

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 SENATE BILL 122

By: Mazzei

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5
6 AS INTRODUCED

7 An Act relating to gross production tax; amending 68
8 O.S. 2001, Section 1004, as last amended by Section
9 4, Chapter 256, O.S.L. 2010 (68 O.S. Supp. 2010,
10 Section 1004), which relates to apportionment of
gross production tax revenue; modifying dates for
certain apportionment; and providing an effective
date.

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

14 SECTION 1. AMENDATORY 68 O.S. 2001, Section 1004, as
15 last amended by Section 4, Chapter 256, O.S.L. 2010 (68 O.S. Supp.
16 2010, 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 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 41.29c of Title 62 of the
12 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 of Title 62 of the Oklahoma
17 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 Revolving
21 Fund created in Section 41.29e of Title 62 of the
22 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:

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~~ beginning July 1, 2014,
14 and for each 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 41.29c 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 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 Revolving Fund created in Section
6 41.29e of Title 62 of the Oklahoma Statutes,

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

22 e. three and seventy-five one-hundredths percent (3.75%)
23 shall be paid to the State Treasurer to be apportioned
24 to:

1 (1) the following sources and in the following
2 amounts through the fiscal year ending June 30,
3 2014:

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

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

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

19 (2) the Oklahoma Water Resources Board Rural Economic
20 Action Plan Water Projects Fund for the fiscal
21 year ending June 30, 2014, and for each fiscal
22 year thereafter,

23 f. twelve and one-half percent (12.5%) of the sum
24 collected from oil shall be paid to the various county

1 treasurers, to be credited to the County Highway Fund
2 as follows: Each county shall receive a proportionate
3 share of the funds available based upon the proportion
4 of the total value of production from such county in
5 the corresponding month of the preceding year,

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

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

21 7. For all monies collected from the tax levied on oil at a tax
22 rate of one percent (1%) pursuant to the provisions of subsection B
23 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 2. This act shall become effective November 1, 2011.

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