

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 HOUSE BILL 2928

By: Armes

4
5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2011, Section 1004, which relates to gross
9 production tax; modifying termination dates for
10 certain funding allocations; and providing an
11 effective date.

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

13 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1004, is
14 amended to read as follows:

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

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

- 20 a. eighty-five and seventy-two one-hundredths percent
21 (85.72%) shall be paid to the State Treasurer of the
22 state to be placed in the General Revenue Fund of the
23 state and used for the general expense of state
24

1 government, to be paid out pursuant to direct
2 appropriation by the Legislature,

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

13 c. seven and fourteen one-hundredths percent (7.14%)
14 shall be allocated to each county as provided for in
15 subparagraph b of this paragraph and shall be
16 apportioned, on an average daily attendance per capita
17 distribution basis, as certified by the State
18 Superintendent of Public Instruction to the school
19 districts of the county where such pupils attend
20 school regardless of residence of such pupil, provided
21 the school district makes an ad valorem tax levy of
22 fifteen (15) mills for the current year and maintains
23 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
24 districts of the county where such pupils attend

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

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

- 8 a. seventy-five percent (75%) shall be paid to the State
9 Treasurer of the state to be placed in the General
10 Revenue Fund of the state and used for the general
11 expense of state government, to be paid out pursuant
12 to direct appropriation by the Legislature,
- 13 b. twelve and one-half percent (12.5%) of the sum
14 collected from natural gas and/or casinghead gas shall
15 be paid to the various county treasurers to be
16 credited to the County Highway Fund as follows: Each
17 county shall receive a proportionate share of the
18 funds available based upon the proportion of the total
19 value of production from such county in the
20 corresponding month of the preceding year, and
- 21 c. twelve and one-half percent (12.5%) shall be allocated
22 to each county as provided for in subparagraph b of
23 this paragraph and shall be apportioned, on an average
24 daily attendance per capita distribution basis, as

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

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

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

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

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

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

8 a. twenty-five and seventy-two one-hundredths percent
9 (25.72%) shall be paid to the State Treasurer to be
10 placed in the Common Education Technology Revolving
11 Fund created in Section ~~41.29e~~ 34.90 of Title 62 of
12 the Oklahoma Statutes,

13 b. twenty-five and seventy-two one-hundredths percent
14 (25.72%) shall be paid to the State Treasurer to be
15 placed in the Higher Education Capital Revolving Fund
16 created in Section ~~41.29d~~ 34.91 of Title 62 of the
17 Oklahoma Statutes,

18 c. twenty-five and seventy-two one-hundredths percent
19 (25.72%) shall be paid to the State Treasurer to be
20 placed in the Oklahoma ~~Tuition-Scholarship~~ Student Aid
21 Revolving Fund created in Section ~~41.29e~~ 34.92 of
22 Title 62 of the Oklahoma Statutes,

23 d. three and seven hundred forty-five one-thousandths
24 percent (3.745%) shall be distributed to the various

1 counties of the state for deposit into the County
2 Bridge and Road Improvement Fund of each county based
3 on a formula developed by the Department of
4 Transportation and approved by the Department of
5 Transportation County Advisory Board created pursuant
6 to Section 302.1 of Title 69 of the Oklahoma Statutes
7 to be used for the purposes set forth in the County
8 Bridge and Road Improvement Act. The formula shall be
9 similar to the formula currently used for the
10 distribution of monies in the County Bridge Program
11 funds, but shall also take into consideration the
12 effect of the terrain and traffic volume as related to
13 county road improvement and maintenance costs,

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

17 (1) the following sources and in the following
18 amounts through the fiscal year ending June 30,
19 ~~2014~~ 2016:

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

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

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

11 (2) the Oklahoma Water Resources Board Rural Economic
12 Action Plan Water Projects Fund for the fiscal
13 year ending June 30, ~~2014~~ 2016, and for each
14 fiscal year thereafter,

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

23 g. seven and fourteen one-hundredths percent (7.14%)
24 shall be allocated to each county as provided in

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

10 h. five hundred thirty-five one-thousandths percent
11 (0.535%) of the levy shall be transmitted by the
12 Oklahoma Tax Commission to the Statewide Circuit
13 Engineering District Revolving Fund as created in
14 Section 687.2 of Title 69 of the Oklahoma Statutes;

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

18 a. twenty-two and one-half percent (22.5%) shall be paid
19 to the State Treasurer to be placed in the Common
20 Education Technology Revolving Fund created in Section
21 ~~41.29e~~ 34.90 of Title 62 of the Oklahoma Statutes,

22 b. twenty-two and one-half percent (22.5%) shall be paid
23 to the State Treasurer to be placed in the Higher
24

1 Education Capital Revolving Fund created in Section
2 ~~41.29d~~ 34.91 of Title 62 of the Oklahoma Statutes,

3 c. twenty-two and one-half percent (22.5%) shall be paid
4 to the State Treasurer to be placed in the Oklahoma
5 ~~Tuition Scholarship~~ Student Aid Revolving Fund created
6 in Section ~~41.29e~~ 34.92 of Title 62 of the Oklahoma
7 Statutes,

8 d. three and twenty-eight one-hundredths percent (3.28%)
9 shall be distributed to the various counties of the
10 state for deposit into the County Bridge and Road
11 Improvement Fund of each county based on a formula
12 developed by the Department of Transportation and
13 approved by the Department of Transportation County
14 Advisory Board created pursuant to Section 302.1 of
15 Title 69 of the Oklahoma Statutes to be used for the
16 purposes set forth in the County Bridge and Road
17 Improvement Act. The formula shall be similar to the
18 formula currently used for the distribution of monies
19 in the County Bridge Program funds, but shall also
20 take into consideration the effect of the terrain and
21 traffic volume as related to county road improvement
22 and maintenance costs,

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

4 (1) the following sources and in the following
5 amounts through the fiscal year ending June 30,
6 ~~2014~~ 2016:

7 (a) thirty-three and one-third percent (33 1/3%)
8 to the Oklahoma Tourism and Recreation
9 Department Capital Expenditure Revolving
10 Fund created pursuant to Section 2254.1 of
11 Title 74 of the Oklahoma Statutes,

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

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

22 (2) the Oklahoma Water Resources Board Rural Economic
23 Action Plan Water Projects Fund for the fiscal
24

1 year ending June 30, ~~2014~~ 2016, and for each
2 fiscal year thereafter,

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

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

20 h. forty-seven one-hundredths percent (0.47%) of the levy
21 shall be transmitted by the Tax Commission to the
22 Statewide Circuit Engineering District Revolving Fund
23 as created in Section 687.2 of Title 69 of the
24 Oklahoma Statutes;

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 B. Provided, notwithstanding any other provision of this
22 section, the total amounts deposited to the Common Education
23 Technology Revolving Fund, the Higher Education Capital Revolving
24 Fund, the Oklahoma ~~Tuition Scholarship~~ Student Aid Revolving Fund,

1 the Rural Economic Action Plan Water Projects Fund, the Oklahoma
2 Tourism and Recreation Department Capital Expenditure Revolving
3 Fund, the Oklahoma Conservation Commission Infrastructure Revolving
4 Fund and the Community Water Infrastructure Development Revolving
5 Fund pursuant to paragraphs 5 and 6 of subsection A of this section
6 shall not exceed One Hundred Fifty Million Dollars (\$150,000,000.00)
7 in any fiscal year. Except as otherwise provided in this
8 subsection, all 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. Amounts which would
12 otherwise be placed by the State Treasurer in the General Revenue
13 Fund for the fiscal year ending on June 30, 2011, pursuant to this
14 subsection, shall be deposited or transferred by the State Treasurer
15 as follows:

16 1. Ten Million Dollars (\$10,000,000.00) to the Ad Valorem
17 Reimbursement Fund created pursuant to Section 193 of Title 62 of
18 the Oklahoma Statutes for the purpose of reimbursing counties for
19 school districts that claim a loss of revenue due to a tax exemption
20 granted pursuant to the provisions of Section 6B of Article X of the
21 Oklahoma Constitution; and

22 2. Ten Million Dollars (\$10,000,000.00) to the Oklahoma State
23 Regents for Higher Education Revolving Fund for the purposes of the
24 education and general operating budgets of the institutions and for

1 other programs, construction, renovations or repairs administered by
2 the Oklahoma State Regents for Higher Education;

3 3. One Million Four Hundred Thousand Dollars (\$1,400,000.00) to
4 the State Career-Technology Fund; and

5 4. All funds except those deposited pursuant to paragraphs 1, 2
6 and 3 of this subsection to the General Revenue Fund of the state.

7 SECTION 2. This act shall become effective November 1, 2012.

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9 53-2-9064 EK 01/04/12

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