

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

SENATE BILL 1705

By: Myers

AS INTRODUCED

An Act relating to transportation; amending 47 O.S. 2001, Section 1104, as amended by Section 1, Chapter 139, O.S.L. 2003 (Title 47 O.S. Supp. 2005, Section 1104), which relates to apportionment of fees, taxes and penalties received pursuant to the Oklahoma Vehicle License and Registration Act; modifying certain percentage of money credited to the General Revenue Fund; specifying method of remitting money to certain fund; prohibiting certain apportionment from being an amount less than the previous year amount for that apportionment; creating the High Priority Bridge Replacement Fund; providing for type of fund; providing for expenditure by the Department of Transportation; creating the County Transportation Improvement Fund; providing for type of fund; providing for expenditure by the Department of Transportation; amending Section 1, Chapter 444, O.S.L. 2005 (69 O.S. Supp. 2005, Section 1521), which relates to transportation financing; modifying certain amount apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund; modifying certain amount for the total annual apportionment to the Rebuilding Oklahoma Access and Driver Safety Fund; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 47 O.S. 2001, Section 1104, as amended by Section 1, Chapter 139, O.S.L. 2003 (47 O.S. Supp. 2005, Section 1104), is amended to read as follows:

Section 1104. A. Unless otherwise provided by law, all fees, taxes and penalties collected or received pursuant to the Oklahoma Vehicle License and Registration Act or Section 1-101 et seq. of this title shall be apportioned and distributed monthly by the Oklahoma Tax Commission in accordance with this section.

B. 1. The following percentages of the monies referred to in subsection A of this section shall be apportioned to the various school districts in accordance with paragraph 2 of this subsection:

- a. from October 1, 2000, until June 30, 2001, thirty-five and forty-six one-hundredths percent (35.46%),
- b. for the year beginning July 1, 2001, and ending June 30, 2002, thirty-five and ninety-one one-hundredths percent (35.91%), and
- c. for the year beginning July 1, 2002, and all subsequent years, thirty-six and twenty one-hundredths percent (36.20%).

2. The monies apportioned pursuant to subparagraphs a through c of paragraph 1 of this subsection shall be apportioned to the various school districts as follows:

- a. except as otherwise provided in this subparagraph, each district shall receive the same amount of funds as such district received from the taxes and fees provided in this title in the corresponding month of the preceding year. Any district eligible for funds pursuant to the provisions of this section that was not eligible the preceding year shall receive an amount equal to the average daily attendance of the applicable year multiplied by the average daily attendance apportionment within such county for each appropriate month. For fiscal year 1995 and thereafter, any district which received less than twenty-five percent (25%) of the average apportionment of the monies made to school districts in this state based on average daily attendance in fiscal year 1995 shall receive an amount equal to the average daily attendance in the 1994-1995 school year multiplied by the average daily attendance apportionment within the

county in which the district is located for each appropriate month, and

- b. any funds remaining unallocated following the allocation provided in subparagraph a of this paragraph shall be apportioned to the various school districts so that each district shall first receive the cumulative total of the monthly apportionments for which it is otherwise eligible under subparagraph a of this paragraph and then an amount based upon the proportion that each district's average daily attendance bears to the total average daily attendance of those districts entitled to receive funds pursuant to this section as certified by the State Department of Education.

Each district's allocation of funds shall be remitted to the county treasurer of the county wherein the administrative headquarters of the district are located.

No district shall be eligible for the funds herein provided unless the district makes an ad valorem tax levy of fifteen (15) mills and maintains nine (9) years of instruction and pursuant to the rules of the State Board of Education, is authorized to maintain ten (10) years of instruction.

C. 1. The following percentages of the monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the General Revenue Fund of the State Treasury:

- a. from October 1, 2000, until June 30, 2001, forty-five and ninety-seven one-hundredths percent (45.97%),
- b. for the year beginning July 1, 2001, and ending June 30, 2002, forty-five and twenty-nine one-hundredths percent (45.29%), ~~and~~

- c. for the year beginning July 1, 2002, and ~~all~~  
~~subsequent years~~ ending June 30, 2006, forty-four and  
eighty-four one-hundredths percent (44.84%), and
- d. for the year beginning July 1, 2006, and all  
subsequent years, twenty-nine and eighty-four one-  
hundredths percent (29.84%).

2. In the event that additional monies are necessary pursuant to subsection M of this section, such additional monies shall be deducted from the monies apportioned to the General Revenue Fund.

D. The following percentages of the monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the State Transportation Fund:

1. From October 1, 2000, until June 30, 2001, thirty one-hundredths percent (0.30%); and

2. For the year beginning July 1, 2001, and all subsequent years, thirty-one one-hundredths percent (0.31%).

E. 1. The following percentages of the monies referred to in subsection A of this section shall be apportioned to the various counties as set forth in paragraph 2 of this section:

a. from October 1, 2000, until June 30, 2001, seven and nine one-hundredths percent (7.09%),

b. for the year beginning July 1, 2001, and ending June 30, 2002, seven and eighteen one-hundredths percent (7.18%), and

c. for the year beginning July 1, 2002, and all subsequent years, seven and twenty-four one-hundredths percent (7.24%).

2. The monies apportioned pursuant to subparagraphs a through c of paragraph 1 of this subsection shall be apportioned as follows: forty percent (40%) of such sum shall be distributed to the various counties in that proportion which the county road mileage of each county bears to the entire state road mileage as certified by the

Transportation Commission and the remaining sixty percent (60%) of such sum shall be distributed to the various counties on the basis which the population and area of each county bears to the total population and area of the state. The population shall be as shown by the last Federal Census or the most recent annual estimate provided by the United States Bureau of the Census. The funds shall be used for the purpose of constructing and maintaining county highways, provided, however, the county treasurer may deposit so much of the funds in the sinking fund as may be necessary for the retirement of interest and annual accrual of indebtedness created by the issuance of county or township bonds for road purposes. Such deposits to the sinking fund shall not exceed forty percent (40%) of the funds allocated to a county pursuant to this paragraph.

F. 1. The following percentages of the monies referred to in subsection A of this section shall be remitted to the county treasurers of the respective counties and by them deposited in a separate special revenue fund to be used by the county commissioners in accordance with paragraph 2 of this subsection:

- a. from October 1, 2000, until June 30, 2001, two and fifty-three one-hundredths percent (2.53%),
- b. for the year beginning July 1, 2001, and ending June 30, 2002, two and fifty-six one-hundredths percent (2.56%), and
- c. for the year beginning July 1, 2002, and all subsequent years, two and fifty-nine one-hundredths percent (2.59%).

2. The monies apportioned pursuant to subparagraphs a through c of paragraph 1 of this subsection shall be used for the primary purpose of matching federal funds for the construction of federal aid projects on county roads, or constructing and maintaining county or township highways and permanent bridges of such counties. The distribution of monies apportioned by this paragraph shall be made

upon the basis of the current formula based upon road mileage, area and population as related to county road improvement and maintenance costs. Provided, however, the Department of Transportation may update the formula factors from time to time as necessary to account for changing conditions.

G. 1. The following percentages of the monies referred to in subsection A of this section shall be transmitted by the Tax Commission to the various counties as set forth in paragraph 2 of this subsection:

- a. from October 1, 2000, until June 30, 2001, three and fifty-five one-hundredths percent (3.55%),
- b. for the year beginning July 1, 2001, and ending June 30, 2002, three and fifty-nine one-hundredths percent (3.59%), and
- c. for the year beginning July 1, 2002, and all subsequent years, three and sixty-two one-hundredths percent (3.62%).

2. The monies apportioned pursuant to subparagraphs a through c of paragraph 1 of this subsection shall be transmitted to the various counties on the basis of a formula to be developed by the Department of Transportation. Such formula shall be similar to that currently used for the distribution of County Bridge Program Funds, but also taking into consideration the effect of terrain and traffic volume as related to county road improvement and maintenance costs. Provided, however, the Department of Transportation may update the formula factors from time to time as necessary to account for changing conditions. The funds shall be transmitted to the various county treasurers to be deposited in the county highway fund of their respective counties.

H. 1. The following percentages of the monies referred to in subsection A of this section shall be apportioned to the various counties as set forth in paragraph 2 of this subsection:

- a. from October 1, 2000, until June 30, 2001, eighty-one one-hundredths percent (0.81%),
- b. for the year beginning July 1, 2001, and ending June 30, 2002, eighty-two one-hundredths percent (0.82%), and
- c. for the year beginning July 1, 2002, and all subsequent years, eighty-three one-hundredths percent (0.83%).

2. The monies apportioned pursuant to subparagraphs a through c of paragraph 1 of this subsection shall be apportioned to the various counties as follows:

- a. each county shall receive the same amount of funds as such county received from the taxes and fees provided for in the 1985 fiscal year, and
- b. any funds remaining unallocated following the allocation provided in subparagraph a of this paragraph shall be apportioned to the various counties based upon the proportion that each county's population bears to the total state population.

Each county's allocation of funds shall be remitted to the various county treasurers to be deposited in the general fund of the county and used for the support of county government.

I. 1. The following percentages of the monies referred to in subsection A of this section shall be apportioned to the various cities and incorporated towns as set forth in this paragraph 2 of this subsection:

- a. from October 1, 2000, until June 30, 2001, three and four one-hundredths percent (3.04%),
- b. for the year beginning July 1, 2001, and ending June 30, 2002, three and eight one-hundredths percent (3.08%), and

- c. for the year beginning July 1, 2002, and all subsequent years, three and ten one-hundredths percent (3.10%).

2. The monies apportioned pursuant to subparagraphs a through c of paragraph 1 of this subsection shall be apportioned to the various cities and incorporated towns based upon the proportion that each city or incorporated town's population bears to the total population of all cities and incorporated towns in the state. Such funds shall be remitted to the various county treasurers for allocation to the various cities and incorporated towns. All such funds shall be used for the construction, maintenance, repair, improvement and lighting of streets and alleys. Provided, however, the governing board of any city or town may, with the approval of the county excise board, transfer any surplus funds to the general revenue fund of such city or town whenever an emergency requires such a transfer.

J. The following percentages of the monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the Oklahoma Law Enforcement Retirement Fund:

1. From October 1, 2000, until June 30, 2001, one and twenty-two one-hundredths percent (1.22%);
2. For the year beginning July 1, 2001, and ending June 30, 2002, one and twenty-three one-hundredths percent (1.23%); and
3. For the year beginning July 1, 2002, and all subsequent years, one and twenty-four one-hundredths percent (1.24%).

K. Three one-hundredths of one percent ( $3/100$  of 1%) of the monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the Wildlife Conservation Fund. Seventy-five percent (75%) of the funds shall be used for fish habitat restoration and twenty-five percent (25%) of the funds shall be used in the fish hatchery system for fish production.

L. The fifteen percent (15%) of monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the County Transportation Improvement Fund. The funds shall be apportioned to the various State Transportation Commission districts.

M. Monies allocated to counties by this section may be estimated by the county excise board in the budget for the county as anticipated revenue to the extent of ninety percent (90%) of the previous year's income from such source, provided, not more than fifteen percent (15%) can be encumbered during any month.

~~M.~~ N. In no event shall the monies apportioned pursuant to subsections B, E, F, G, H, ~~and I~~ and L of this section be less than the monies apportioned in the previous fiscal year.

~~N.~~ O. Notwithstanding any other provisions of this section, for the fiscal year beginning July 1, 2003, the first One Hundred Thousand Dollars (\$100,000.00) of the monies collected or received by the Tax Commission pursuant to the registration of motorcycles and mopeds in this state shall be placed to the credit of the Oklahoma Tax Commission Revolving Fund.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 506 of Title 69, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a fund to be known as the "High Priority Bridge Replacement Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all appropriations and transfers made by the Legislature. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended beginning with the fiscal year ending June 30, 2007, and each fiscal year thereafter by the Department of Transportation. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims

filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 668 of Title 69, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a fund to be known as the "County Transportation Improvement Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all appropriations and transfers made by the Legislature. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended beginning with the fiscal year ending June 30, 2006, and each fiscal year thereafter by the Department of Transportation. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 4. AMENDATORY Section 1, Chapter 444, O.S.L. 2005 (69 O.S. Supp. 2005, Section 1521), is amended to read as follows:

Section 1521. A. There is hereby created in the State Treasury a fund to be known as the "Rebuilding Oklahoma Access and Driver Safety Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all appropriations and transfers made by the Legislature. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended beginning with the fiscal year ending June 30, 2006, and each fiscal year thereafter by the Department of Transportation for the purposes authorized by subsection I of this section. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

B. There shall be apportioned to the funds specified in this subsection from the monies that would otherwise be apportioned to the General Revenue Fund by Section 2352 of Title 68 of the Oklahoma Statutes from the revenues derived pursuant to subsections A, B and E of Section 2355 of Title 68 of the Oklahoma Statutes amounts as follows:

1. For the fiscal year ending June 30, 2006:

- a. the first Fifteen Million Dollars (\$15,000,000.00) shall be apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund,
- b. the next Two Million Dollars (\$2,000,000.00) shall be apportioned to the Oklahoma Tourism and Passenger Rail Revolving Fund created pursuant to Section 325 of Title 66 of the Oklahoma Statutes to be used for capital and operating costs for the "Heartland Flyer" rail project, and
- c. the next Five Hundred Thousand Dollars (\$500,000.00) shall be apportioned to the Public Transit Revolving Fund created pursuant to Section 4031 of Title 69 of the Oklahoma Statutes to be used for purposes authorized by law other than the purpose described by subparagraph b of this paragraph,
- d. all amounts apportioned pursuant to this paragraph shall be divided into twelve equal amounts to be apportioned each month during the fiscal year;

2. For the fiscal year ending June 30, 2007, and for each fiscal year thereafter, subject to the provisions of paragraph 4 of this subsection, and subject to any reductions required by subsection H of this section, there shall be apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund:

- a. the total amount apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund for the

preceding fiscal year which shall be apportioned before any other amount is apportioned pursuant to Section 2352 of Title 68 of the Oklahoma Statutes, plus

b. an additional amount which shall be either:

(1) the next Seventeen Million Five Hundred Thousand Dollars (\$17,500,000.00) as provided by subsection C of this section, or

(2) the next ~~Thirty-five Million Dollars~~ ~~(\$35,000,000.00)~~ Fifty Million Dollars (\$50,000,000.00) as provided by subsection D of this section, or

(3) an amount which shall not be in excess of the amount prescribed by division (1) of this subparagraph for a fiscal year in which such amount is the maximum additional amount that may be apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund and which shall not be in excess of the amount prescribed by division (2) of this subparagraph for a fiscal year in which such amount is the maximum additional amount that may be apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund, in order for the total apportionment for such fiscal year to equal ~~One Hundred Seventy Million Dollars~~ ~~(\$170,000,000.00)~~ Two Hundred Million Dollars (\$200,000,000.00), and

c. all amounts apportioned pursuant to this paragraph shall be divided into twelve equal amounts to be apportioned each month during the fiscal year;

3. For the fiscal year ending June 30, 2007, and for each fiscal year thereafter after the apportionments required by paragraph 2 of this subsection have been made:

- a. the next Two Million Dollars (\$2,000,000.00) shall be apportioned to the Oklahoma Tourism and Passenger Rail Revolving Fund created pursuant to Section 325 of Title 66 of the Oklahoma Statutes to be used for capital and operating costs for the "Heartland Flyer" rail project, ~~and~~
- b. the next Three Million Dollars (\$3,000,000.00) shall be apportioned to the Public Transit Revolving Fund created pursuant to Section 4031 of Title 69 of the Oklahoma Statutes to be used for purposes authorized by law other than the purpose described by subparagraph a of this paragraph, ~~and~~ and
- c. all amounts apportioned pursuant to this paragraph shall be divided into twelve equal amounts to be apportioned each month during the fiscal year; and

4. For each fiscal year after the first fiscal year in which the total apportionment to the Rebuilding Oklahoma Access and Driver Safety Fund as provided by paragraph 2 of this subsection equals ~~One Hundred Seventy Million Dollars (\$170,000,000.00)~~ Two Hundred Million Dollars (\$200,000,000.00), the first ~~One Hundred Seventy Million Dollars (\$170,000,000.00)~~ Two Hundred Million Dollars (\$200,000,000.00) collected pursuant to subsections A, B and E of Section 2355 of Title 68 of the Oklahoma Statutes and apportioned pursuant to Section 2352 of Title 68 of the Oklahoma Statutes that would otherwise be apportioned to the General Revenue Fund shall be apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund. All amounts apportioned pursuant to this paragraph shall be divided into twelve equal amounts to be apportioned each month during the fiscal year.

C. For the fiscal year ending June 30, 2007, and for each fiscal year thereafter, in addition to the amount apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund pursuant to subparagraph a of paragraph 2 of subsection B of this section, there shall be apportioned to such fund an additional amount of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000.00) for each year that the State Board of Equalization determines that any increase between the final itemized estimate of General Revenue Fund revenues made by the State Board at the February meeting preceding the beginning of the fiscal year for which that estimate is made, which is the same fiscal year during which the apportionment to the Rebuilding Oklahoma Access and Driver Safety Fund is to be made, and the then current itemized estimate of General Revenue Fund revenues made by the State Board of Equalization for the fiscal year ending on June 30 immediately following such February meeting is less than three percent (3%).

D. For the fiscal year ending June 30, 2007, and for each fiscal year thereafter, in addition to the amount apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund pursuant to subparagraph a of paragraph 2 of subsection B of this section, there shall be apportioned to such fund an additional amount of ~~Thirty-five Million Dollars (\$35,000,000.00)~~ Fifty Million Dollars (\$50,000,000.00) for each year that the State Board of Equalization determines that any increase between the final itemized estimate of General Revenue Fund revenues made by the State Board at the February meeting preceding the beginning of the fiscal year for which that estimate is made, which is the same fiscal year during which the apportionment to the Rebuilding Oklahoma Access and Driver Safety Fund is to be made, and the then current itemized estimate of General Revenue Fund revenues made by the State Board of Equalization for the fiscal year ending on June 30 immediately following such February meeting is three percent (3%) or greater.

E. The apportionments of revenues required by subparagraph a of paragraph 2 of subsection B of this section and the apportionment of additional revenues required by either division (1), (2) or (3) of subparagraph b of paragraph 2 of subsection B of this section, as governed by the provisions of subsection C or subsection D of this section, shall be made until the total annual apportionment to the Rebuilding Oklahoma Access and Driver Safety Fund equals ~~One Hundred Seventy Million Dollars (\$170,000,000.00)~~ Two Hundred Million Dollars (\$200,000,000.00). After such annual apportionment level is reached, the apportionment to the fund shall be governed by the provisions of paragraph 4 of subsection B of this section.

F. The monies apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund shall not be used to supplant or replace existing state funds used for transportation purposes.

G. In order to ensure that the funds from the ROADS Fund are used to enhance and not supplant state funding for the Department of Transportation, the State Board of Equalization shall examine and investigate expenditures from the fund each year. For purposes of this examination, monies used to retire outstanding debt obligations for which the Department of Transportation is responsible shall be excluded. At the meeting of the State Board of Equalization held within five (5) days after the monthly apportionment in February of each year, the State Board of Equalization shall issue a finding and report which shall state whether expenditures from the ROADS Fund were used to enhance or supplant state funding for the Department of Transportation. If the State Board of Equalization finds that state funding for the Department of Transportation was supplanted by funds from the ROADS Fund, the Board shall specify the amount by which such funding was supplanted. In this event, the Legislature shall not make any appropriations for the ensuing fiscal year until an appropriation in that amount is made to replenish state funding for the Department of Transportation.

H. In the event that the Director of the Office of State Finance declares a General Revenue Fund revenue failure pursuant to Section 41.9 of Title 62 of the Oklahoma Statutes, and agency allocations are reduced pursuant to the provisions of Section 41.9 of Title 62 of the Oklahoma Statutes, the amounts that would otherwise be apportioned to the ROADS Fund by subparagraphs a, b and c of paragraph 1 and subparagraphs a and b of paragraph 2 and paragraph 3 of subsection B of this section shall be reduced by a percentage equal to that required of the General Revenue Fund appropriations to state agencies and such reductions shall occur during the entire fiscal year and for any month during which such reductions are required by the Office of State Finance and by the same percentage as that required of the agencies for such General Revenue Fund appropriations.

I. The Department of Transportation shall use the monies in the Rebuilding Oklahoma Access and Driver Safety Fund for:

1. The construction and maintenance of state roads, bridges and highways;

2. The direct expenses of operating and maintaining the state highway system, including bridges;

3. Direct expenses incurred in constructing, repairing, and maintaining state highways, farm-to-market roads, county highways and bridges as authorized by law;

4. Matching federal funds; and

5. The purchase of materials, tools, machinery, motor vehicles, and equipment necessary or convenient for the construction and maintenance of the state highway system and bridges.

SECTION 5. This act shall become effective July 1, 2006.

SECTION 6. 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.

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