

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 CONFERENCE COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED

5 SENATE BILL 368

By: Laughlin and Ford of the  
Senate

6 and

7 Liebmann of the House  
8  
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10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to public finance and revenue and  
12 taxation; requiring Office of State Finance to  
develop and publish certain analysis and specifying  
13 contents thereof; creating Task Force on Dynamic  
Revenue Forecasting; providing purpose for task force  
14 and requiring recommendations; providing for  
membership, transaction of business, travel  
reimbursement and staff support for task force;  
15 amending 68 O.S. 2001, Section 118, as last amended  
by Section 1, Chapter 447, O.S.L. 2005 (68 O.S. Supp.  
16 2006, Section 118), which relates to revenue  
estimates; requiring Oklahoma Tax Commission to  
17 utilize certain model in developing certain  
estimates; specifying factors to be utilized;  
18 authorizing Tax Commission to contract with specified  
entities under certain conditions; authorizing Tax  
19 Commission to promulgate rules; providing for  
codification; providing for noncodification; and  
20 providing an effective date.  
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22 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:  
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1 SECTION 1. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 49 of Title 62, unless there is  
3 created a duplication in numbering, reads as follows:

4 On or before November 1 of each year, the Office of State  
5 Finance shall develop and publish a multi-year trend analysis of the  
6 state's budget outlook. The trend analysis shall include projections  
7 of revenues and expenditures reflecting the best available  
8 information concerning economic activity, population change, policy  
9 developments and other factors affecting the state budget.

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

12 A. There is hereby created the Task Force on Dynamic Revenue  
13 Forecasting. The purpose of the task force is to study the use of  
14 dynamic revenue forecasting and by December 31, 2007, to develop  
15 recommendations for the Oklahoma Tax Commission regarding the use of  
16 such forecasting for analyzing proposed tax legislation as required  
17 in subsection B of Section 118 of Title 68 of the Oklahoma Statutes.

18 B. The Task Force on Dynamic Revenue Forecasting shall be  
19 composed of the following Nine (9) members:

20 1. The chair and vice-chair of the House Revenue and Taxation  
21 Subcommittee of the Appropriations and Budget Committee;

22 2. The co-chairs of the Senate Finance Committee;

23 3. One member of the Oklahoma House of Representatives  
24 appointed by the Speaker of the House of Representatives;

1 4. Two members of the Oklahoma Senate, One each appointed by  
2 the President Pro Tempore and the Co-President Pro Tempore;

3 5. One member of the Oklahoma Tax Commission, to be designated  
4 by the Chairman of the Tax Commission; and

5 6. The Director of the Office of State Finance.

6 C. A majority of the members of the task force shall constitute  
7 a quorum for the transaction of business. Each task force member  
8 shall be entitled to one vote on the task force. Any official  
9 action of the task force must have a majority of the votes of the  
10 members present.

11 D. Each member of the task force shall serve without  
12 compensation, except that each legislative member of the task force  
13 shall receive reimbursement for travel expenses in accordance with  
14 Section 456 of Title 74 of the Oklahoma Statutes.

15 E. Staff support for the task force shall be provided by the  
16 State Senate and the House of Representatives. The Oklahoma Tax  
17 Commission shall provide information and assistance to the task  
18 force as needed.

19 SECTION 3. AMENDATORY 68 O.S. 2001, Section 118, as last  
20 amended by Section 1, Chapter 447, O.S.L. 2005 (68 O.S. Supp. 2006,  
21 Section 118), is amended to read as follows:

22 Section 118. A. Upon receipt of a written request from a  
23 member or employee of the Legislature, the Oklahoma Tax Commission  
24 shall provide:

1 1. A written estimate of the revenue gain or loss to the state  
2 as a result of an actual or proposed change to a state tax law; and

3 2. A written statement of the Tax Commission's recommendation  
4 to the State Board of Equalization as to the change in the amount  
5 certified as available for appropriation by the Legislature as a  
6 result of an actual or proposed change to a state tax law.

7 The Tax Commission shall provide such estimate and statement  
8 within two (2) weeks of the date the request was received unless the  
9 member or employee of the Legislature specifies an earlier date. If  
10 the Tax Commission determines that it is unable to provide such  
11 estimate and statement within the time period required by this  
12 section, it shall provide a written explanation and date by which  
13 the estimate and statement will be provided to the member or  
14 employee.

15 B. As soon as is practicable after December 31, 2008, and  
16 subject to the availability of funds, the Tax Commission shall  
17 develop the estimates and statements required by subsection A of  
18 this section utilizing a dynamic revenue estimating model. Such  
19 model shall take into consideration changes in economic activity as  
20 a result of the proposed legislation and consequent revenue gains or  
21 losses due to factors such as taxpayer behavior, employment and  
22 business investment. The Tax Commission may, subject to the laws of  
23 this state relating to confidentiality of information, contract with  
24 institutions of higher education in this state or other entities to

1 perform its duties as set forth in this subsection. The Tax  
2 Commission is authorized to promulgate rules to carry out the  
3 implementation of this section.

4 C. For the purpose of providing an annual forecast of gross  
5 production tax revenues from the production of natural and  
6 casinghead gas to the Office of State Finance, the Tax Commission  
7 shall subscribe to appropriate reference materials which provide  
8 economic outlook of future gas prices that have most closely  
9 followed the historical trend of Oklahoma gas prices. To determine  
10 the average differential between the published forecasted prices and  
11 Oklahoma gas prices, the Tax Commission shall compare prices in at  
12 least twenty-four (24) of the immediate thirty-six (36) previous  
13 months of production. The Tax Commission shall utilize the  
14 procedures provided herein to forecast the collection of gross  
15 production tax revenues from the production of natural and  
16 casinghead gas for the fiscal year beginning July 1, 2005, and each  
17 fiscal year thereafter.

18 SECTION 4. This act shall become effective November 1, 2007.

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