to read as follows:

26 Section 500.6 A. The tax of sixteen cents (\$0.16) per gallon
27 of gasoline that is levied by paragraph 1 of subsection A of Section
28 500.4 of this title, and the tax of two and eight one-hundredths
29 cents (\$0.0208) per gallon of gasoline that is levied by subsection
30 C of Section 500.4 of this title, and penalties and interest
31 thereon, collected by the Oklahoma Tax Commission under the levy
32 shall be apportioned and distributed monthly as follows:

1. The first Two Hundred Fifty Thousand Dollars (\$250,000.00)
of the levy collected each month shall be deposited in the State
Treasury to the credit of the State Transportation Fund;

1 2. One and six hundred twenty-five one-thousandths percent
2 (1.625%) of the levy shall be remitted to the State Treasurer to the
3 credit of the General Revenue Fund of the State Treasury;

4 3. Sixty-three and seventy-five one-hundredths percent (63.75%)
5 of the levy shall be deposited in the State Treasury to the credit
6 of the State Transportation Fund to be apportioned as follows:

7 a. the first Eight Hundred Fifty Thousand Dollars
8 (\$850,000.00) collected each fiscal year shall be
9 deposited into the Public Transit Revolving Fund,
10 created in Section 4031 of Title 69 of the Oklahoma
11 Statutes,

12 b. the second Eight Hundred Fifty Thousand Dollars
13 (\$850,000.00) collected each fiscal year shall be
14 deposited into the Railroad Maintenance Revolving Fund
15 and shall be used by the Department of Transportation
16 to contract railroad passenger services, including but
17 not limited to a route linking stations in Oklahoma
18 and Tulsa Counties with other primary points in the
19 national railroad passenger system and passenger rail
20 service within the state and to provide necessary
21 facility, signaling, and track improvements for those
22 contracted services,

23 c. forty-one and two-tenths percent (41.2%) of the monies
24 apportioned to the State Transportation Fund shall be
25 used for any purpose provided for in Section 1502 of
26 Title 69 of the Oklahoma Statutes,

27 d. nine and eight-tenths percent (9.8%) of the monies
28 apportioned to the State Transportation Fund shall be
29 used to provide funds for the construction and
30 maintenance of farm-to-market roads on the state
31 highway system, and other rural farm-to-market roads
32 and bridges, and

1 e. any remaining amount of the apportionment shall be
2 deposited into the State Transportation Fund;

3 4. Twenty-seven percent (27%) of the levy shall be transmitted
4 by the Tax Commission to the various counties of the state, to be
5 apportioned and used as follows:

6 a. sixty-five and three-tenths percent (65.3%) of the
7 monies apportioned under this paragraph shall be used
8 on the following basis:

9 (1) forty percent (40%) of such sum shall be
10 distributed to the various counties in the
11 proportion which the county road mileage of each
12 county bears to the entire state road mileage as
13 certified by the Transportation Commission, and

14 (2) the remaining sixty percent (60%) of such sum
15 shall be distributed to the various counties on
16 the basis which the population and area of each
17 county bears to the total population and area of
18 the state. The population shall be as shown by
19 the last Federal Decennial Census or the most
20 recent annual estimate provided by the U.S.
21 Bureau of the Census,

22 b. twenty-three and one-tenth percent (23.1%) of the
23 monies apportioned under this paragraph shall be
24 distributed to the counties in the following manner:
25 One-third (1/3) on area; one-third (1/3) on rural
26 population, defined as including the population of all
27 municipalities with a population of less than five
28 thousand (5,000) according to the latest Federal
29 Decennial Census; and one-third (1/3) on county road
30 mileage, as last certified by the Department of
31 Transportation, as each county bears to the entire
32

1 area, rural population and road mileage of the state,
2 and

3 c. eleven and six-tenths percent (11.6%) of the monies
4 apportioned under this paragraph shall be distributed
5 to the various counties of the state based on a
6 formula developed by the Department of Transportation
7 and approved by the Department of Transportation
8 County Advisory Board created pursuant to Section
9 302.1 of Title 69 of the Oklahoma Statutes. The
10 formula shall be similar to the formula currently used
11 for the distribution of monies in the County Bridge
12 Program funds, but shall also take into consideration
13 the effect of the terrain and traffic volume as
14 related to county road improvement and maintenance
15 costs. Any county may, by resolution of the board of
16 county commissioners, direct the Tax Commission to
17 deposit the funds apportioned pursuant to this
18 subparagraph directly into the County Bridge and Road
19 Improvement Fund to be used for the purposes set forth
20 in the County Bridge and Road Improvement Act;

21 5. Three and one hundred twenty-five one-thousandths percent
22 (3.125%) of the levy shall be distributed to the various counties of
23 the state based on a formula developed by the Department of
24 Transportation and approved by the Department of Transportation
25 County Advisory Board created pursuant to Section 302.1 of Title 69
26 of the Oklahoma Statutes. The formula shall be similar to the
27 formula currently used for the distribution of monies in the County
28 Bridge Program funds, but shall also take into consideration the
29 effect of the terrain and traffic volume as related to county road
30 improvement and maintenance costs. Any county may, by resolution
31 approved by a majority of the board of county commissioners and
32 filed with the Tax Commission, direct the Tax Commission to deposit

1 the funds apportioned pursuant to this paragraph directly into the
2 County Bridge and Road Improvement Fund to be used for the purposes
3 set forth in the County Bridge and Road Improvement Act;

4 6. Two and six hundred twenty-five one-thousandths percent
5 (2.625%) of the levy shall be deposited in the County Bridge and
6 Road Improvement Fund of the State Treasury to be used for the
7 purposes set forth in the County Bridge and Road Improvement Act;
8 and

9 7. One and eight hundred seventy-five one-thousandths percent
10 (1.875%) of the levy shall be transmitted by the Tax Commission to
11 the treasurers of the various incorporated cities and towns of the
12 state in the percentage which the population, as shown by the last
13 Federal Decennial Census or the most recent annual estimate provided
14 by the U.S. Bureau of the Census, bears to the total population of
15 all the incorporated cities and towns in this state. The funds
16 shall be expended for the construction, repair and maintenance of
17 the streets and alleys of the incorporated cities and towns of this
18 state.

19 B. 1. The funds apportioned or transmitted pursuant to
20 subparagraphs a, b, and c of paragraph 4 of subsection A of this
21 section, subsection B of Section 500.7 of this title, subsection B
22 of Section 704 of this title, Section 706 of this title, and
23 paragraph 2 of subsection D of Section 707.3 of this title shall be
24 sent to the respective county treasurers and deposited in the county
25 highway fund to be used by the county commissioners for the purpose
26 of constructing and maintaining county highways and bridges.

27 2. The funds received by any county shall not be diverted to
28 any other county of the state, and shall only be expended under the
29 direction and control of the board of county commissioners in the
30 county to which the funds are appropriated. If any part of the
31 funds is diverted for any other purpose, the county commissioners
32 shall be liable on their bond for double the amount of the money so

1 diverted. This paragraph shall not prohibit counties from entering
2 into cooperative agreements pertaining to the maintenance and
3 construction of roads and bridges.

4 3. Where any county highway has been laid out over a road
5 already constructed in any county by the use of money raised from
6 county bond issues for that purpose, either alone or by the use of
7 federal or state aid, or both, the county commissioners may set
8 aside out of the funds apportioned to that county, as provided in
9 this section, an amount of money equal to the value of any part
10 thereof, of the interest of such county in such highway or bridge,
11 which amount of money shall be considered by the excise board in
12 reducing the levy for the purpose of retiring the bonded
13 indebtedness and interest thereon of the county, and shall be used
14 for investment or deposit in the same manner as provided by law for
15 the disposition of other sinking fund money.

16 4. In all counties where the county excise board may find it
17 necessary, because of insufficient revenue, to maintain county
18 government out of the general fund, after a levy of ten (10) mills
19 has been made for any fiscal year, the county excise board may
20 appropriate out of any such funds apportioned to the county an
21 amount sufficient to pay the salaries of the county commissioners of
22 the county for the fiscal year.

23 5. Counties may use funds deposited in the county highway fund
24 for the purpose of matching federal or state funds, provided such
25 funds are available, as necessary to secure assistance in the
26 construction or improvement of the county road system.

27 C. With regards to the apportionment of the levy as set forth
28 in paragraph 5 of subsection A of this section, paragraph 5 of
29 subsection A of Section 500.7 of this title, and subsection C of
30 Section 707.2 of this title:

31 1. If any county has an accrued balance of funds which were
32 appropriated to or otherwise accrued in a restricted road

1 maintenance fund, such funds shall be deposited directly to the
2 county highway fund of the county;

3 2. If any county has an accrued balance of funds which were
4 appropriated to or otherwise accrued in the County Road Improvement
5 Fund, or the County Bridge Improvement Fund, as such funds existed
6 prior to July 1, 1997, such funds shall, by resolution approved by a
7 majority of the board of county commissioners and filed with the
8 Department of Transportation, be deposited in the county highway
9 fund of the county or shall be deposited to the County Bridge and
10 Road Improvement Fund to be used for the purposes set forth in the
11 County Bridge and Road Improvement Act; and

12 3. If any county has an advanced funding agreement with the
13 Department of Transportation, the Department of Transportation shall
14 notify the Tax Commission as to the amount the county is obligated
15 to pay according to the terms of the advanced funding agreement.
16 The obligated amount shall be transferred each month by the Tax
17 Commission to the Department of Transportation to the credit of the
18 County Bridge and Road Improvement Fund from the funds apportioned
19 to the county pursuant to paragraph 5 of subsection A of this
20 section. A county may elect to increase the monthly amount to be
21 repaid pursuant to the advanced funding agreement from the funds
22 apportioned to the county, but a county shall not be permitted to
23 reduce the amount agreed to pursuant to the advanced funding
24 agreement.

25 D. The tax levied on gasoline pursuant to Section 500.4A of
26 this title, and the penalties and interest thereon, collected by the
27 Tax Commission under the levy shall be apportioned and distributed
28 on a monthly basis to the State Highway Construction and Maintenance
29 Fund for the purposes authorized by Section 1502 of Title 69 of the
30 Oklahoma Statutes.

31 SECTION 2. AMENDATORY 68 O.S. 1991, Section 3202, as
32 last amended by Section 41 of Enrolled Senate Bill No. 720 of the

1 1st Session of the 47th Oklahoma Legislature, is amended to read as
2 follows:

3 Section 3202. The tax imposed by Section 3201 of this title
4 shall not apply to:

5 1. Deeds recorded prior to the effective date of Sections 3201
6 through 3206 of this title;

7 2. Deeds which secure a debt or other obligation;

8 3. Deeds which, without additional consideration, confirm,
9 correct, modify or supplement a deed previously recorded;

10 4. Deeds between husband and wife, or parent and child, or any
11 persons related within the second degree of consanguinity, without
12 actual consideration therefor, deeds between any person and an
13 express revocable trust created by such person or such person's
14 spouse or deeds pursuant to which property is transferred from a
15 person to a partnership, limited liability company or corporation of
16 which the transferor or the transferor's spouse, parent, child, or
17 other person related within the second degree of consanguinity to
18 the transferor are the only owners of the partnership, limited
19 liability company or corporation. However, if the ownership of the
20 partnership, limited liability company or corporation is changed
21 within one (1) year of the property transfer, the seller shall
22 immediately pay the amount of tax which would have been due had this
23 exemption not been granted;

24 5. Tax deeds;

25 6. Deeds of release of property which is security for a debt or
26 other obligation;

27 7. Deeds executed by Indians in approval proceedings of the
28 district courts or by the Secretary of the Interior;

29 8. Deeds of partition, unless, for consideration, some of the
30 parties take shares greater in value than their undivided interests,
31 in which event a tax attaches to each deed conveying such greater
32 share computed upon the consideration for the excess;

1 9. Deeds made pursuant to mergers of partnerships, limited
2 liability companies or corporations;

3 10. Deeds made by a subsidiary corporation to its parent
4 corporation for no consideration other than the cancellation or
5 surrender of the subsidiary's stock;

6 11. Deeds or instruments to which the State of Oklahoma or any
7 of its instrumentalities, agencies or subdivisions is a party,
8 whether as grantee or as grantor or in any other capacity;

9 12. Deeds or instruments to which the United States or any of
10 its agencies or departments is a party, whether as grantor or as
11 grantee or in any other capacity, provided that this shall not
12 exempt transfers to or from national banks or federal savings and
13 loan associations;

14 13. Any deed executed pursuant to a foreclosure proceeding in
15 which the grantee is the holder of a mortgage on the property being
16 foreclosed, or any deed executed pursuant to a power of sale in
17 which the grantee is the party exercising such power of sale or any
18 deed executed in favor of the holder of a mortgage on the property
19 in consideration for the release of the borrower from liability on
20 the indebtedness secured by such mortgage except as to cash
21 consideration paid; provided, however, the tax shall apply to deeds
22 in other foreclosure actions, unless otherwise hereinabove exempted,
23 and shall be paid by the purchaser in such foreclosure actions; or

24 14. Deeds and other instruments to which the Oklahoma Space
25 Industry Development Authority or a spaceport user, as defined in
26 the Oklahoma Space Industry Development Act, is a party.

27 SECTION 3. This act shall become effective July 1, 1999.

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

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