

THE HOUSE OF REPRESENTATIVES
Monday, March 2, 2009

Committee Substitute for
House Bill No. 1489

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1489 - By: DEWITT AND DENNEY of the House.

An Act relating to state revenue apportionments; amending 68 O.S. 2001, Section 1004, as last amended by Section 55, Chapter 1, O.S.L. 2007 (68 O.S. Supp. 2008, Section 1004), which relates to gross production tax revenues; modifying apportionments; amending Section 2, Chapter 43, 2nd Extraordinary Session, O.S.L. 2006 (74 O.S. Supp. 2008, Section 2254.1), which relates to the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund; amending Section 3, Chapter 43, 2nd Extraordinary Session, O.S.L. 2006 (27A O.S. Supp. 2008, Section 3-2-110), which relates to Oklahoma Conservation Commission Infrastructure Revolving Fund; amending Section 4, Chapter 43, 2nd Extraordinary Session, O.S.L. 2006 (82 O.S. Supp. 2008, Section 1085.7A), which relates to Community Water Infrastructure Development Revolving Fund; modifying provisions related to termination of effect of statutes; providing an effective date; and declaring an emergency.

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

1 SECTION 1. AMENDATORY 68 O.S. 2001, Section 1004, as last amended by
2 Section 55, Chapter 1, O.S.L. 2007 (68 O.S. Supp. 2008, Section 1004), is amended to
3 read as follows:

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

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

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

8 b. seven and fourteen one-hundredths percent (7.14%) of the sum
9 collected from natural gas and/or casinghead gas or asphalt or ores
10 bearing uranium, lead, zinc, jack, gold, silver or copper shall be paid to
11 the various county treasurers to be credited to the County Highway
12 Fund as follows: Each county shall receive a proportionate share of the
13 funds available based upon the proportion of the total value of
14 production from such county in the corresponding month of the
15 preceding year, and

16 c. seven and fourteen one-hundredths percent (7.14%) shall be allocated
17 to each county as provided for in subparagraph b of this paragraph and
18 shall be apportioned, on an average daily attendance per capita
19 distribution basis, as certified by the State Superintendent of Public
20 Instruction to the school districts of the county where such pupils
21 attend school regardless of residence of such pupil, provided the school

1 district makes an ad valorem tax levy of fifteen (15) mills for the
2 current year and maintains twelve (12) years of instruction;

3 2. For all monies collected from the tax levied on natural gas and/or casinghead gas
4 at a tax rate of seven percent (7%) pursuant to the provisions of subsection B of Section
5 1001 of this title:

- 6 a. eighty-five and seventy-two one-hundredths percent (85.72%) shall be
7 paid to the State Treasurer of the state to be placed in the General
8 Revenue Fund of the state and used for the general expense of state
9 government, to be paid out pursuant to direct appropriation by the
10 Legislature,
- 11 b. seven and fourteen one-hundredths percent (7.14%) of the sum
12 collected from natural gas and/or casinghead gas shall be paid to the
13 various county treasurers to be credited to the County Highway Fund
14 as follows: Each county shall receive a proportionate share of the
15 funds available based upon the proportion of the total value of
16 production from such county in the corresponding month of the
17 preceding year, and
- 18 c. seven and fourteen one-hundredths percent (7.14%) shall be allocated
19 to each county as provided for in subparagraph b of this paragraph
20 and shall be apportioned, on an average daily attendance per capita
21 distribution basis, as certified by the State Superintendent of Public
22 Instruction to the school districts of the county where such pupils

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

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

7 a. seventy-five percent (75%) shall be paid to the State Treasurer of the
8 state to be placed in the General Revenue Fund of the state and used
9 for the general expense of state government, to be paid out pursuant to
10 direct appropriation by the Legislature,

11 b. twelve and one-half percent (12.5%) of the sum collected from natural
12 gas and/or casinghead gas shall be paid to the various county
13 treasurers to be credited to the County Highway Fund as follows:

14 Each county shall receive a proportionate share of the funds available
15 based upon the proportion of the total value of production from such
16 county in the corresponding month of the preceding year, and

17 c. twelve and one-half percent (12.5%) shall be allocated to each county
18 as provided for in subparagraph b of this paragraph and shall be
19 apportioned, on an average daily attendance per capita distribution
20 basis, as certified by the State Superintendent of Public Instruction to
21 the school districts of the county where such pupils attend school
22 regardless of residence of such pupil, provided the school district

1 makes an ad valorem tax levy of fifteen (15) mills for the current year
2 and maintains twelve (12) years of instruction;

3 4. For all monies collected from the tax levied on natural gas and/or casinghead gas
4 at a tax rate of one percent (1%) pursuant to the provisions of subsection B of Section
5 1001 of this title:

- 6 a. fifty percent (50%) of the sum collected from natural gas and/or
7 casinghead gas shall be paid to the various county treasurers to be
8 credited to the County Highway Fund as follows: Each county shall
9 receive a proportionate share of the funds available based upon the
10 proportion of the total value of production from such county in the
11 corresponding month of the preceding year, and
- 12 b. fifty percent (50%) shall be allocated to each county as provided for in
13 subparagraph a of this paragraph and shall be apportioned, on an
14 average daily attendance per capita distribution basis, as certified by
15 the State Superintendent of Public Instruction to the school districts
16 of the county where such pupils attend school regardless of residence
17 of such pupil, provided the school district makes an ad valorem tax
18 levy of fifteen (15) mills for the current year and maintains twelve (12)
19 years of instruction;

20 5. For all monies collected from the tax levied on oil at a tax rate of seven percent
21 (7%) pursuant to the provisions of subsection B of Section 1001 of this title:

- 1 a. twenty-five and seventy-two one-hundredths percent (25.72%) shall be
2 paid to the State Treasurer to be placed in the Common Education
3 Technology Revolving Fund created in Section 41.29c of Title 62 of the
4 Oklahoma Statutes,
- 5 b. twenty-five and seventy-two one-hundredths percent (25.72%) shall be
6 paid to the State Treasurer to be placed in the Higher Education
7 Capital Revolving Fund created in Section 41.29d of Title 62 of the
8 Oklahoma Statutes,
- 9 c. twenty-five and seventy-two one-hundredths percent (25.72%) shall be
10 paid to the State Treasurer to be placed in the Oklahoma Tuition
11 Scholarship Revolving Fund created in Section 41.29e of Title 62 of the
12 Oklahoma Statutes,
- 13 d. four and twenty-eight one-hundredths percent (4.28%) shall be paid to
14 the State Treasurer to be apportioned to the County Bridge and Road
15 Improvement Fund of the State Treasury,
- 16 e. four and twenty-eight one-hundredths percent (4.28%) shall be paid to
17 the State Treasurer to be apportioned to:
- 18 ~~(1)~~ the following sources and in the following amounts ~~for the fiscal~~
19 ~~year ending June 30, 2007, through the fiscal year ending June~~
20 ~~30, 2011:~~
- 21 ~~(a)~~ (1) thirty-three and one-third percent (33 1/3%) to the Oklahoma
22 Tourism and Recreation Department Capital Expenditure

1 Revolving Fund created pursuant to Section ~~2~~ 2254.1 of ~~this act~~
2 Title 74 of the Oklahoma Statutes,

3 ~~(b)~~ (2) thirty-three and one-third percent (33 1/3%) to the Oklahoma
4 Conservation Commission Infrastructure Revolving Fund
5 created pursuant to Section ~~3~~ 3-2-110 of ~~this act~~ Title 27A of the
6 Oklahoma Statutes, and

7 ~~(e)~~ (3) thirty-three and one-third percent (33 1/3%) to the Community
8 Water Infrastructure Development Revolving Fund created
9 pursuant to Section 4 1085.7A of ~~this act,~~ and

10 ~~(2)~~ the Oklahoma Water Resources Board Rural Economic Action
11 Plan Water Projects Fund for the fiscal year ending June 30,
12 2012, and for each fiscal year thereafter Title 82 of the
13 Oklahoma Statutes,

14 f. seven and fourteen one-hundredths percent (7.14%) of the sum
15 collected from oil shall be paid to the various county treasurers, to be
16 credited to the County Highway Fund as follows: Each county shall
17 receive a proportionate share of the funds available based upon the
18 proportion of the total value of production from such county in the
19 corresponding month of the preceding year, and

20 g. seven and fourteen one-hundredths percent (7.14%) shall be allocated
21 to each county as provided in subparagraph f of this paragraph and
22 shall be apportioned, on an average daily attendance per capita

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

6 6. For all monies collected from the tax levied on oil at a tax rate of four percent
7 (4%) pursuant to the provisions of subsection B of Section 1001 of this title:

- 8 a. twenty-two and one-half percent (22.5%) shall be paid to the State
9 Treasurer to be placed in the Common Education Technology
10 Revolving Fund created in Section 41.29c of Title 62 of the Oklahoma
11 Statutes,
- 12 b. twenty-two and one-half percent (22.5%) shall be paid to the State
13 Treasurer to be placed in the Higher Education Capital Revolving
14 Fund created in Section 41.29d of Title 62 of the Oklahoma Statutes,
- 15 c. twenty-two and one-half percent (22.5%) shall be paid to the State
16 Treasurer to be placed in the Oklahoma Tuition Scholarship Revolving
17 Fund created in Section 41.29e of Title 62 of the Oklahoma Statutes,
- 18 d. three and seventy-five one-hundredths percent (3.75%) shall be paid to
19 the State Treasurer to be apportioned to the County Bridge and Road
20 Improvement Fund of the State Treasury,
- 21 e. three and seventy-five one-hundredths percent (3.75%) shall be paid to
22 the State Treasurer to be apportioned to:

1 value of production from such county in the corresponding month of
2 the preceding year, and
3 g. twelve and one-half percent (12.5%) shall be allocated to each county
4 as provided in subparagraph f of this paragraph and shall be
5 apportioned on an average daily attendance per capita distribution
6 basis, as certified by the State Superintendent of Public Instruction, to
7 the school districts of the county where such pupils attend school
8 regardless of residence of such pupil, provided the school district
9 makes an ad valorem tax levy of fifteen (15) mills for the current year
10 and maintains twelve (12) years of instruction; and

11 7. For all monies collected from the tax levied on oil at a tax rate of one percent
12 (1%) pursuant to the provisions of subsection B of Section 1001 of this title:

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

19 b. fifty percent (50%) shall be allocated to each county as provided for in
20 subparagraph a of this paragraph and shall be apportioned on an
21 average daily attendance per capita distribution basis, as certified by
22 the State Superintendent of Public Instruction, to the school districts

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

5 Provided, notwithstanding any other provision of this section, the total amounts
6 deposited to the Common Education Technology Revolving Fund, the Higher Education
7 Capital Revolving Fund, the Oklahoma Tuition Scholarship Revolving Fund, ~~the Rural~~
8 ~~Economic Action Plan Water Projects Fund~~, the Oklahoma Tourism and Recreation
9 Department Capital Expenditure Revolving Fund, the Oklahoma Conservation
10 Commission Infrastructure Revolving Fund and the Community Water Infrastructure
11 Development Revolving Fund pursuant to paragraphs 5 and 6 of this section shall not
12 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any fiscal year. All sums
13 in excess of One Hundred Fifty Million Dollars (\$150,000,000.00) in any fiscal year which
14 would otherwise be deposited in such funds shall be placed by the State Treasurer in the
15 General Revenue Fund of the state.

16 SECTION 2. AMENDATORY Section 2, Chapter 43, 2nd Extraordinary
17 Session, O.S.L. 2006 (74 O.S. Supp. 2008, Section 2254.1), is amended to read as follows:

18 Section 2254.1 A. There is hereby created in the State Treasury a revolving fund
19 for the Oklahoma Tourism and Recreation Department to be designated the “Oklahoma
20 Tourism and Recreation Department Capital Expenditure Revolving Fund”.

21 B. The fund shall be a continuing fund, not subject to fiscal year limitations, and
22 shall consist of all monies received by the Oklahoma Tourism and Recreation

1 Department from the apportionment of gross production tax revenues as prescribed by
2 Section 1004 of Title 68 of the Oklahoma Statutes.

3 C. All monies accruing to the credit of said fund are hereby appropriated and may
4 be budgeted and expended by the Oklahoma Tourism and Recreation Department for the
5 purpose of one-time capital expenditures for capital assets owned, managed or controlled
6 by the Oklahoma Tourism and Recreation Department.

7 D. Expenditures from said fund shall be made upon warrants issued by the State
8 Treasurer against claims filed as prescribed by law with the Director of State Finance for
9 approval and payment.

10 E. No monies in the fund shall be used for the payment of administrative expenses,
11 salary or any other continuing obligation of the Oklahoma Tourism and Recreation
12 Department.

13 ~~F. The provisions of this section shall cease to have the force and effect of law on~~
14 ~~July 1, 2011. Any monies remaining in the fund created by this section on July 1, 2011,~~
15 ~~which have been encumbered, but not expended, may be expended according to the terms~~
16 ~~pursuant to which the monies were encumbered.~~

17 SECTION 3. AMENDATORY Section 3, Chapter 43, 2nd Extraordinary
18 Session, O.S.L. 2006 (27A O.S. Supp. 2008, Section 3-2-110), is amended to read as
19 follows:

20 Section 3-2-110. A. There is hereby created in the State Treasury a revolving fund
21 for the Oklahoma Conservation Commission to be designated the “Oklahoma
22 Conservation Commission Infrastructure Revolving Fund”.

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

5 C. All monies accruing to the credit of said fund are hereby appropriated and may
6 be budgeted and expended by the Oklahoma Conservation Commission for the purpose of
7 the rehabilitation of watershed dams and, subsequent to those required expenditures, for
8 the Conservation Cost Share Program and the Conservation Reserve Enhancement
9 Program.

10 D. Expenditures from said fund shall be made upon warrants issued by the State
11 Treasurer against claims filed as prescribed by law with the Director of State Finance for
12 approval and payment.

13 E. No more than twenty percent (20%) of the monies in the fund shall be used for
14 the payment of administrative expenses, salary or any other continuing obligation of the
15 Oklahoma Conservation Commission.

16 ~~F. The provisions of this section shall cease to have the force and effect of law on~~
17 ~~July 1, 2011. Any monies remaining in the fund created by this section on July 1, 2011,~~
18 ~~which have been encumbered, but not expended, may be expended according to the terms~~
19 ~~pursuant to which the monies were encumbered.~~

20 SECTION 4. AMENDATORY Section 4, Chapter 43, 2nd Extraordinary
21 Session, O.S.L. 2006 (82 O.S. Supp. 2008, Section 1085.7A), is amended to read as
22 follows:

1 Section 1085.7A A. There is hereby created in the State Treasury a revolving fund
2 for the Oklahoma Water Resources Board to be designated the “Community Water
3 Infrastructure Development Revolving Fund”.

4 B. The fund shall be a continuing fund, not subject to fiscal year limitations, and
5 shall consist of all monies received by the Oklahoma Water Resources Board from the
6 apportionment of gross production tax revenues as prescribed by Section 1004 of Title 68
7 of the Oklahoma Statutes.

8 C. All monies accruing to the credit of said fund are hereby appropriated and may
9 be budgeted and expended by the Oklahoma Water Resources Board for the purpose of
10 establishing and maintaining critical water infrastructure in all areas of the state.

11 D. Of the monies accruing to the credit of said fund, ~~fifty~~:

12 1. Fifty percent (50%) of these funds shall be budgeted and expended for financial
13 assistance loans and grants to public water supply and wastewater systems in
14 Oklahoma; and

15 2. Fifty percent (50%) of these funds, ~~or so much thereof as may be necessary,~~ shall
16 be used budgeted and expended to accomplish all phases and funding needs for the
17 Oklahoma Comprehensive Water Plan.

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

21 F. Other than expenditures directly related to activities authorized in subsection D
22 of this section, no monies in the fund shall be used for the payment of administrative

1 expenses, salary or any other continuing obligation of the Oklahoma Water Resources
2 Board.

3 ~~G. The provisions of this section shall cease to have the force and effect of law on~~
4 ~~July 1, 2011. Any monies remaining in the fund created by this section on July 1, 2011,~~
5 ~~which have been encumbered, but not expended, may be expended according to the terms~~
6 ~~pursuant to which the monies were encumbered.~~

7 SECTION 5. This act shall become effective July 1, 2009.

8 SECTION 6. It being immediately necessary for the preservation of the public
9 peace, health and safety, an emergency is hereby declared to exist, by reason whereof
10 this act shall take effect and be in full force from and after its passage and approval.

11 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
12 dated 02-26-09 - DO PASS, As Amended and Coauthored.