

1 STATE OF OKLAHOMA

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

3 SENATE BILL 972

By: Myers and Jolley of the
Senate

4 and

5
6 Sears and Martin (Scott) of
the House

7
8
9 AS INTRODUCED

10 An Act relating to gross production tax; amending 68
11 O.S. 2001, Section 1004, as last amended by Section
12 4, Chapter 256, O.S.L. 2010 (68 O.S. Supp. 2010,
13 Section 1004), which relates to apportionment of
revenue; providing for deposit of specified amounts
in certain funds for specified fiscal year; and
declaring an emergency.

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

17 SECTION 1. AMENDATORY 68 O.S. 2001, Section 1004, as
18 last amended by Section 4, Chapter 256, O.S.L. 2010 (68 O.S. Supp.
19 2010, Section 1004), is amended to read as follows:

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

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

- 1 a. eighty-five and seventy-two one-hundredths percent
2 (85.72%) shall be paid to the State Treasurer of the
3 state to be placed in the General Revenue Fund of the
4 state and used for the general expense of state
5 government, to be paid out pursuant to direct
6 appropriation by the Legislature,
- 7 b. seven and fourteen one-hundredths percent (7.14%) of
8 the sum collected from natural gas and/or casinghead
9 gas or asphalt or ores bearing uranium, lead, zinc,
10 jack, gold, silver or copper shall be paid to the
11 various county treasurers to be credited to the County
12 Highway Fund as follows: Each county shall receive a
13 proportionate share of the funds available based upon
14 the proportion of the total value of production from
15 such county in the corresponding month of the
16 preceding year, and
- 17 c. seven and fourteen one-hundredths percent (7.14%)
18 shall be allocated to each county as provided for in
19 subparagraph b of this paragraph and shall be
20 apportioned, on an average daily attendance per capita
21 distribution basis, as certified by the State
22 Superintendent of Public Instruction to the school
23 districts of the county where such pupils attend
24 school regardless of residence of such pupil, provided

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

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

7 a. eighty-five and seventy-two one-hundredths percent
8 (85.72%) shall be paid to the State Treasurer of the
9 state to be placed in the General Revenue Fund of the
10 state and used for the general expense of state
11 government, to be paid out pursuant to direct
12 appropriation by the Legislature,

13 b. seven and fourteen one-hundredths percent (7.14%) of
14 the sum collected from natural gas and/or casinghead
15 gas shall be paid to the various county treasurers to
16 be credited to the County Highway Fund as follows:
17 Each 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. seven and fourteen one-hundredths percent (7.14%)
22 shall be allocated to each county as provided for in
23 subparagraph b 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 3. For all monies collected from the tax levied on natural gas
9 and/or casinghead gas at a tax rate of four percent (4%) pursuant to
10 the provisions of subsection B of Section 1001 of this title:

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

16 b. twelve and one-half percent (12.5%) of the sum
17 collected from natural gas and/or casinghead gas shall
18 be paid to the various county treasurers to be
19 credited to the County Highway Fund as follows: Each
20 county shall receive a proportionate share of the
21 funds available based upon the proportion of the total
22 value of production from such county in the
23 corresponding month of the preceding year, and
24

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

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

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

23 b. fifty percent (50%) shall be allocated to each county
24 as provided for in subparagraph a of this paragraph

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

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

12 a. twenty-five and seventy-two one-hundredths percent
13 (25.72%) shall be paid to the State Treasurer to be
14 placed in the Common Education Technology Revolving
15 Fund created in Section 41.29c of Title 62 of the
16 Oklahoma Statutes,

17 b. twenty-five and seventy-two one-hundredths percent
18 (25.72%) shall be paid to the State Treasurer to be
19 placed in the Higher Education Capital Revolving Fund
20 created in Section 41.29d of Title 62 of the Oklahoma
21 Statutes,

22 c. twenty-five and seventy-two one-hundredths percent
23 (25.72%) shall be paid to the State Treasurer to be
24 placed in the Oklahoma Tuition Scholarship Revolving

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

3 d. three and seven hundred forty-five one-thousandths
4 percent (3.745%) shall be distributed to the various
5 counties of the state for deposit into the County
6 Bridge and Road Improvement Fund of each county based
7 on a formula developed by the Department of
8 Transportation and approved by the Department of
9 Transportation County Advisory Board created pursuant
10 to Section 302.1 of Title 69 of the Oklahoma Statutes
11 to be used for the purposes set forth in the County
12 Bridge and Road Improvement Act. The formula shall be
13 similar to the formula currently used for the
14 distribution of monies in the County Bridge Program
15 funds, but shall also take into consideration the
16 effect of the terrain and traffic volume as related to
17 county road improvement and maintenance costs,

18 e. four and twenty-eight one-hundredths percent (4.28%)
19 shall be paid to the State Treasurer to be apportioned
20 to:

21 (1) the following sources and in the following
22 amounts through the fiscal year ending June 30,
23 2014:

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

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

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

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

20 f. seven and fourteen one-hundredths percent (7.14%) of
21 the sum collected from oil shall be paid to the
22 various county treasurers, to be credited to the
23 County Highway Fund as follows: Each county shall
24 receive a proportionate share of the funds available

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

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

15 h. five hundred thirty-five one-thousandths percent
16 (0.535%) of the levy shall be transmitted by the
17 Oklahoma Tax Commission to the Statewide Circuit
18 Engineering District Revolving Fund as created in
19 Section 687.2 of Title 69 of the Oklahoma Statutes;

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

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

1 Education Technology Revolving Fund created in Section
2 41.29c of Title 62 of the Oklahoma Statutes,

3 b. twenty-two and one-half percent (22.5%) shall be paid
4 to the State Treasurer to be placed in the Higher
5 Education Capital Revolving Fund created in Section
6 41.29d of Title 62 of the Oklahoma Statutes,

7 c. twenty-two and one-half percent (22.5%) shall be paid
8 to the State Treasurer to be placed in the Oklahoma
9 Tuition Scholarship Revolving Fund created in Section
10 41.29e of Title 62 of the Oklahoma Statutes,

11 d. three and twenty-eight one-hundredths percent (3.28%)
12 shall be distributed to the various counties of the
13 state for deposit into the County Bridge and Road
14 Improvement Fund of each county based on a formula
15 developed by the Department of Transportation and
16 approved by the Department of Transportation County
17 Advisory Board created pursuant to Section 302.1 of
18 Title 69 of the Oklahoma Statutes to be used for the
19 purposes set forth in the County Bridge and Road
20 Improvement Act. The formula shall be similar to the
21 formula currently used for the distribution of monies
22 in the County Bridge Program funds, but shall also
23 take into consideration the effect of the terrain and
24

1 traffic volume as related to county road improvement
2 and maintenance costs,

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 through the fiscal year ending June 30,
8 2014:

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 2254.1 of
13 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 3-2-110 of Title 27A of
18 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 1085.7A of Title 82 of the
23 Oklahoma Statutes, and
24

1 (2) the Oklahoma Water Resources Board Rural Economic
2 Action Plan Water Projects Fund for the fiscal
3 year ending June 30, 2014, 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,

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 h. forty-seven one-hundredths percent (0.47%) of the levy
23 shall be transmitted by the Tax Commission to the
24 Statewide Circuit Engineering District Revolving Fund

1 as created in Section 687.2 of Title 69 of the
2 Oklahoma Statutes;

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

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

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

23 B. Provided, notwithstanding any other provision of this
24 section, the total amounts deposited to the Common Education

1 Technology Revolving Fund, the Higher Education Capital Revolving
2 Fund, the Oklahoma Tuition Scholarship Revolving Fund, the Rural
3 Economic Action Plan Water Projects Fund, the Oklahoma Tourism and
4 Recreation Department Capital Expenditure Revolving Fund, the
5 Oklahoma Conservation Commission Infrastructure Revolving Fund and
6 the Community Water Infrastructure Development Revolving Fund
7 pursuant to paragraphs 5 and 6 of subsection A of this section shall
8 not exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in
9 any fiscal year. ~~All~~ Except as otherwise provided in this
10 subsection, all sums in excess of One Hundred Fifty Million Dollars
11 (\$150,000,000.00) in any fiscal year which would otherwise be
12 deposited in such funds shall be placed by the State Treasurer in
13 the General Revenue Fund of the state. Amounts which would
14 otherwise be placed by the State Treasurer in the General Revenue
15 Fund for the fiscal year ending on June 30, 2011, pursuant to this
16 subsection, shall be deposited or transferred by the State Treasurer
17 as follows:

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

24

1 2. Ten Million Dollars (\$10,000,000.00) to the Oklahoma State
2 Regents for Higher Education Revolving Fund for the purposes of the
3 education and general operating budgets of the institutions and for
4 other programs, construction, renovations or repairs administered by
5 the Oklahoma State Regents for Higher Education;

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

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

10 SECTION 2. It being immediately necessary for the preservation
11 of the public peace, health and safety, an emergency is hereby
12 declared to exist, by reason whereof this act shall take effect and
13 be in full force from and after its passage and approval.

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