

CS for EHB 2618

THE STATE SENATE
Monday, April 10, 2006

Committee Substitute for
ENGROSSED

House Bill No. 2618

COMMITTEE SUBSTITUTE FOR ENGROSSED HOUSE BILL NO. 2618 - By: BENGÉ,
SMITHSON AND BRANNON of the House and CRUTCHFIELD and RABON of the
Senate.

[public finance - amending 68 O.S., Section 1004 - REAP
Water Projects Fund - revenue - codification - effective
date -
emergency]

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

SECTION 1. AMENDATORY 68 O.S. 2001, Section 1004, as
amended by Section 2, Chapter 416, O.S.L. 2002 (74 O.S. Supp. 2005,
Section 1004), is amended to read as follows:

Section 1004. Beginning July 1, 2002, the gross production tax
provided for in Section 1001 of this title is hereby levied and
shall be collected and apportioned as follows:

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

- a. eighty-five and seventy-two one-hundredths percent
(85.72%) 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

1 government, to be paid out pursuant to direct
2 appropriation by the Legislature,
3 b. seven and fourteen one-hundredths percent (7.14%) of
4 the sum collected from natural gas and/or casinghead
5 gas or asphalt or ores bearing uranium, lead, zinc,
6 jack, gold, silver or copper shall be paid to the
7 various county treasurers to be credited to the County
8 Highway Fund as follows: Each county shall receive a
9 proportionate share of the funds available based upon
10 the proportion of the total value of production from
11 such county in the corresponding month of the
12 preceding year, and
13 c. seven and fourteen one-hundredths percent (7.14%)
14 shall be allocated to each county as provided for in
15 subparagraph b of this paragraph and shall be
16 apportioned, on an average daily attendance per capita
17 distribution basis, as certified by the State
18 Superintendent of Public Instruction to the school
19 districts of the county where such pupils attend
20 school regardless of residence of such pupil, provided
21 the school district makes an ad valorem tax levy of
22 fifteen (15) mills for the current year and maintains
23 twelve (12) years of instruction;

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

4 a. eighty-five and seventy-two one-hundredths percent
5 (85.72%) shall be paid to the State Treasurer of the
6 state to be placed in the General Revenue Fund of the
7 state and used for the general expense of state
8 government, to be paid out pursuant to direct
9 appropriation by the Legislature,

10 b. seven and fourteen one-hundredths percent (7.14%) of
11 the sum collected from natural gas and/or casinghead
12 gas 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. seven and fourteen one-hundredths percent (7.14%)
19 shall be allocated to each county as provided for in
20 subparagraph b of this paragraph and shall be
21 apportioned, on an average daily attendance per capita
22 distribution basis, as certified by the State
23 Superintendent of Public Instruction to the school

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

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

- 9 a. seventy-five percent (75%) shall be paid to the State
10 Treasurer of the state to be placed in the General
11 Revenue Fund of the state and used for the general
12 expense of state government, to be paid out pursuant
13 to direct appropriation by the Legislature,
14 b. twelve and one-half percent (12.5%) of the sum
15 collected from natural gas and/or casinghead gas shall
16 be paid to the various county treasurers to be
17 credited to the County Highway Fund as follows: Each
18 county shall receive a proportionate share of the
19 funds available based upon the proportion of the total
20 value of production from such county in the
21 corresponding month of the preceding year, and
22 c. twelve and one-half percent (12.5%) shall be allocated
23 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

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

8 5. 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. twenty-five and seventy-two one-hundredths percent
12 (25.72%) shall be paid to the State Treasurer to be
13 placed in the Common Education Technology Revolving
14 Fund created in Section 41.29c of Title 62 of the
15 Oklahoma Statutes,

16 b. twenty-five and seventy-two one-hundredths percent
17 (25.72%) shall be paid to the State Treasurer to be
18 placed in the Higher Education Capital Revolving Fund
19 created in Section 41.29d of Title 62 of the Oklahoma
20 Statutes,

21 c. twenty-five and seventy-two one-hundredths percent
22 (25.72%) shall be paid to the State Treasurer to be
23 placed in the Oklahoma Tuition Scholarship Revolving

1 Fund created in Section 41.29e of Title 62 of the
2 Oklahoma Statutes,
3 d. four and twenty-eight one-hundredths percent (4.28%)
4 shall be paid to the State Treasurer to be apportioned
5 to the County Bridge and Road Improvement Fund of the
6 State Treasury,
7 e. ~~four and twenty-eight one-hundredths percent (4.28%)~~
8 two and eighty-six one-hundredths percent (2.86%)
9 shall be paid to the State Treasurer to be apportioned
10 to the Oklahoma Water Resources Board Rural Economic
11 Action Plan Water Projects Fund,
12 f. seven and fourteen one-hundredths percent (7.14%) of
13 the sum collected from oil shall be paid to the
14 various county treasurers, to be credited to the
15 County Highway Fund as follows: Each county shall
16 receive a proportionate share of the funds available
17 based upon the proportion of the total value of
18 production from such county in the corresponding month
19 of the preceding year, and
20 g. seven and fourteen one-hundredths percent (7.14%)
21 shall be allocated to each county as provided in
22 subparagraph f of this paragraph and shall be
23 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, and
8 h. one and forty-two one-hundredths percent (1.42%) shall
9 be paid to the State Treasurer to be apportioned to
10 the Oklahoma Conservation Commission Watershed Dam and
11 Conservation Cost Share Program Revolving Fund created
12 pursuant to Section 2 of this act;

13 6. For all monies collected from the tax levied on oil at a tax
14 rate of four percent (4%) pursuant to the provisions of subsection B
15 of Section 1001 of this title:

16 a. twenty-two and one-half percent (22.5%) shall be paid
17 to the State Treasurer to be placed in the Common
18 Education Technology Revolving Fund created in Section
19 41.29c of Title 62 of the Oklahoma Statutes,

20 b. twenty-two and one-half percent (22.5%) shall be paid
21 to the State Treasurer to be placed in the Higher
22 Education Capital Revolving Fund created in Section
23 41.29d of Title 62 of the Oklahoma Statutes,

- 1 c. twenty-two and one-half percent (22.5%) shall be paid
2 to the State Treasurer to be placed in the Oklahoma
3 Tuition Scholarship Revolving Fund created in Section
4 41.29e of Title 62 of the Oklahoma Statutes,
5 d. three and seventy-five one-hundredths percent (3.75%)
6 shall be paid to the State Treasurer to be apportioned
7 to the County Bridge and Road Improvement Fund of the
8 State Treasury,
9 e. ~~three and seventy-five one-hundredths percent (3.75%)~~
10 two and one-half percent (2.5%) shall be paid to the
11 State Treasurer to be apportioned to the Oklahoma
12 Water Resources Board Rural Economic Action Plan Water
13 Projects Fund,
14 f. twelve and one-half percent (12.5%) of the sum
15 collected 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, ~~and~~
21 g. twelve and one-half percent (12.5%) shall be allocated
22 to each county as provided in subparagraph f of this
23 paragraph and shall be apportioned on an average daily

1 attendance per capita distribution basis, as certified
2 by the State Superintendent of Public Instruction, to
3 the school districts of the county where such pupils
4 attend school regardless of residence of such pupil,
5 provided the school district makes an ad valorem tax
6 levy of fifteen (15) mills for the current year and
7 maintains twelve (12) years of instruction, and
8 h. one and twenty-five one-hundredths percent (1.25%)
9 shall be paid to the State Treasurer to be apportioned
10 to the Oklahoma Conservation Commission Watershed Dam
11 and Conservation Cost Share Program Revolving Fund
12 created pursuant to Section 2 of this act; and

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

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

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 Provided, notwithstanding any other provision of this section,
12 the total amounts deposited to the Common Education Technology
13 Revolving Fund, the Higher Education Capital Revolving Fund, and the
14 Oklahoma Tuition Scholarship Revolving Fund, ~~the County Bridge and~~
15 ~~Road Improvement Fund and the Rural Economic Action Plan Water~~
16 ~~Projects Fund~~ pursuant to paragraphs 5 and 6 of this section shall
17 not exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in
18 any fiscal year. All sums in excess of One Hundred Fifty Million
19 Dollars (\$150,000,000.00) in any fiscal year which would otherwise
20 be deposited in such funds shall be placed by the State Treasurer in
21 the General Revenue Fund of the state.

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 3-2-110 of Title 27A, unless
3 there is created a duplication in numbering, reads as follows:

4 A. There is hereby created in the State Treasury a revolving
5 fund for the Oklahoma Conservation Commission to be designated the
6 "Watershed Dam and Conservation Cost Share Program Revolving Fund".

7 B. The fund shall be a continuing fund, not subject to fiscal
8 year limitations, and shall consist of all monies received by the
9 Oklahoma Conservation Commission from the apportionment of gross
10 production tax revenues as prescribed by Section 1004 of Title 68 of
11 the Oklahoma Statutes.

12 C. All monies accruing to the credit of such fund are hereby
13 appropriated and may be budgeted and expended by the Oklahoma
14 Conservation Commission for the purpose of the rehabilitation of
15 watershed dams and, subsequent to those required expenditures, for
16 the Conservation Cost Share Program and the Conservation Reserve
17 Enhancement Program.

18 D. Expenditures from such fund shall be made upon warrants
19 issued by the State Treasurer against claims filed as prescribed by
20 law with the Director of State Finance for approval and payment.

21 E. No monies in the fund shall be used for the payment of
22 administrative expenses, salary or any other continuing obligation
23 of the Oklahoma Conservation Commission.

1 SECTION 3. This act shall become effective July 1, 2006.

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

6 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 4-5-06 - DO
7 PASS, As Amended and Coauthored.