

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 SENATE BILL 19

By: Crain

4
5 AS INTRODUCED

6
7 An Act relating to public finance; creating the
8 Twenty-first Century Health Education and Research
9 for Oklahoma (HERO) Bonds Act; providing short title;
10 stating purpose; creating trust fund; creating debt
11 service fund; creating Board of Investors of the
12 Twenty-first Century Health Education and Research
13 for Oklahoma (HERO) Bonds Trust Fund (Board of
14 Investors); stating membership; providing procedures;
15 providing for staffing; providing standards and
16 duties; providing for retention of certain investment
17 managers; stating requirements and procedures for
18 investments; requiring selection of professional
19 custodians and asset managers; providing for staff
20 support by State Treasurer; requiring Board of
21 Investors to certify certain interest earnings;
22 creating the Board of Directors of the Twenty-first
23 Century Health Education and Research for Oklahoma
24 (HERO) Bonds Trust Fund (Board of Directors); stating
purpose; stating membership; providing for
appointments by certain date; providing for officers
and meetings; stating administrative duties of Board
of Directors; requiring annual report; authorizing
assistance for Board of Directors; requiring Board of
Directors to develop strategic plan by certain date;
requiring certain reports; requiring Board of
Directors to adopt operating and program budget;
stating budgeting procedures; providing accounting
procedures for certain interest monies; creating
revolving fund; directing apportionment of earnings
into revolving fund; directing apportionment of
certain earnings into trust fund; providing for
distribution of funds; authorizing the Oklahoma
Capitol Improvement Authority to issue certain bonds;
stating procedures for obligations; stating
legislative intent; amending 68 O.S. 2001, Section
1004, as last amended by Section 55, Chapter 1,

1 O.S.L. 2007 (68 O.S. Supp. 2008, Section 1004), which
2 relates to gross production taxes; directing certain
3 monies to the HERO Bonds Debt Service Fund; updating
4 statutory references; providing for codification; and
5 providing a contingent effective date.

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

7 SECTION 1. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 2400 of Title 62, unless there
9 is created a duplication in numbering, reads as follows:

10 This act shall be known and may be cited as the "Twenty-first
11 Century Health Education and Research for Oklahoma (HERO) Bonds
12 Act".

13 SECTION 2. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 2401 of Title 62, unless there
15 is created a duplication in numbering, reads as follows:

16 The purpose of the Twenty-first Century Health Education and
17 Research for Oklahoma (HERO) Bonds Act is to implement the
18 provisions of Section 50 of Article X of the Oklahoma Constitution,
19 which:

20 1. Authorizes the issuance of One Hundred Million Dollars
21 (\$100,000,000.00) in obligations;

22 2. Provides for the establishment of a Twenty-first Century
23 Health Education and Research for Oklahoma (HERO) Bonds Trust Fund;

1 3. Creates a Board of Directors to expend interest income from
2 the trust fund to provide funding for residency and other training
3 for allopathic and osteopathic physicians and nurses in Oklahoma;
4 and

5 4. Provides for the annual apportionment of the first Thirteen
6 Million Four Hundred Thousand Dollars (\$13,400,000.00) derived from
7 the gross production tax at a tax rate of seven percent (7%) into a
8 HERO Bonds Debt Service Fund, and for other funding as required to
9 retire the obligations issued under this act.

10 SECTION 3. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 2402 of Title 62, unless there
12 is created a duplication in numbering, reads as follows:

13 There is hereby created in the State Treasury a trust fund to be
14 known as the "Twenty-first Century Health Education and Research for
15 Oklahoma (HERO) Bonds Trust Fund". The trust fund principal shall
16 consist of monies deposited into the trust fund pursuant to the
17 provisions of Section 11 of this act and any monies or assets
18 contributed to the trust fund from any other source, public or
19 private. The trust fund principal shall not be diminished for any
20 reason except to retire obligations issued pursuant to Section 11 of
21 this act, and only in the event that funds in the HERO Bonds Debt
22 Service Fund created in Section 4 of this act and any other funds
23 that may be provided by law fail to provide sufficient amounts to
24 fulfill bond obligations.

1 SECTION 4. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2403 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 There is hereby created in the State Treasury a fund for the
5 Oklahoma Capital Improvement Authority to be known as the "HERO
6 Bonds Debt Service Fund". The fund shall be a continuing fund, not
7 subject to fiscal year limitations, and shall consist of all monies
8 apportioned to the fund pursuant to Section 12 of this act or
9 otherwise provided by law. All monies accruing to the credit of the
10 fund are hereby appropriated and may be budgeted and expended by the
11 Authority for the purpose of servicing debt obligations incurred
12 pursuant to the obligations authorized in Section 11 of this act.
13 Expenditures from the fund shall be made upon warrants issued by the
14 State Treasurer against claims filed as prescribed by law with the
15 Director of State Finance for approval and payment.

16 SECTION 5. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 2404 of Title 62, unless there
18 is created a duplication in numbering, reads as follows:

19 A. There is hereby created the Board of Investors of the
20 Twenty-first Century Health Education and Research for Oklahoma
21 (HERO) Bonds Trust Fund (Board of Investors). The Board of
22 Investors shall consist of five (5) members, as follows:

- 23 1. The State Treasurer, who shall be the chair;
- 24 2. An appointee of the Governor;

- 1 3. An appointee of the President Pro Tempore of the Senate;
- 2 4. An appointee of the Speaker of the House of Representatives;
- 3 and
- 4 5. An appointee of the State Auditor and Inspector.

5 All appointed members shall have demonstrated expertise in
6 public or private investment funds management.

7 B. The members of the Board of Investors shall receive no
8 salary for serving on the Board. All members shall receive
9 necessary travel expenses for the performance of their duties in
10 accordance with the provisions of the State Travel Reimbursement
11 Act.

12 C. The Board of Investors shall annually elect a vice-chair,
13 who shall preside over meetings in the absence of the State
14 Treasurer, and any other officers; provided that no member shall be
15 elected vice-chair for more than two (2) consecutive years. The
16 Board of Investors shall meet at least quarterly.

17 D. Staffing for the Board of Investors shall be provided by the
18 Office of the State Treasurer.

19 E. Members of the Board of Investors shall discharge their
20 duties as trustees of the Twenty-first Century Health Education and
21 Research for Oklahoma (HERO) Bonds Trust Fund:

22 1. With the care, skill, prudence, and diligence, under the
23 circumstances then prevailing, that a prudent person acting in a
24

1 like capacity and familiar with such matters would use in the
2 conduct of an enterprise of a like character and with like aims;

3 2. By diversifying the investments in the trust fund so as to
4 minimize the risk of large losses, unless, under the circumstances,
5 it is clearly prudent not to do so; and

6 3. In accordance with the laws, documents, and instruments
7 governing the trust fund.

8 F. The Board of Investors shall retain qualified investment
9 managers to provide for the investment of the monies of the trust
10 fund. The investment managers shall be chosen by a solicitation of
11 proposals on a competitive basis pursuant to standards set by the
12 Board of Investors. The investment managers shall manage those
13 monies of the trust fund allocated to the investment managers in
14 compliance with the overall investment guidelines set by the Board
15 of Investors. The monies of the trust fund allocated to the
16 investment managers shall be managed by the investment managers in
17 accordance with the investment guidelines and other directions of
18 the Board of Investors. The investment managers may sell
19 investments and realize losses if such action is considered
20 advantageous to longer-term return maximization. Because of the
21 total return objective, no distinction shall be made for management
22 and performance evaluation purposes between realized and unrealized
23 capital gains and losses. The Board of Investors may have the State

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1 Treasurer manage those monies not specifically allocated to the
2 investment managers.

3 G. The trust fund shall be invested in the manner in which a
4 prudent person would invest it and consistent with the manner that
5 state retirement funds are invested.

6 H. The Board of Investors shall select a custodial bank to
7 settle transactions involving the investment of funds in the trust
8 fund and to hold custody of the securities in the trust fund
9 portfolio. The custodian shall be a bank or trust company offering
10 pension fund master trustee and master custodial services. The
11 custodian shall be chosen by a solicitation of proposals on a
12 competitive basis pursuant to standards set by the Board of
13 Investors. The Board of Investors may also select professional
14 investment consultants, auditors, and actuaries to assist the Board
15 of Investors in carrying out its fiduciary responsibilities. All
16 these professionals shall be selected by a solicitation of proposals
17 on a competitive basis pursuant to standards set by the Board of
18 Investors.

19 I. The Board of Investors shall choose the professional
20 custodians and managers of the assets of the trust fund, shall
21 establish investment and fund management guidelines, and shall adopt
22 an investment policy. The selection of investment managers,
23 investment consultants, auditors, and actuaries, and a custodian
24

1 bank shall be exempt from the provisions of the Oklahoma Central
2 Purchasing Act.

3 J. The Board of Investors shall set aside the interest earnings
4 of the trust fund in accounts for distribution and use by the Board
5 of Directors of the Twenty-first Century Health Education and
6 Research for Oklahoma (HERO) Bonds Trust Fund pursuant to this act.

7 K. The State Treasurer shall provide any necessary staff
8 support to the Board of Investors. The cost of a full-time-
9 equivalent employee for the Office of the State Treasurer may be
10 considered as an administrative expense of the trust fund; however,
11 the amount provided to the State Treasurer for this purpose shall be
12 determined by the Board of Directors.

13 SECTION 6. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 2405 of Title 62, unless there
15 is created a duplication in numbering, reads as follows:

16 A. On or before September 1 of each year, the Board of
17 Investors shall determine the earnings of the Twenty-first Century
18 Health Education and Research for Oklahoma (HERO) Bonds Trust Fund
19 for the previous fiscal year ending June 30. In determining
20 earnings, the Board of Investors shall certify an amount which is
21 prudent under the standard set forth in subsection C of this section
22 and notify the Board of Investors of the amount of earnings
23 available for distribution.

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1 B. For the purposes of this act, "earnings" consists of
2 interest, less fees to manage the fund.

3 C. In the administration of the powers to determine earnings,
4 to make and retain investments, and to delegate investment
5 management of institutional funds, the Board of Investors shall
6 exercise ordinary business care and prudence under the facts and
7 circumstances prevailing at the time of the action or decision. In
8 so doing, the Board of Investors shall consider:

9 1. Long- and short-term needs of the trust fund in carrying out
10 its purposes;

11 2. The present and anticipated financial requirements of the
12 Board of Directors, to fulfill its duties related to funding
13 residency slots and other education and training and other purposes;

14 3. Expected total return on its investments;

15 4. Price level and inflation trends; and

16 5. General economic conditions.

17 SECTION 7. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 2406 of Title 62, unless there
19 is created a duplication in numbering, reads as follows:

20 A. There is hereby created the Board of Directors of the
21 Twenty-first Century Health Education and Research for Oklahoma
22 (HERO) Bonds Trust Fund (Board of Directors), which shall administer
23 the distribution of the interest earnings of the Twenty-first
24 Century Health Education and Research for Oklahoma (HERO) Bonds

1 Trust Fund. The Board of Directors shall consist of eleven (11)
2 members who shall be appointed as follows:

3 1. One shall be the dean of the University of Oklahoma Medical
4 School or designee;

5 2. One shall be the dean of the Oklahoma State University
6 College of Osteopathic Medicine or designee;

7 3. Nine shall be appointed by the Governor with the advice and
8 consent of the Senate, with the following qualifications:

9 a. two shall be practicing allopathic physicians,

10 b. two shall be practicing osteopathic physicians,

11 c. two shall be practicing nurses,

12 d. one shall be a representative of an accredited nursing
13 school, and

14 e. two shall be lay members.

15 B. All appointees shall be residents of the State of Oklahoma.

16 All appointees shall serve in staggered four-year terms except the
17 initial appointees. The Governor shall appoint two members for
18 initial terms of four (4) years, three members for initial terms of
19 three (3) years, two members for initial terms of two (2) years, and
20 two members for initial terms of one (1) year. Thereafter, all
21 members shall serve for a term of four (4) years. Members of the
22 Board of Directors shall be appointed within thirty (30) days
23 following the effective date of this act.

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1 C. The Board of Directors shall organize within thirty (30)
2 days after all members are appointed and annually thereafter, by
3 electing from among its members a chair and a vice-chair. The Board
4 of Directors shall hold regularly scheduled meetings at least once
5 each quarter at a time and place determined by the Board and may
6 hold such special meetings, emergency meetings, or continued or
7 reconvened meetings as found by the Board of Directors to be
8 necessary. A majority of the members of the Board of Directors
9 shall constitute a quorum for the transaction of business.

10 D. The Board of Directors shall be responsible for establishing
11 procedures for its operations. The procedures and operations shall
12 be established as rules promulgated by the Board of Directors
13 pursuant to the requirements of the Administrative Procedures Act.

14 E. The Board of Directors shall administer and distribute the
15 interest earnings of the Twenty-first Century Health Education and
16 Research for Oklahoma (HERO) Bonds Trust Fund to provide funding for
17 residency and training of allopathic and osteopathic physicians and
18 nurses at Oklahoma institutions of higher education, and, pursuant
19 to the provisions of Section 10 of this act, to fund medical and
20 biotechnical or similar research at institutions of higher
21 education. The Board of Directors may commission and hire technical
22 advisors, including legal counsel, and may employ staff as it deems
23 necessary.

24

1 F. The Board of Directors shall develop a five-year strategic
2 plan for implementation of its duties by January 1, 2011, and
3 annually update the plan to guide its funding decisions. The
4 strategic plan shall include among its objectives the following:

5 1. Maximization of the number of allopathic and osteopathic
6 physicians and nurses trained in Oklahoma;

7 2. Maximization of support for physicians and nurses training
8 in both primary care and specialty fields; and

9 3. Responsiveness in funding decisions to underrepresented
10 specialties and areas in conjunction with the needs of Oklahoma
11 citizens.

12 The Board of Directors shall annually present the strategic plan
13 to the Board of Investors and shall prepare an annual, written
14 report to summarize its annual progress, including summaries of its
15 strategic plan objectives, measures, performance, and outcomes. The
16 plan and report shall be made available to the public and shall be
17 distributed to the Governor, the President Pro Tempore of the
18 Senate, and the Speaker of the House of Representatives.

19 G. The provisions of the Oklahoma Central Purchasing Act shall
20 not apply to any project, activity or contract of the Board of
21 Directors.

22 H. The Board of Directors is authorized to accept donations,
23 grants or endowments from any person, corporation or entity to
24 implement the provisions of this act.

1 I. The Board of Directors may receive assistance from any other
2 state agency or public entity to implement the provisions of the
3 act, including, but not limited to, administrative assistance,
4 staffing or legal counsel and provision of office space or equipment
5 as necessary. Assistance agreements may be made by memorandums of
6 understanding or as otherwise provided by law.

7 SECTION 8. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 2407 of Title 62, unless there
9 is created a duplication in numbering, reads as follows:

10 A. The Board of Directors shall adopt a budget for each fiscal
11 year after it has been notified by the Board of Investors of the
12 amount of earnings available for distribution. The budget shall be
13 broken out into an operating budget and a program budget. The
14 budget shall be presented to the Board of Investors and filed with
15 the Office of State Finance.

16 1. The operating budget shall consist of the administrative
17 expenses of the Board of Directors and the administrative expenses
18 of the State Treasurer, if any, approved by the Board of Directors.

19 2. The program budget shall consist of the funds distributed by
20 the Board of Directors pursuant to Sections 9 and 10 of this act.

21 3. The Board of Directors shall develop policies and procedures
22 to define, clarify, and implement the allocation of identified
23 expenses to the programs and operating budget.

24

1 4. All operating expenses and program expenses shall be paid
2 out against the amount of earnings from the trust fund.

3 B. The Board of Investors shall ensure that sufficient cash is
4 transferred at appropriate times to honor these claims, but shall
5 keep as much as possible of the trust fund invested at all times.
6 The operating budget of the Board of Directors shall be allotted in
7 twelve substantially equal amounts throughout the fiscal year.
8 Amounts to be distributed to carry out the purposes of this act
9 shall be made available as needed and determined by the Board of
10 Directors.

11 C. The Board of Directors shall direct the Board of Investors
12 to set aside sufficient cash reserves out of earnings from the trust
13 fund to ensure that the expenses of the Board of Directors and Board
14 of Investors and the State Treasurer may be funded in the event that
15 there are insufficient earnings achieved in a future year to cover
16 those expenses. Earnings from a fiscal year may be carried over or
17 used as reserves for expenditure in future fiscal years.

18 SECTION 9. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 2408 of Title 62, unless there
20 is created a duplication in numbering, reads as follows:

21 A. There is hereby created in the State Treasury the HERO Bonds
22 Board Revolving Fund. The fund shall be a continuing fund, not
23 subject to fiscal year limitations, and shall consist of all monies
24 received pursuant to this act. All monies accruing to the credit of

1 the HERO Bonds Board Revolving Fund are hereby appropriated and may
2 be budgeted and expended by the Board of Directors for the payment
3 of administrative expenses to fulfill the purposes and duties of the
4 Board of Directors. Expenditures from the fund shall be made upon
5 warrants issued by the State Treasurer against claims filed as
6 prescribed by law with the Director of State Finance for approval
7 and payment.

8 B. Upon the certification performed pursuant to Section 6 of
9 this act, the State Treasurer shall annually apportion one percent
10 (1%) of the interest earnings into the HERO Bonds Board Revolving
11 Fund created in subsection A of this section for administrative
12 expenses of the Board of Directors.

13 C. The State Treasurer shall annually apportion the remainder
14 of the interest earnings into an account or accounts within the
15 trust fund as the Board of Directors shall designate. The Board of
16 Directors shall distribute the interest earnings for the following
17 purposes:

18 1. Education and training of nurses by a college-based nursing
19 education program accredited by the Oklahoma Board of Nursing;

20 2. Education and training of physicians by the University of
21 Oklahoma College of Medicine; and

22 3. Education and training of physicians by the Oklahoma State
23 University College of Osteopathic Medicine.

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1 SECTION 10. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2409 of Title 62, unless there
3 is created a duplication in numbering, reads as follows:

4 Notwithstanding the provisions of this act that provide for
5 distribution of funds by the Board of Directors for residency and
6 training of physicians and nurses, in the event that the Board of
7 Directors determines that the interests of the state would be best
8 served by distributing a portion of the interest earnings for
9 medical, biotechnical or similar research purposes, the Board of
10 Directors shall formally adopt such a finding and a detailed
11 research-funding plan. Within ten (10) days after such adoption,
12 the Board of Directors shall file the finding and plan with the
13 Speaker of the House of Representatives and the President Pro
14 Tempore of the Senate. No funds may be distributed or expended for
15 research without the approval of a finding and plan by the
16 Legislature. Approval by the Legislature of a transmitted finding
17 and plan shall occur pursuant to the procedures provided for
18 legislative review and approval of agency rules in subsection E of
19 Section 308 of Title 75 of the Oklahoma Statutes.

20 SECTION 11. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 2410 of Title 62, unless there
22 is created a duplication in numbering, reads as follows:

23 A. Effective July 1, 2010, the Oklahoma Capitol Improvement
24 Authority is authorized to issue negotiable obligations in a total

1 amount sufficient to generate One Hundred Million Dollars
2 (\$100,000,000.00) in one or more series for the purpose of obtaining
3 funds for the training and education of medical professionals by
4 Oklahoma institutions and for research in areas of medical,
5 biotechnical or similar development.

6 B. The proceeds of the sale of the obligations shall be placed
7 in the Twenty-first Century Health Education and Research for
8 Oklahoma (HERO) Bonds Trust Fund.

9 C. It is the intent of the Legislature that payments for the
10 purpose of retiring the obligations created pursuant to this section
11 be made by the Oklahoma Capitol Improvement Authority from the HERO
12 Bonds Debt Service Fund created in Section 4 of this act. If at any
13 time it appears probable that revenues available will be
14 insufficient to meet the amount required for this purpose, and if
15 other funds are not provided by law, the Authority may direct the
16 State Treasurer to transfer principal funds from the trust fund as
17 required to meet debt payment requirements.

18 D. The Authority may issue obligations in one or more series
19 and in conjunction with other issues of the Authority.

20 E. The obligations authorized under this section may be sold at
21 either competitive or negotiated sale, as determined by the
22 Authority, and in such form and at such prices as may be authorized
23 by the Authority. The Authority may enter into agreements with such
24 credit enhancers and liquidity providers as may be determined

1 necessary to efficiently market the obligations. The obligations
2 may mature and have such provisions for redemption as shall be
3 determined by the Authority, but in no event shall the final
4 maturity of such obligations occur later than fifteen (15) years
5 from the first principal maturity date of any given series. The
6 first principal maturity date of any series of obligations issued
7 under this section must occur no later than twenty-four (24) months
8 from the date of issuance.

9 F. The obligations issued under this section, the transfer
10 thereof and the interest earned on such obligations, including any
11 profit derived from the sale thereof, shall not be subject to
12 taxation of any kind by the State of Oklahoma, or by any county,
13 municipality or political subdivision thereof.

14 SECTION 12. AMENDATORY 68 O.S. 2001, Section 1004, as
15 last amended by Section 55, Chapter 1, O.S.L. 2007 (68 O.S. Supp.
16 2008, Section 1004), is amended to read as follows:

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

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

22 a. eighty-five and seventy-two one-hundredths percent
23 (85.72%) shall be paid to the State Treasurer of the
24 state to be placed in the General Revenue Fund of the

1 state and used for the general expense of state
2 government, to be paid out pursuant to direct
3 appropriation by the Legislature,

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

14 c. seven and fourteen one-hundredths percent (7.14%)
15 shall be allocated to each county as provided for in
16 subparagraph b of this paragraph and shall be
17 apportioned, on an average daily attendance per capita
18 distribution basis, as certified by the State
19 Superintendent of Public Instruction to the school
20 districts of the county where such pupils attend
21 school regardless of residence of such pupil, provided
22 the school district makes an ad valorem tax levy of
23 fifteen (15) mills for the current year and maintains
24 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~~. For each fiscal year ending June 30, 2011,
7 through June 30, 2025, the first Thirteen Million Four
8 Hundred Thousand Dollars (\$13,400,000.00) shall be
9 placed in the HERO Bonds Debt Service Fund created in
10 Section 4 of this act to repay the principal and
11 interest and other costs related to the issuance of
12 obligations issued pursuant to Section 11 of this act.
13 The remainder shall be placed in the General Revenue
14 Fund of the state and used for the general expense of
15 state government, to be paid out pursuant to direct
16 appropriation by the Legislature,

17 b. seven and fourteen one-hundredths percent (7.14%) of
18 the sum collected from natural gas and/or casinghead
19 gas shall be paid to the various county treasurers to
20 be credited to the County Highway Fund as follows:
21 Each county shall receive a proportionate share of the
22 funds available based upon the proportion of the total
23 value of production from such county in the
24 corresponding month of the preceding year, and

1 c. seven and fourteen one-hundredths percent (7.14%)
2 shall be allocated to each county as provided for in
3 subparagraph b of this paragraph and shall be
4 apportioned, on an average daily attendance per capita
5 distribution basis, as certified by the State
6 Superintendent of Public Instruction to the school
7 districts of the county where such pupils attend
8 school regardless of residence of such pupil, provided
9 the school district makes an ad valorem tax levy of
10 fifteen (15) mills for the current year and maintains
11 twelve (12) years of instruction;

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

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

20 b. twelve and one-half percent (12.5%) of the sum
21 collected from natural gas and/or casinghead gas shall
22 be paid to the various county treasurers to be
23 credited to the County Highway Fund as follows: Each
24 county shall receive a proportionate share of the

1 funds available based upon the proportion of the total
2 value of production from such county in the
3 corresponding month of the preceding year, and

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

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

18 a. fifty percent (50%) of the sum collected from natural
19 gas and/or casinghead gas shall be paid to the various
20 county treasurers to be credited to the County Highway
21 Fund as follows: Each county shall receive a
22 proportionate share of the funds available based upon
23 the proportion of the total value of production from
24

1 such county in the corresponding month of the
2 preceding year, and

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

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

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

21 b. twenty-five and seventy-two one-hundredths percent
22 (25.72%) shall be paid to the State Treasurer to be
23 placed in the Higher Education Capital Revolving Fund
24

1 created in Section 41.29d of Title 62 of the Oklahoma
2 Statutes,

3 c. twenty-five and seventy-two one-hundredths percent
4 (25.72%) shall be paid to the State Treasurer to be
5 placed in the Oklahoma Tuition Scholarship Revolving
6 Fund created in Section 41.29e of Title 62 of the
7 Oklahoma Statutes,

8 d. four and twenty-eight one-hundredths percent (4.28%)
9 shall be paid to the State Treasurer to be apportioned
10 to the County Bridge and Road Improvement Fund of the
11 State Treasury,

12 e. four and twenty-eight one-hundredths percent (4.28%)
13 shall be paid to the State Treasurer to be apportioned
14 to:

15 (1) the following sources and in the following
16 amounts for the fiscal year ending June 30, 2007,
17 through the fiscal year ending June 30, 2011:

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

23 (b) thirty-three and one-third percent (33 1/3%)
24 to the Oklahoma Conservation Commission

1 Infrastructure Revolving Fund created
2 pursuant to Section ~~3~~ 3-2-110 of ~~this act~~
3 Title 27A of the Oklahoma Statutes, and

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

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

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

21 g. seven and fourteen one-hundredths percent (7.14%)
22 shall be allocated to each county as provided in
23 subparagraph f of this paragraph and shall be
24 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;

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

- 11 a. twenty-two and one-half percent (22.5%) shall be paid
12 to the State Treasurer to be placed in the Common
13 Education Technology Revolving Fund created in Section
14 41.29c of Title 62 of the Oklahoma Statutes,
- 15 b. twenty-two and one-half percent (22.5%) shall be paid
16 to the State Treasurer to be placed in the Higher
17 Education Capital Revolving Fund created in Section
18 41.29d of Title 62 of the Oklahoma Statutes,
- 19 c. twenty-two and one-half percent (22.5%) shall be paid
20 to the State Treasurer to be placed in the Oklahoma
21 Tuition Scholarship Revolving Fund created in Section
22 41.29e of Title 62 of the Oklahoma Statutes,
- 23 d. three and seventy-five one-hundredths percent (3.75%)
24 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 (a) thirty-three and one-third percent (33 1/3%)
10 to the Oklahoma Tourism and Recreation
11 Department Capital Expenditure Revolving
12 Fund created pursuant to Section ~~2~~ 2254.1 of
13 ~~this act~~ Title 74 of the Oklahoma Statutes,

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

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

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

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

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

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

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

18 Provided, notwithstanding any other provision of this section,
19 the total amounts deposited to the Common Education Technology
20 Revolving Fund, the Higher Education Capital Revolving Fund, the
21 Oklahoma Tuition Scholarship Revolving Fund, the Rural Economic
22 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation
23 Department Capital Expenditure Revolving Fund, the Oklahoma
24 Conservation Commission Infrastructure Revolving Fund and the

1 Community Water Infrastructure Development Revolving Fund pursuant
2 to paragraphs 5 and 6 of this section shall not exceed One Hundred
3 Fifty Million Dollars (\$150,000,000.00) in any fiscal year. All
4 sums in excess of One Hundred Fifty Million Dollars
5 (\$150,000,000.00) in any fiscal year which would otherwise be
6 deposited in such funds shall be placed by the State Treasurer in
7 the General Revenue Fund of the state.

8 SECTION 13. This act shall become effective contingent upon
9 certification of election returns favoring passage of the
10 Constitutional Amendment proposed in Senate Joint Resolution No. ____
11 of the 1st Session of the 52nd Oklahoma Legislature.

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