

THE STATE SENATE
Monday, April 6, 2009

Committee Substitute for
ENGROSSED

House Bill No. 1489

COMMITTEE SUBSTITUTE FOR ENGROSSED HOUSE BILL NO. 1489 - By: DeWitt,
Denney, Hickman and Dorman of the House and Bingman of the Senate.

[state revenue apportionments - gross production tax
revenues - modifying apportionments - effective date -
emergency]

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

SECTION 1. AMENDATORY 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), 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
government, to be paid out pursuant to direct
appropriation by the Legislature,

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

11 c. seven and fourteen one-hundredths percent (7.14%)
12 shall be allocated to each county as provided for in
13 subparagraph b of this paragraph and shall be
14 apportioned, on an average daily attendance per capita
15 distribution basis, as certified by the State
16 Superintendent of Public Instruction to the school
17 districts of the county where such pupils attend
18 school regardless of residence of such pupil, provided
19 the school district makes an ad valorem tax levy of
20 fifteen (15) mills for the current year and maintains
21 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 shall be paid to the State Treasurer to be apportioned
9 to:

10 (1) the following sources and in the following
11 amounts ~~for the fiscal year ending June 30, 2007,~~
12 through the fiscal year ending June 30, ~~2011~~
13 2016:

14 (a) thirty-three and one-third percent (33 1/3%)
15 to the Oklahoma Tourism and Recreation
16 Department Capital Expenditure Revolving
17 Fund created pursuant to Section ~~2~~ 2254.1 of
18 ~~this act~~ Title 74 of the Oklahoma Statutes,

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

1 (c) thirty-three and one-third percent (33 1/3%)
2 to the Community Water Infrastructure
3 Development Revolving Fund created pursuant
4 to Section ~~4~~ 1085.7A of ~~this act~~ Title 82 of
5 the Oklahoma Statutes, and

6 (2) the Oklahoma Water Resources Board Rural Economic
7 Action Plan Water Projects Fund for the fiscal
8 year ending June 30, ~~2012~~ 2017, and for each
9 fiscal year thereafter,

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

18 g. seven and fourteen one-hundredths percent (7.14%)
19 shall be allocated to each county as provided in
20 subparagraph f 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 6. For all monies collected from the tax levied on oil at a tax
7 rate of four percent (4%) pursuant to the provisions of subsection B
8 of Section 1001 of this title:

9 a. twenty-two and one-half percent (22.5%) shall be paid
10 to the State Treasurer to be placed in the Common
11 Education Technology Revolving Fund created in Section
12 41.29c of Title 62 of the Oklahoma Statutes,

13 b. twenty-two and one-half percent (22.5%) shall be paid
14 to the State Treasurer to be placed in the Higher
15 Education Capital Revolving Fund created in Section
16 41.29d of Title 62 of the Oklahoma Statutes,

17 c. twenty-two and one-half percent (22.5%) shall be paid
18 to the State Treasurer to be placed in the Oklahoma
19 Tuition Scholarship Revolving Fund created in Section
20 41.29e of Title 62 of the Oklahoma Statutes,

21 d. three and seventy-five one-hundredths percent (3.75%)
22 shall be paid to the State Treasurer to be apportioned

1 to the County Bridge and Road Improvement Fund of the
2 State Treasury,

3 e. three and seventy-five one-hundredths percent (3.75%)
4 shall be paid to the State Treasurer to be apportioned
5 to:

6 (1) the following sources and in the following
7 amounts ~~for the fiscal year ending June 30, 2007,~~
8 through the fiscal year ending June 30, ~~2011~~
9 2016:

10 (a) thirty-three and one-third percent (33 1/3%)
11 to the Oklahoma Tourism and Recreation
12 Department Capital Expenditure Revolving
13 Fund created pursuant to Section ~~2~~ 2254.1 of
14 ~~this act~~ Title 74 of the Oklahoma Statutes,

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

20 (c) thirty-three and one-third percent (33 1/3%)
21 to the Community Water Infrastructure
22 Development Revolving Fund created pursuant

1 to Section 4 1085.7A of ~~this act~~ Title 82 of
2 the Oklahoma Statutes, and

3 (2) the Oklahoma Water Resources Board Rural Economic
4 Action Plan Water Projects Fund for the fiscal
5 year ending June 30, ~~2012~~ 2017, and for each
6 fiscal year thereafter,

7 f. twelve and one-half percent (12.5%) of the sum
8 collected from oil shall be paid to the various county
9 treasurers, to be credited to the County Highway Fund
10 as follows: Each county shall receive a proportionate
11 share of the funds available based upon the proportion
12 of the total value of production from such county in
13 the corresponding month of the preceding year, and

14 g. twelve and one-half percent (12.5%) shall be allocated
15 to each county as provided in subparagraph f of this
16 paragraph and shall be apportioned on an average daily
17 attendance per capita distribution basis, as certified
18 by the State Superintendent of Public Instruction, to
19 the school districts of the county where such pupils
20 attend school regardless of residence of such pupil,
21 provided the school district makes an ad valorem tax
22 levy of fifteen (15) mills for the current year and
23 maintains twelve (12) years of instruction; and

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

4 a. fifty percent (50%) of the sum collected shall be paid
5 to the various county treasurers, to be credited to
6 the County Highway Fund as follows: Each county shall
7 receive a proportionate share of the funds available
8 based upon the proportion of the total value of
9 production from such county in the corresponding month
10 of the preceding year, and

11 b. fifty percent (50%) shall be allocated to each county
12 as provided for in subparagraph a of this paragraph
13 and shall be apportioned on an average daily
14 attendance per capita distribution basis, as certified
15 by the State Superintendent of Public Instruction, to
16 the school districts of the county where such pupils
17 attend school regardless of residence of such pupil,
18 provided the school district makes an ad valorem tax
19 levy of fifteen (15) mills for the current year and
20 maintains twelve (12) years of instruction.

21 Provided, notwithstanding any other provision of this section,
22 the total amounts deposited to the Common Education Technology
23 Revolving Fund, the Higher Education Capital Revolving Fund, the

1 Oklahoma Tuition Scholarship Revolving Fund, the Rural Economic
2 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation
3 Department Capital Expenditure Revolving Fund, the Oklahoma
4 Conservation Commission Infrastructure Revolving Fund and the
5 Community Water Infrastructure Development Revolving Fund pursuant
6 to paragraphs 5 and 6 of this section shall not exceed One Hundred
7 Fifty Million Dollars (\$150,000,000.00) in any fiscal year. All
8 sums in excess of One Hundred Fifty Million Dollars
9 (\$150,000,000.00) in any fiscal year which would otherwise be
10 deposited in such funds shall be placed by the State Treasurer in
11 the General Revenue Fund of the state.

12 SECTION 2. AMENDATORY Section 2, Chapter 43, 2nd
13 Extraordinary Session, O.S.L. 2006 (74 O.S. Supp. 2008, Section
14 2254.1), is amended to read as follows:

15 Section 2254.1 A. There is hereby created in the State
16 Treasury a revolving fund for the Oklahoma Tourism and Recreation
17 Department to be designated the "Oklahoma Tourism and Recreation
18 Department Capital Expenditure Revolving Fund".

19 B. The fund shall be a continuing fund, not subject to fiscal
20 year limitations, and shall consist of all monies received by the
21 Oklahoma Tourism and Recreation Department from the apportionment of
22 gross production tax revenues as prescribed by Section 1004 of Title
23 68 of the Oklahoma Statutes.

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

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

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

12 F. The provisions of this section shall cease to have the force
13 and effect of law on July 1, ~~2011~~ 2016. Any monies remaining in the
14 fund created by this section on July 1, ~~2011~~ 2016, which have been
15 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
18 Extraordinary Session, O.S.L. 2006 (27A O.S. Supp. 2008, Section 3-
19 2-110), is amended to read as follows:

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

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

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

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

15 E. No more than ~~twenty percent (20%)~~ fifty percent (50%) of the
16 monies in the fund shall be used for the payment of administrative
17 expenses, salary or any other continuing obligation of the Oklahoma
18 Conservation Commission; provided, however, such monies shall not be
19 used for salary increases for employees.

20 F. The provisions of this section shall cease to have the force
21 and effect of law on July 1, ~~2011~~ 2016. Any monies remaining in the
22 fund created by this section on July 1, ~~2011~~ 2016, which have been

1 encumbered, but not expended, may be expended according to the terms
2 pursuant to which the monies were encumbered.

3 SECTION 4. AMENDATORY Section 4, Chapter 43, 2nd
4 Extraordinary Session, O.S.L. 2006 (82 O.S. Supp. 2008, Section
5 1085.7A), is amended to read as follows:

6 Section 1085.7A A. There is hereby created in the State
7 Treasury a revolving fund for the Oklahoma Water Resources Board to
8 be designated the "Community Water Infrastructure Development
9 Revolving Fund".

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

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

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

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

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

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

8 F. Other than expenditures directly related to activities
9 authorized in subsection D of this section, no monies in the fund
10 shall be used for the payment of administrative expenses, salary or
11 any other continuing obligation of the Oklahoma Water Resources
12 Board.

13 G. The provisions of this section shall cease to have the force
14 and effect of law on July 1, ~~2011~~ 2016. Any monies remaining in the
15 fund created by this section on July 1, ~~2011~~ 2016, which have been
16 encumbered, but not expended, may be expended according to the terms
17 pursuant to which the monies were encumbered.

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

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

23 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 4-1-09 - DO
24 PASS, As Amended.