

CS for EHB 1385

THE STATE SENATE
Wednesday, March 26, 2003

Committee Substitute for
ENGROSSED
House Bill No. 1385

COMMITTEE SUBSTITUTE FOR ENGROSSED HOUSE BILL NO. 1385 - By:
FERGUSON, HILLIARD and TYLER of the House and MILACEK of the Senate.

A Joint Resolution relating to revenue and taxation;
ordering a legislative referendum pursuant to the Oklahoma
Constitution; amending 68 O.S. 2001, Sections 500.4, 500.6,
as amended by Section 4, Chapter 458, O.S.L. 2002, 500.7 and
603 (68 O.S. Supp. 2002, Section 500.6), which relate to
motor fuel taxes; stating intent; providing for
noncodification; increasing rate of taxation on gasoline and
diesel fuel; specifying amount of increase; providing for
apportionment of revenues; deleting obsolete language;
providing for noncodification; providing an effective date;
providing ballot title; and directing filing.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE
1ST SESSION OF THE 49TH OKLAHOMA LEGISLATURE:

SECTION 1. Pursuant to Section 3 of Article V of the Oklahoma
Constitution, there is hereby ordered the following legislative
referendum which shall be filed with the Secretary of State and
addressed to the Governor of the state, who shall submit the same to
the people for their approval or rejection at the next statewide
general election.

SECTION 2. NEW LAW A new section of law not to be
codified in the Oklahoma Statutes reads as follows:

1 It is the intent of the people of the State of Oklahoma, through
2 passage of this legislative referendum, to increase gasoline and
3 diesel fuel taxes with the express purpose of providing additional
4 funds for transportation. It is the further intent of the people of
5 the State of Oklahoma that the amount of state funding for
6 transportation from sources other than the increased gasoline and
7 diesel fuel tax revenues as provided herein be maintained or
8 increased, and that such additional revenues shall not be used as a
9 substitute or replacement for other sources of state funding.

10 SECTION 3. AMENDATORY 68 O.S. 2001, Section 500.4, is
11 amended to read as follows:

12 Section 500.4 A. A tax is imposed on all gasoline and all
13 diesel fuel used or consumed in this state as follows:

14 1. Gasoline:

15 a. from the effective date of this act through June 30,
16 2005, eighteen cents (\$0.18) per gallon,

17 b. from July 1, 2005, through June 30, 2006, twenty cents
18 (\$0.20) per gallon,

19 c. from July 1, 2006, through June 30, 2030, twenty-one
20 cents (\$0.21) per gallon, and

21 d. beginning July 1, 2030, sixteen cents (\$0.16) per
22 gallon; and

23 2. Diesel fuel:

- 1 a. from the effective date of this act through June 30,
2 2005, fifteen cents (\$0.15) per gallon,
3 b. from July 1, 2005, through June 30, 2006, seventeen
4 cents (\$0.17) per gallon,
5 c. from July 1, 2006, through June 30, 2007, nineteen
6 cents (\$0.19) per gallon,
7 d. from July 1, 2007, through June 30, 2030, twenty-one
8 cents (\$0.21) per gallon, and
9 e. beginning July 1, 2030, thirteen cents (\$0.13) per
10 gallon.

11 B. A tax is imposed on all gasoline, diesel fuel and kerosene
12 used or consumed in this state for use as fuel to generate power in
13 aircraft engines or for training, testing or research on aircraft
14 engines in the amount of eight one-hundredths of one cent (\$0.0008)
15 per gallon. All gasoline, diesel fuel and kerosene sold for use
16 under this subsection shall not be subject to the excise tax levied
17 in subsection A of this section.

18 C. Notwithstanding any exemption provided in Section 500.1 et
19 seq. of this title, all gasoline used or consumed in this state for
20 use as fuel for farm tractors or stationary engines and used
21 exclusively for agricultural purposes shall be subject to a tax in
22 the amount of two and eight one-hundredths cents (\$0.0208) per
23 gallon. All gasoline sold for use pursuant to this subsection shall

1 not be subject to the excise tax levied in subsection A of this
2 section. The term "farm tractor", as used herein, shall include all
3 tractor-type, motorized farm implements and equipment but shall not
4 include motor vehicles of the truck-type, pickup truck-type,
5 automobiles and other motor vehicles required to be registered and
6 licensed each year under the Oklahoma Vehicle License and
7 Registration Act.

8 D. It is the intent of this section to amend, revise,
9 incorporate and recodify the tax imposed on motor fuel and that the
10 tax shall be conclusively presumed to be a direct tax and shall be a
11 direct tax on the retail or ultimate consumer precollected for the
12 purpose of convenience and facility to the consumer. The levy and
13 assessment on other persons as specified in ~~this act~~ the Motor Fuel
14 Tax Code shall be as agents of the state for the precollection of
15 the tax. The provisions of this section shall in no way affect the
16 method of collecting the tax as provided in ~~this act~~ the Motor Fuel
17 Tax Code. The tax imposed by this section shall be collected and
18 paid at those times, in the manner, and by those persons specified
19 in ~~this act~~ the Motor Fuel Tax Code.

20 SECTION 4. AMENDATORY 68 O.S. 2001, Section 500.6, as
21 amended by Section 4, Chapter 458, O.S.L. 2002 (68 O.S. Supp. 2002,
22 Section 500.6), is amended to read as follows:

1 Section 500.6 A. ~~The Sixteen cents (\$0.16) per gallon of~~
2 ~~gasoline of the tax of sixteen cents (\$0.16) per gallon of gasoline~~
3 that is levied by paragraph 1 of subsection A of Section 500.4 of
4 this title, and the tax of two and eight one-hundredths cents
5 (\$0.0208) per gallon of gasoline that is levied by subsection C of
6 Section 500.4 of this title, and penalties and interest thereon,
7 collected by the Oklahoma Tax Commission under the levy shall be
8 apportioned and distributed monthly as follows:

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

12 2. One and six hundred twenty-five one-thousandths percent
13 (1.625%) of the levy shall be remitted to the State Treasurer to the
14 credit of the General Revenue Fund of the State Treasury;

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

18 a. the first Eight Hundred Fifty Thousand Dollars
19 (\$850,000.00) collected each fiscal year shall be
20 deposited into the Public Transit Revolving Fund,
21 created in Section 4031 of Title 69 of the Oklahoma
22 Statutes,

1 b. the second Eight Hundred Fifty Thousand Dollars
2 (\$850,000.00) collected each fiscal year shall be
3 deposited into the Oklahoma Tourism and Passenger Rail
4 Revolving Fund and shall be used by the Department of
5 Transportation:
6 (1) to contract railroad passenger services,
7 including but not limited to a route linking
8 stations in Oklahoma and Tulsa Counties with
9 other primary points in the national railroad
10 passenger system and passenger rail service
11 within the state, and a route beginning at a
12 station in Oklahoma County and extending north to
13 the Kansas state line in Kay County, and
14 (2) to provide necessary facility, signaling, and
15 track improvements for those contracted services,
16 c. forty-one and two-tenths percent (41.2%) of the monies
17 apportioned to the State Transportation Fund shall be
18 used for any purpose provided for in Section 1502 of
19 Title 69 of the Oklahoma Statutes,
20 d. nine and eight-tenths percent (9.8%) of the monies
21 apportioned to the State Transportation Fund shall be
22 used to provide funds for the construction and
23 maintenance of farm-to-market roads on the state

1 highway system, and other rural farm-to-market roads
2 and bridges, and

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

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

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

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

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

1 b. twenty-three and one-tenth percent (23.1%) of the
2 monies apportioned under this paragraph shall be
3 distributed to the counties in the following manner:
4 One-third (1/3) on area; one-third (1/3) on rural
5 population, defined as including the population of all
6 municipalities with a population of less than five
7 thousand (5,000) according to the latest Federal
8 Decennial Census; and one-third (1/3) on county road
9 mileage, as last certified by the Department of
10 Transportation, as each county bears to the entire
11 area, rural population and road mileage of the state,
12 and

13 c. eleven and six-tenths percent (11.6%) of the monies
14 apportioned under this paragraph shall be distributed
15 to the various counties of the state based on a
16 formula developed by the Department of Transportation
17 and approved by the Department of Transportation
18 County Advisory Board created pursuant to Section
19 302.1 of Title 69 of the Oklahoma Statutes. The
20 formula shall be similar to the formula currently used
21 for the distribution of monies in the County Bridge
22 Program funds, but shall also take into consideration
23 the effect of the terrain and traffic volume as

1 related to county road improvement and maintenance
2 costs. Any county may, by resolution of the board of
3 county commissioners, direct the Tax Commission to
4 deposit the funds apportioned pursuant to this
5 subparagraph directly into the County Bridge and Road
6 Improvement Fund to be used for the purposes set forth
7 in the County Bridge and Road Improvement Act;

8 5. Three and one hundred twenty-five one-thousandths percent
9 (3.125%) of the levy shall be distributed to the various counties of
10 the state based on a formula developed by the Department of
11 Transportation and approved by the Department of Transportation
12 County Advisory Board created pursuant to Section 302.1 of Title 69
13 of the Oklahoma Statutes. The formula shall be similar to the
14 formula currently used for the distribution of monies in the County
15 Bridge Program funds, but shall also take into consideration the
16 effect of the terrain and traffic volume as related to county road
17 improvement and maintenance costs. Any county may, by resolution
18 approved by a majority of the board of county commissioners and
19 filed with the Tax Commission, direct the Tax Commission to deposit
20 the funds apportioned pursuant to this paragraph directly into the
21 County Bridge and Road Improvement Fund to be used for the purposes
22 set forth in the County Bridge and Road Improvement Act;

1 6. Two and six hundred twenty-five one-thousandths percent
2 (2.625%) of the levy shall be deposited in the County Bridge and
3 Road Improvement Fund of the State Treasury to be used for the
4 purposes set forth in the County Bridge and Road Improvement Act;
5 and

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

16 Provided, for the fiscal year beginning July 1, 2002, the first
17 Two Hundred Thousand Dollars (\$200,000.00) of such revenues shall be
18 apportioned to the Education Reform Revolving Fund.

19 B. The amount of the tax that is levied by paragraph 1 of
20 subsection A of Section 500.4 of this title in excess of sixteen
21 cents (\$0.16) per gallon of gasoline, and penalties and interest
22 thereon, collected by the Tax Commission under the levy shall be
23 apportioned and distributed monthly as follows:

1 1. Twenty percent (20%) of the levy shall be divided into three
2 equal parts, as follows:

3 a. one part to be deposited into the Oklahoma Aeronautics
4 Commission Revolving Fund created in Section 91 of
5 Title 3 of the Oklahoma Statutes,

6 b. one part to be deposited into the Public Transit
7 Revolving Fund created in Section 4031 of Title 69 of
8 the Oklahoma Statutes, and

9 c. one part to be deposited into the Oklahoma Tourism and
10 Passenger Rail Revolving Fund and shall be used by the
11 Department of Transportation for the purposes set
12 forth in subparagraph b of paragraph 3 of subsection A
13 of this section;

14 2. Twenty percent (20%) of the levy shall be divided into three
15 equal parts, as follows:

16 a. one part to be transmitted by the Tax Commission to
17 the various counties of the state in the manner
18 prescribed in paragraph 4 of subsection A of this
19 section,

20 b. one part to be transmitted by the Tax Commission to
21 the treasurers of the various incorporated cities and
22 towns of the state in the manner prescribed in
23 paragraph 7 of subsection A of this section, and

1 c. one part shall be divided equally as follows:

2 (1) one-half (1/2) shall be deposited to the Oklahoma
3 Railroad Maintenance Revolving Fund to be used
4 exclusively for highway railroad grade separation
5 projects, relocation of rail sidings and other
6 public benefit projects, and

7 (2) one-half (1/2) shall be deposited to the State
8 Highway Construction and Maintenance Fund to be
9 used exclusively for the construction and
10 maintenance of roads, highways, bridges and rail
11 access located within ten (10) miles of a port
12 providing access to the McClellan-Kerr Arkansas
13 River Navigation System and which provide direct
14 access to such port. Any road accepted by the
15 Federal Highway Administration as a National
16 Highway System connector route to an intermodal
17 port shall be eligible for funding pursuant to
18 the provisions of this division. The Oklahoma
19 Waterways Advisory Board shall make
20 recommendations to the State Department of
21 Transportation for projects to be approved for
22 funding pursuant to the provisions of this
23 division; and

1 3. Sixty percent (60%) of the levy shall be deposited into the
2 State Highway Construction and Maintenance Fund.

3 C. 1. The funds apportioned or transmitted pursuant to
4 subparagraphs a, b, and c of paragraph 4 of subsection A of this
5 section, subparagraph a of paragraph 2 of subsection B of this
6 section, subsection ~~B~~ C of Section 500.7 of this title, subsection B
7 of Section 704 of this title, Section 706 of this title, and
8 paragraph 2 of subsection D of Section 707.3 of this title shall be
9 sent to the respective county treasurers and deposited in the county
10 highway fund to be used by the county commissioners for the purpose
11 of constructing and maintaining county highways and bridges.

12 2. The funds received by any county shall not be diverted to
13 any other county of the state, and shall only be expended under the
14 direction and control of the board of county commissioners in the
15 county to which the funds are appropriated. If any part of the
16 funds is diverted for any other purpose, the county commissioners
17 shall be liable on their bond for double the amount of the money so
18 diverted. This paragraph shall not prohibit counties from entering
19 into cooperative agreements pertaining to the maintenance and
20 construction of roads and bridges.

21 3. Where any county highway has been laid out over a road
22 already constructed in any county by the use of money raised from
23 county bond issues for that purpose, either alone or by the use of

1 federal or state aid, or both, the county commissioners may set
2 aside out of the funds apportioned to that county, as provided in
3 this section, an amount of money equal to the value of any part
4 thereof, of the interest of such county in such highway or bridge,
5 which amount of money shall be considered by the excise board in
6 reducing the levy for the purpose of retiring the bonded
7 indebtedness and interest thereon of the county, and shall be used
8 for investment or deposit in the same manner as provided by law for
9 the disposition of other sinking fund money.

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

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

21 ~~E. D.~~ D. With ~~regards~~ regard to the apportionment of the levy as
22 set forth in paragraph 5 of subsection A of this section, paragraph

1 5 of subsection A of Section 500.7 of this title, and subsection C
2 of Section 707.2 of this title:

3 1. If any county has an accrued balance of funds which were
4 appropriated to or otherwise accrued in a restricted road
5 maintenance fund, such funds shall be deposited directly to the
6 county highway fund of the county;

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

16 3. If any county has an advanced funding agreement with the
17 Department of Transportation, the Department of Transportation shall
18 notify the Tax Commission as to the amount the county is obligated
19 to pay according to the terms of the advanced funding agreement.
20 The obligated amount shall be transferred each month by the Tax
21 Commission to the Department of Transportation to the credit of the
22 County Bridge and Road Improvement Fund from the funds apportioned
23 to the county pursuant to paragraph 5 of subsection A of this

1 section. A county may elect to increase the monthly amount to be
2 repaid pursuant to the advanced funding agreement from the funds
3 apportioned to the county, but a county shall not be permitted to
4 reduce the amount agreed to pursuant to the advanced funding
5 agreement.

6 ~~D.~~ E. The tax levied on gasoline pursuant to Section 500.4A of
7 this title, and the penalties and interest thereon, collected by the
8 Tax Commission under the levy shall be apportioned and distributed
9 on a monthly basis to the State Highway Construction and Maintenance
10 Fund for the purposes authorized by Section 1502 of Title 69 of the
11 Oklahoma Statutes.

12 SECTION 5. AMENDATORY 68 O.S. 2001, Section 500.7, is
13 amended to read as follows:

14 Section 500.7 A. ~~The Thirteen cents (\$0.13) per gallon of~~
15 diesel fuel of the tax of thirteen cents (\$0.13) per gallon of
16 ~~diesel fuel~~ that is levied by paragraph 2 of subsection A of Section
17 500.4 of this title, and all penalties and interest thereon,
18 collected by the Oklahoma Tax Commission under the levy shall be
19 apportioned and distributed monthly as follows:

20 1. The first Eighty-three Thousand Three Hundred Thirty-three
21 Dollars and thirty-three cents (\$83,333.33) of the levy collected
22 each month shall be deposited in the State Treasury to the credit of
23 the State Transportation Fund;

1 2. One and thirty-nine one-hundredths percent (1.39%) of the
2 levy shall be paid by the Tax Commission to the State Treasurer to
3 the credit of the General Revenue Fund of the State Treasury;

4 3. Sixty-four and thirty-four one-hundredths percent (64.34%)
5 of the levy shall be deposited in the State Treasury to the credit
6 of the State Transportation Fund;

7 4. Twenty-six and fifty-eight one-hundredths percent (26.58%)
8 of the levy shall be transmitted by the Tax Commission to various
9 counties of the state, to be apportioned as follows:

10 a. forty-two and one-tenth percent (42.1%) of the monies
11 apportioned under this paragraph shall be transmitted
12 to the various counties in the percentage which the
13 population and area of each county bears to the
14 population and area of the entire state. The
15 population shall be as shown by the last Federal
16 Decennial Census or the most recent annual estimate
17 provided by the U.S. Bureau of the Census,

18 b. fourteen and five-tenths percent (14.5%) of the monies
19 apportioned under this paragraph shall be distributed
20 as follows:

21 Forty percent (40%) of such sum shall be distributed
22 to the various counties in that proportion which the
23 county road mileage of each county bears to the entire

1 state road mileage as certified by the Transportation
2 Commission, and the remaining sixty percent (60%) of
3 such sum shall be distributed to the various counties
4 on the basis which the population and area of each
5 county bears to the total population and area of the
6 state. The population shall be as shown by the last
7 Federal Decennial Census or the most recent annual
8 estimate provided by the U.S. Bureau of the Census,

9 c. twenty-eight and nine-tenths percent (28.9%) of the
10 monies apportioned under this paragraph shall be
11 distributed to the several counties in the following
12 manner: one-third (1/3) on area, one-third (1/3) on
13 rural population (defined as including the population
14 of all municipalities with a population of less than
15 five thousand (5,000) according to the latest Federal
16 Decennial Census), and one-third (1/3) on county road
17 mileage, as last certified by the Oklahoma Department
18 of Transportation, as each county bears to the entire
19 area, rural population and road mileage of the state,
20 and

21 d. fourteen and five-tenths percent (14.5%) of the monies
22 apportioned under this paragraph shall be distributed
23 to the various counties of the state based on a

1 formula developed by the Oklahoma Department of
2 Transportation and approved by the Department of
3 Transportation County Advisory Board created pursuant
4 to Section 302.1 of Title 69 of the Oklahoma Statutes.
5 The formula shall be similar to the formula currently
6 used for the distribution of the County Bridge Program
7 funds, but shall also take into consideration the
8 effect of the terrain and traffic volume as related to
9 the county road improvement and maintenance costs.
10 Any county may, by resolution approved by a majority
11 of the board of county commissioners and filed with
12 the ~~Oklahoma~~ Tax Commission, direct the ~~Oklahoma~~ Tax
13 Commission to deposit the funds so apportioned by this
14 subparagraph directly into the County Bridge and Road
15 Improvement Fund to be used for the purposes set forth
16 in the County Bridge and Road Improvement Act;

17 5. Three and eighty-five one-hundredths percent (3.85%) of the
18 levy shall be distributed based on a formula developed by the
19 Oklahoma Department of Transportation and approved by the Department
20 of Transportation County Advisory Board created pursuant to Section
21 302.1 of Title 69 of the Oklahoma Statutes. The formula shall be
22 similar to the formula currently used for the distribution of the
23 County Bridge Program funds, but shall also take into consideration

1 the effect of the terrain and traffic volume as related to the
2 county road improvement and maintenance costs. Any county may, by
3 resolution approved by a majority of the board of county
4 commissioners and filed with the ~~Oklahoma~~ Tax Commission, direct the
5 ~~Oklahoma~~ Tax Commission to deposit the funds so apportioned by this
6 paragraph directly into the County Bridge and Road Improvement Fund
7 to be used for the purposes set forth in the County Bridge and Road
8 Improvement Act. The apportionment of the levy as set forth in this
9 paragraph shall be subject to the provisions of subsection C D of
10 Section 500.6 of this title; and

11 6. Three and eighty-four one-hundredths percent (3.84%) of the
12 levy shall be deposited in the County Bridge and Road Improvement
13 Fund of the State Treasury to be used for the purposes set forth in
14 the County Bridge and Road Improvement Act.

15 B. The amount of the tax that is levied by paragraph 2 of
16 subsection A of Section 500.4 of this title in excess of thirteen
17 cents (\$0.13) per gallon of diesel fuel, and penalties and interest
18 thereon, collected by the Tax Commission under the levy shall be
19 apportioned and distributed monthly as follows:

20 1. Twenty-five percent (25%) shall be deposited into the State
21 Highway Construction and Maintenance Fund to be used exclusively for
22 maintenance of highways that are part of the interstate highway
23 system as specified by federal law; and

1 2. Seventy-five percent (75%) of the levy shall be deposited
2 into the State Highway Construction and Maintenance Fund.

3 C. The funds apportioned or transmitted pursuant to the
4 provisions of subparagraphs a, b, and c of paragraph 4 of subsection
5 A of this section shall be used in accordance with and subject to
6 the provisions of subsection ~~B~~ C of Section 500.6 of this title.

7 ~~C.~~ D. The tax levied on diesel fuel pursuant to Section 500.4A
8 of this title, and all penalties and interest thereon, collected by
9 the Tax Commission under the levy shall be apportioned and
10 distributed on a monthly basis to the State Highway Construction and
11 Maintenance Fund for the purposes authorized by Section 1502 of
12 Title 69 of the Oklahoma Statutes.

13 SECTION 6. AMENDATORY 68 O.S. 2001, Section 603, is
14 amended to read as follows:

15 Section 603. A. In consideration of the use of the highways of
16 this state, and in addition to all other taxes levied for such
17 purposes, all persons who import gasoline and diesel fuel into this
18 state in the fuel supply tank or tanks of motor vehicles or in any
19 other containers for use in propelling such vehicles on the highways
20 for commercial purposes, shall report and pay to the Oklahoma Tax
21 Commission a tax for such use of the highways as provided in this
22 section. The tax shall be levied and imposed as follows:

1 1. Gasoline, ~~sixteen cents (\$0.16)~~ an amount per gallon
2 equivalent to the amount specified in paragraph 1 of subsection A of
3 Section 500.4 of this title; and

4 2. Diesel fuel, ~~thirteen cents (\$0.13)~~ an amount per gallon
5 equivalent to the amount specified in paragraph 2 of subsection A of
6 Section 500.4 of this title.

7 The tax levied and imposed shall be measured and determined by the
8 number of gallons of gasoline and diesel fuel so imported and
9 actually used on the highways of this state. No gasoline or diesel
10 fuel on which the tax levied by the Motor Fuel Tax Code has been
11 paid to this state shall be used in computing the tax imposed by
12 this section. In the event the tax levied by this section can be
13 more accurately determined on a mileage basis, that is, by
14 determining and using the total number of miles traveled in
15 Oklahoma, or in case it is practicable to so determine the tax, the
16 Tax Commission is authorized to accept and approve such basis.

17 B. Each person licensed pursuant to Section 607 of this title
18 who properly remits the tax pursuant to ~~this act~~ Section 601 et seq.
19 of this title shall be entitled to retain one and twenty-five one-
20 hundredths percent (1.25%) of the tax imposed on gasoline by this
21 section and remitted by that licensee and one and fifty-four one-
22 hundredths percent (1.54%) of the tax imposed on diesel fuel by this
23 section and remitted by the licensee to cover the costs of

1 administration imposed by ~~this act~~ Section 601 et seq. of this title
2 including record keeping, report filing, and remitting of the tax.
3 The retention of a percentage of the tax permitted by this section
4 shall not be allowed by a licensee if any report or the tax
5 remittance is delinquent.

6 SECTION 7. This act shall become effective thirty (30) days
7 after certification of election returns favoring passage of this act
8 by the people.

9 SECTION 8. The Ballot Title for the proposed act shall be in
10 the following form:

11 BALLOT TITLE

12 Legislative Referendum No. _____ State Question No. _____

13 THE GIST OF THE PROPOSITION IS AS FOLLOWS:

14 This measure will increase motor fuel taxes. Gasoline taxes
15 will increase by two cents per gallon per year until a total
16 increase of five cents per gallon is reached. Diesel fuel taxes
17 will increase by two cents per gallon per year until a total
18 increase of eight cents per gallon is reached. The increases
19 will be in effect until July 1, 2030. The intent of the people
20 is stated that passage of this measure not act to decrease other
21 funding for transportation. Revenues from the new taxes will be
22 used for various transportation needs. Revenues must be used by
23 the Oklahoma Aeronautics Commission, for public transit, for

1 railroads, for roads and bridges near waterways, and for
2 counties and municipalities for roads. The remainder of the
3 revenues will be deposited to the State Highway Construction and
4 Maintenance Fund. A portion of the revenues from diesel fuel
5 taxes must be used for maintenance of interstate highways.

6 SHALL THIS ACT BE APPROVED BY THE PEOPLE?

7 YES, FOR THE ACT

8 NO, AGAINST THE ACT

9 SECTION 9. The President Pro Tempore of the Senate shall,
10 immediately after the passage of this order for legislative
11 referendum, prepare and file in accordance with Section 3 of Article
12 V of the Oklahoma Constitution, one copy of this order for
13 legislative referendum, including the Ballot Title set forth in
14 SECTION 8, with the Secretary of State and one copy with the
15 Attorney General.

16 COMMITTEE REPORT BY: COMMITTEE ON TRANSPORTATION, dated 3-25-03 - DO
17 PASS, As Amended.