

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 54th Legislature (2014)

4   COMMITTEE SUBSTITUTE  
5   FOR  
6   HOUSE BILL NO. 3133

                                  By: Jackson

7  
8                                   COMMITTEE SUBSTITUTE

9           An Act relating to transportation; amending 47 O.S.  
10          2011, Section 1104, as amended by Section 1, Chapter  
11          347, O.S.L. 2012 (47 O.S. Supp. 2013, Section 1104),  
12          which relates to apportionment of motor vehicle fees;  
13          modifying apportionment of funds in certain years;  
14          creating the Municipal Roads and Bridges Revolving  
15          Fund Act; defining terms; creating the Municipal  
16          Roads and Bridges Revolving Fund; stating purpose;  
17          vesting the fund within the control of the Department  
18          of Transportation; exempting fund from fiscal year  
19          limitations; providing sources of fund revenue;  
20          providing for expenditures of funds and providing  
21          procedures for expenditures; providing for investment  
22          and management of fund deposits; providing direction  
23          to the Department of Transportation for  
24          administration of the fund; providing for advance  
            financing disbursements; establishing disbursement  
            application procedures; establishing disbursement  
            eligibility criteria and limitations; establishing  
            for repayment of financing disbursements and  
            financing charges; providing a period for repayment;  
            requiring certain accounting; requiring access to  
            certain records; providing powers and duties to the  
            Department of Transportation; providing for  
            assistance, review and assessment of disbursement  
            applications; providing for referral of certain  
            applications to the Transportation Commission;  
            requiring certain rulemaking by the Department of  
            Transportation related to the disbursement  
            application process; requiring certain accounting by  
            the Department of Transportation; authorizing advance

1 financing agreements between the Department of  
2 Transportation and eligible applicants; requiring the  
3 establishment of financial review guidelines by the  
4 Department related to the evaluation process of  
5 disbursement applications; providing evaluation  
6 criteria; providing a procedure for communicating  
7 approvals and rejections to applicants and the  
8 Transportation Commission; establishing an advance  
9 financing application processing fee; providing for  
10 release of advance financing disbursement funds;  
11 requiring terms of disbursement repayment be included  
12 in the advance financing disbursement agreement;  
13 requiring the Attorney General to take certain  
14 actions in the event of disbursement repayment  
15 failures; establishing jurisdiction for certain  
16 actions by the Attorney General; permitting the  
17 Department of Transportation to use certain funds to  
18 administer the Municipal Roads and Bridges Revolving  
19 Fund; providing for codification; and providing an  
20 effective date.

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

SECTION 1. AMENDATORY 47 O.S. 2011, Section 1104, as amended by Section 1, Chapter 347, O.S.L. 2012 (47 O.S. Supp. 2013, Section 1104), is amended to read as follows:

Section 1104. A. 1. Unless otherwise provided by law and except as otherwise provided in paragraph 2 of this subsection, all fees, taxes and penalties collected or received pursuant to the Oklahoma Vehicle License and Registration Act or Section 1-101 et seq. of this title shall be apportioned and distributed monthly by the Oklahoma Tax Commission in accordance with this section.

1        2. For a fiscal year when the balance of the Municipal Roads  
2 and Bridges Revolving Fund is less than Three Hundred Million  
3 Dollars (\$300,000,000.00) on July 1 of said fiscal year, all fees,  
4 taxes and penalties collected or received pursuant to the Oklahoma  
5 Vehicle License and Registration Act or Section 1-101 et seq. of  
6 this title shall be apportioned and distributed by the Oklahoma Tax  
7 Commission in the following manner:

8            a. monthly apportionments in accordance with subsections  
9            B, C, D, E, F, G, H, I, J, K and L of this section  
10           shall be made until the total annual apportionment for  
11           the fiscal year reaches the amount of the total  
12           apportionment made under subsections B, C, D, E, F, G,  
13           H, I, J, K and L of this section in the prior fiscal  
14           year,

15           b. in the event monies are available for apportionment  
16           above the amount provided for in subparagraph a of  
17           this paragraph, the next Fifty Million Dollars  
18           (\$50,000,000.00) shall be apportioned to the Municipal  
19           Roads and Bridges Revolving Fund, and

20           c. in the event monies are available for apportionment  
21           and distribution above the amounts provided for in  
22           subparagraphs a and b of this paragraph, such monies  
23           shall be apportioned in accordance with subsections B,  
24           C, D, E, F, G, H, I, J, K and L of this section.

1 B. 1. The following percentages of the monies referred to in  
2 subsection A of this section shall be apportioned to the various  
3 school districts in accordance with paragraph 2 of this subsection:

4 a. from October 1, 2000, until June 30, 2001, thirty-five  
5 and forty-six one-hundredths percent (35.46%),

6 b. for the year beginning July 1, 2001, and ending June  
7 30, 2002, thirty-five and ninety-one one-hundredths  
8 percent (35.91%), and

9 c. for the year beginning July 1, 2002, and all  
10 subsequent years, thirty-six and twenty one-hundredths  
11 percent (36.20%).

12 2. The monies apportioned pursuant to subparagraphs a through c  
13 of paragraph 1 of this subsection shall be apportioned to the  
14 various school districts as follows:

15 a. except as otherwise provided in this subparagraph,  
16 each district shall receive the same amount of funds  
17 as such district received from the taxes and fees  
18 provided in this title in the corresponding month of  
19 the preceding year. Any district eligible for funds  
20 pursuant to the provisions of this section that was  
21 not eligible the preceding year shall receive an  
22 amount equal to the average daily attendance of the  
23 applicable year multiplied by the average daily  
24 attendance apportionment within such county for each

1 appropriate month. For fiscal year 1995 and  
2 thereafter, any district which received less than  
3 twenty-five percent (25%) of the average apportionment  
4 of the monies made to school districts in this state  
5 based on average daily attendance in fiscal year 1995  
6 shall receive an amount equal to the average daily  
7 attendance in the 1994-1995 school year multiplied by  
8 the average daily attendance apportionment within the  
9 county in which the district is located for each  
10 appropriate month, and

11 b. any funds remaining unallocated following the  
12 allocation provided in subparagraph a of this  
13 paragraph shall be apportioned to the various school  
14 districts so that each district shall first receive  
15 the cumulative total of the monthly apportionments for  
16 which it is otherwise eligible under subparagraph a of  
17 this paragraph and then an amount based upon the  
18 proportion that each district's average daily  
19 attendance bears to the total average daily attendance  
20 of those districts entitled to receive funds pursuant  
21 to this section as certified by the State Department  
22 of Education.

1 Each district's allocation of funds shall be remitted to the  
2 county treasurer of the county wherein the administrative  
3 headquarters of the district are located.

4 No district shall be eligible for the funds herein provided  
5 unless the district makes an ad valorem tax levy of fifteen (15)  
6 mills and maintains nine (9) years of instruction and pursuant to  
7 the rules of the State Board of Education, is authorized to maintain  
8 ten (10) years of instruction.

9 C. 1. The following percentages of the monies referred to in  
10 subsection A of this section shall be remitted to the State  
11 Treasurer to be credited to the General Revenue Fund of the State  
12 Treasury:

- 13 a. from October 1, 2000, until June 30, 2001, forty-five  
14 and ninety-seven one-hundredths percent (45.97%),
- 15 b. for the year beginning July 1, 2001, and ending June  
16 30, 2002, forty-five and twenty-nine one-hundredths  
17 percent (45.29%),
- 18 c. for the year beginning July 1, 2002, and for the  
19 subsequent fiscal years ending June 30, 2007, forty-  
20 four and eighty-four one-hundredths percent (44.84%),
- 21 d. for the year beginning July 1, 2007, and ending June  
22 30, 2008, thirty-nine and eighty-four one-hundredths  
23 percent (39.84%),

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- 1 e. for the year beginning July 1, 2008, and ending June  
2 30, 2009, thirty-four and eighty-four one-hundredths  
3 percent (34.84%),
- 4 f. for the period beginning July 1, 2009, and ending  
5 December 31, 2012, twenty-nine and eighty-four one-  
6 hundredths percent (29.84%),
- 7 g. for the period beginning January 1, 2013, and ending  
8 June 30, 2013, twenty-nine and thirty-four one-  
9 hundredths percent (29.34%),
- 10 h. for the year beginning July 1, 2013, and ending June  
11 30, 2014, twenty-six and eighty-four one-hundredths  
12 percent (26.84%), and
- 13 i. for the year beginning July 1, 2014, and all  
14 subsequent years, twenty-four and eighty-four one-  
15 hundredths percent (24.84%).

16 2. In the event that additional monies are necessary pursuant  
17 to subsection N of this section, such additional monies shall be  
18 deducted from the monies apportioned to the General Revenue Fund.

19 D. The following percentages of the monies referred to in  
20 subsection A of this section shall be remitted to the State  
21 Treasurer to be credited to the State Transportation Fund:

22 1. From October 1, 2000, until June 30, 2001, thirty one-  
23 hundredths percent (0.30%); and

1        2. For the year beginning July 1, 2001, and all subsequent  
2 years, thirty-one one-hundredths percent (0.31%).

3        E. 1. The following percentages of the monies referred to in  
4 subsection A of this section shall be apportioned to the various  
5 counties as set forth in paragraph 2 of this section:

6            a. from October 1, 2000, until June 30, 2001, seven and  
7            nine one-hundredths percent (7.09%),

8            b. for the year beginning July 1, 2001, and ending June  
9            30, 2002, seven and eighteen one-hundredths percent  
10           (7.18%), and

11           c. for the year beginning July 1, 2002, and all  
12           subsequent years, seven and twenty-four one-hundredths  
13           percent (7.24%).

14        2. The monies apportioned pursuant to subparagraphs a through c  
15 of paragraph 1 of this subsection shall be apportioned as follows:  
16 forty percent (40%) of such sum shall be distributed to the various  
17 counties in that proportion which the county road mileage of each  
18 county bears to the entire state road mileage as certified by the  
19 Transportation Commission and the remaining sixty percent (60%) of  
20 such sum shall be distributed to the various counties on the basis  
21 which the population and area of each county bears to the total  
22 population and area of the state. The population shall be as shown  
23 by the last Federal Census or the most recent annual estimate  
24 provided by the United States Bureau of the Census. The funds shall

1 be used for the purpose of constructing and maintaining county  
2 highways, provided, however, the county treasurer may deposit so  
3 much of the funds in the sinking fund as may be necessary for the  
4 retirement of interest and annual accrual of indebtedness created by  
5 the issuance of county or township bonds for road purposes. Such  
6 deposits to the sinking fund shall not exceed forty percent (40%) of  
7 the funds allocated to a county pursuant to this paragraph.

8 F. 1. The following percentages of the monies referred to in  
9 subsection A of this section shall be remitted to the county  
10 treasurers of the respective counties and by them deposited in a  
11 separate special revenue fund to be used by the county commissioners  
12 in accordance with paragraph 2 of this subsection:

13 a. from October 1, 2000, until June 30, 2001, two and  
14 fifty-three one-hundredths percent (2.53%),

15 b. for the year beginning July 1, 2001, and ending June  
16 30, 2002, two and fifty-six one-hundredths percent  
17 (2.56%), and

18 c. for the year beginning July 1, 2002, and all  
19 subsequent years, two and fifty-nine one-hundredths  
20 percent (2.59%).

21 2. The monies apportioned pursuant to subparagraphs a through c  
22 of paragraph 1 of this subsection shall be used for the primary  
23 purpose of matching federal funds for the construction of federal  
24 aid projects on county roads, or constructing and maintaining county

1 or township highways and permanent bridges of such counties. The  
2 distribution of monies apportioned by this paragraph shall be made  
3 upon the basis of the current formula based upon road mileage, area  
4 and population as related to county road improvement and maintenance  
5 costs. Provided, however, the Department of Transportation may  
6 update the formula factors from time to time as necessary to account  
7 for changing conditions.

8 G. 1. The following percentages of the monies referred to in  
9 subsection A of this section shall be transmitted by the Tax  
10 Commission to the various counties as set forth in paragraph 2 of  
11 this subsection:

- 12 a. from October 1, 2000, until June 30, 2001, three and  
13 fifty-five one-hundredths percent (3.55%),
- 14 b. for the year beginning July 1, 2001, and ending June  
15 30, 2002, three and fifty-nine one-hundredths percent  
16 (3.59%), and
- 17 c. for the year beginning July 1, 2002, and all  
18 subsequent years, three and sixty-two one-hundredths  
19 percent (3.62%).

20 2. The monies apportioned pursuant to subparagraphs a through c  
21 of paragraph 1 of this subsection shall be transmitted to the  
22 various counties on the basis of a formula to be developed by the  
23 Department of Transportation. Such formula shall be similar to that  
24 currently used for the distribution of County Bridge Program Funds,

1 but also taking into consideration the effect of terrain and traffic  
2 volume as related to county road improvement and maintenance costs.  
3 Provided, however, the Department of Transportation may update the  
4 formula factors from time to time as necessary to account for  
5 changing conditions. The funds shall be transmitted to the various  
6 county treasurers to be deposited in the county highway fund of  
7 their respective counties.

8 H. 1. The following percentages of the monies referred to in  
9 subsection A of this section shall be apportioned to the various  
10 counties as set forth in paragraph 2 of this subsection:

- 11 a. from October 1, 2000, until June 30, 2001, eighty-one  
12 one-hundredths percent (0.81%),
- 13 b. for the year beginning July 1, 2001, and ending June  
14 30, 2002, eighty-two one-hundredths percent (0.82%),  
15 and
- 16 c. for the year beginning July 1, 2002, and all  
17 subsequent years, eighty-three one-hundredths percent  
18 (0.83%).

19 2. The monies apportioned pursuant to subparagraphs a through c  
20 of paragraph 1 of this subsection shall be apportioned to the  
21 various counties as follows:

- 22 a. each county shall receive the same amount of funds as  
23 such county received from the taxes and fees provided  
24 for in the 1985 fiscal year, and

1           b. any funds remaining unallocated following the  
2           allocation provided in subparagraph a of this  
3           paragraph shall be apportioned to the various counties  
4           based upon the proportion that each county's  
5           population bears to the total state population.

6           Each county's allocation of funds shall be remitted to the  
7           various county treasurers to be deposited in the general fund of the  
8           county and used for the support of county government.

9           I. 1. The following percentages of the monies referred to in  
10          subsection A of this section shall be apportioned to the various  
11          cities and incorporated towns as set forth in paragraph 2 of this  
12          subsection:

13           a. from October 1, 2000, until June 30, 2001, three and  
14           four one-hundredths percent (3.04%),

15           b. for the year beginning July 1, 2001, and ending June  
16           30, 2002, three and eight one-hundredths percent  
17           (3.08%), and

18           c. for the year beginning July 1, 2002, and all  
19           subsequent years, three and ten one-hundredths percent  
20           (3.10%).

21          2. The monies apportioned pursuant to subparagraphs a through c  
22          of paragraph 1 of this subsection shall be apportioned to the  
23          various cities and incorporated towns based upon the proportion that  
24          each city or incorporated town's population bears to the total

1 population of all cities and incorporated towns in the state. Such  
2 funds shall be remitted to the various county treasurers for  
3 allocation to the various cities and incorporated towns. All such  
4 funds shall be used for the construction, maintenance, repair,  
5 improvement and lighting of streets and alleys. Provided, however,  
6 the governing board of any city or town may, with the approval of  
7 the county excise board, transfer any surplus funds to the general  
8 revenue fund of such city or town whenever an emergency requires  
9 such a transfer.

10 J. The following percentages of the monies referred to in  
11 subsection A of this section shall be remitted to the State  
12 Treasurer to be credited to the Oklahoma Law Enforcement Retirement  
13 Fund:

14 1. From October 1, 2000, until June 30, 2001, one and twenty-  
15 two one-hundredths percent (1.22%);

16 2. For the year beginning July 1, 2001, and ending June 30,  
17 2002, one and twenty-three one-hundredths percent (1.23%); and

18 3. For the year beginning July 1, 2002, and all subsequent  
19 years, one and twenty-four one-hundredths percent (1.24%).

20 K. Three one-hundredths of one percent (3/100 of 1%) of the  
21 monies referred to in subsection A of this section shall be remitted  
22 to the State Treasurer to be credited to the Wildlife Conservation  
23 Fund. Seventy-five percent (75%) of the funds shall be used for  
24

1 fish habitat restoration and twenty-five percent (25%) of the funds  
2 shall be used in the fish hatchery system for fish production.

3 L. 1. For the year beginning July 1, 2007, and ending June 30,  
4 2008, five percent (5%) of monies referred to in subsection A of  
5 this section shall be remitted to the State Treasurer to be credited  
6 to the County Improvements for Roads and Bridges Fund as created in  
7 Section 507 of Title 69 of the Oklahoma Statutes.

8 2. For the year beginning July 1, 2008, and ending June 30,  
9 2009, ten percent (10%) of monies referred to in subsection A of  
10 this section shall be remitted to the State Treasurer to be credited  
11 to the County Improvements for Roads and Bridges Fund as created in  
12 Section 507 of Title 69 of the Oklahoma Statutes.

13 3. For the period beginning July 1, 2009, and ending December  
14 31, 2012, fifteen percent (15%) of monies referred to in subsection  
15 A of this section shall be remitted to the State Treasurer to be  
16 credited to the County Improvements for Roads and Bridges Fund as  
17 created in Section 507 of Title 69 of the Oklahoma Statutes.

18 4. For the period beginning January 1, 2013, and ending June  
19 30, 2013, fifteen and fifty one-hundredths percent (15.50%) of  
20 monies referred to in subsection A of this section shall be remitted  
21 to the State Treasurer to be credited to the County Improvements for  
22 Roads and Bridges Fund as created in Section 507 of Title 69 of the  
23 Oklahoma Statutes.

24

1           5. For the year beginning July 1, 2013, and ending June 30,  
2 2014, eighteen percent (18%) of monies referred to in subsection A  
3 of this section shall be remitted to the State Treasurer to be  
4 credited to the County Improvements for Roads and Bridges Fund as  
5 created in Section 507 of Title 69 of the Oklahoma Statutes.

6           6. For the year beginning July 1, 2014, and all subsequent  
7 years, twenty percent (20%) of monies referred to in subsection A of  
8 this section shall be remitted to the State Treasurer to be credited  
9 to the County Improvements for Roads and Bridges Fund as created in  
10 Section 507 of Title 69 of the Oklahoma Statutes.

11           M. Monies allocated to counties by this section may be  
12 estimated by the county excise board in the budget for the county as  
13 anticipated revenue to the extent of ninety percent (90%) of the  
14 previous year's income from such source; provided, not more than  
15 fifteen percent (15%) can be encumbered during any month.

16           N. In no event shall the monies apportioned pursuant to  
17 subsections B, E, F, G, H, I and L of this section be less than the  
18 monies apportioned in the previous fiscal year.

19           O. Notwithstanding any other provisions of this section, for  
20 the fiscal year beginning July 1, 2003, the first One Hundred  
21 Thousand Dollars (\$100,000.00) of the monies collected or received  
22 by the Tax Commission pursuant to the registration of motorcycles  
23 and mopeds in this state shall be placed to the credit of the  
24 Oklahoma Tax Commission Revolving Fund.

1 SECTION 2. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 430 of Title 69, unless there is  
3 created a duplication in numbering, reads as follows:

4 Sections 2 through 11 of this act shall be known and may be  
5 cited as the "Municipal Roads and Bridges Revolving Fund Act".

6 SECTION 3. NEW LAW A new section of law to be codified  
7 in the Oklahoma Statutes as Section 431 of Title 69, unless there is  
8 created a duplication in numbering, reads as follows:

9 For the purposes of the Municipal Roads and Bridges Revolving  
10 Fund Act:

11 1. "Eligible project" means road and bridge construction,  
12 restoration, or replacement, right-of-way acquisition and utility  
13 relocation projects that would exceed a municipality's average  
14 yearly road budget for the preceding four (4) years;

15 2. "Eligible applicant" means any municipality of this state;

16 3. "Commission" means the Transportation Commission;

17 4. "Department" means the Department of Transportation; and

18 5. "Director" means the Director of the Department of  
19 Transportation.

20 SECTION 4. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 432 of Title 69, unless there is  
22 created a duplication in numbering, reads as follows:

23 A. There is hereby created in the State Treasury a revolving  
24 fund for the Department of Transportation to be designated the

1 "Municipal Roads and Bridges Revolving Fund". The purpose of the  
2 fund is to provide advance financing to municipalities for road and  
3 bridge construction projects. The fund shall be a continuing fund,  
4 not subject to fiscal year limitations, and shall consist of the  
5 following:

6 1. All monies allocated to this fund by Section 1104 of Title  
7 47 of the Oklahoma Statutes;

8 2. All monies appropriated to this fund;

9 3. Repayments, financing charge payments, and penalty payments  
10 on advance financing agreements made directly from monies in this  
11 fund;

12 4. Annual state administration fees of one-half percent (1/2%)  
13 on the outstanding advance financing agreement balance; and

14 5. Any other sums designated for deposit to this fund from any  
15 source, public or private.

16 All monies accruing to the credit of the fund are hereby  
17 appropriated and may be budgeted and expended by the Department of  
18 Transportation for the purposes of effectuating the provisions of  
19 the Municipal Roads and Bridges Revolving Fund Act. Expenditures  
20 from the fund shall be made upon warrants issued by the State  
21 Treasurer against claims filed as prescribed by law with the  
22 Director of the Office of Management and Enterprise Services for  
23 approval and payment.

24

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

1 B. The monies placed in the Municipal Roads and Bridges  
2 Revolving Fund shall be invested by the State Treasurer as  
3 prescribed by Section 89.2 of Title 62 of the Oklahoma Statutes.  
4 Any interest earned by the State Treasurer shall be deposited to the  
5 credit of the Municipal Roads and Bridges Revolving Fund. Monies  
6 invested by the State Treasurer shall be available to meet the  
7 program funding needs established by the Department of  
8 Transportation pursuant to the Municipal Roads and Bridges Revolving  
9 Fund Act.

10 SECTION 5. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 433 of Title 69, unless there is  
12 created a duplication in numbering, reads as follows:

13 The Department of Transportation shall use the Municipal Roads  
14 and Bridges Revolving Fund for the following purposes:

15 1. To make an advance financing disbursement to an eligible  
16 entity if:

17 a. the advance financing application, project and  
18 planning documents have been approved by the  
19 Department or the Transportation Commission,

20 b. the advance financing disbursement is made subject to  
21 a two-percent financing charge,

22 c. repayment of the disbursement and financing charge  
23 payments will begin no later than the month following  
24 the completion of the project,

- 1 d. the advance financing disbursement will be repaid no  
2 later than ten (10) years from the date of the  
3 projects completion,
- 4 e. the Municipal Roads and Bridges Revolving Fund will be  
5 credited with all repayments and financing charge  
6 payments on all advance financing disbursements,
- 7 f. the applicant demonstrates to the satisfaction of the  
8 Department the financial capability to assure  
9 sufficient revenues to repay advance financing  
10 disbursements and make financing charge payments,
- 11 g. the annual advance financing disbursement repayments  
12 and financing charge payments will not exceed one-half  
13 (1/2) of the municipality's average yearly road budget  
14 for the preceding four (4) years,
- 15 h. the recipient of the advance financing disbursement  
16 establishes a source of revenue to repay advance  
17 financing disbursements and make financing charge  
18 payments, and
- 19 i. the recipient agrees to maintain financial records in  
20 accordance with governmental accounting standards, to  
21 conduct an annual audit of the financial records  
22 relating to the construction project, and to submit  
23 the audit report to the Department on a scheduled  
24 annual basis;

1           2. To administer the Municipal Roads and Bridges Revolving Fund  
2 pursuant to the provisions in the Municipal Roads and Bridges  
3 Revolving Fund Act. All funds to be utilized for administrative  
4 costs from the Municipal Roads and Bridges Revolving Fund shall be  
5 subject to annual appropriation by the Legislature; and

6           3. For such other purpose or in such manner as is determined by  
7 the Transportation Commission or the Director to be an appropriate  
8 use of the Municipal Roads and Bridges Revolving Fund.

9           SECTION 6.           NEW LAW           A new section of law to be codified  
10 in the Oklahoma Statutes as Section 434 of Title 69, unless there is  
11 created a duplication in numbering, reads as follows:

12           In addition to other powers and duties provided by law, the  
13 Oklahoma Department of Transportation shall have the power and duty  
14 to:

15           1. Review, assess, and prioritize the preliminary applications  
16 received from eligible applicants;

17           2. Determine the feasibility of each project and the  
18 eligibility of the entity to receive funding from the Municipal  
19 Roads and Bridges Revolving Fund;

20           3. Determine which applications should be referred to the  
21 Transportation Commission for advance financing disbursements from  
22 the Municipal Roads and Bridges Revolving Fund; and

23           4. Provide oversight and technical assistance during the  
24 planning, design, and construction phases of the transportation

1 project for which the entity is applying for the advance financing  
2 disbursement.

3 SECTION 7. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 435 of Title 69, unless there is  
5 created a duplication in numbering, reads as follows:

6 The Department of Transportation shall prescribe such rules as  
7 may be necessary for determining the eligibility and priority of  
8 such entities for projects in order to receive advance financing  
9 disbursements made from the Municipal Roads and Bridges Revolving  
10 Fund. At a minimum, such rules shall:

11 1. Ensure the fair and equitable prioritization of entities  
12 eligible for advance financing disbursements made pursuant to the  
13 provisions of the Municipal Roads and Bridges Revolving Fund Act;

14 2. Require that, to be approved, the project will comply with  
15 regulations and standards adopted by the Department; and

16 3. Require the project to:

17 a. demonstrate a need for road or bridge construction or  
18 improvement to address driver safety, deteriorating  
19 road conditions or insufficient traffic volumes,

20 b. comply with all applicable federal, state and local  
21 laws and rules, and

22 c. meet any other consideration deemed necessary by the  
23 Department.

24

1 SECTION 8. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 436 of Title 69, unless there is  
3 created a duplication in numbering, reads as follows:

4 In addition to the other powers and duties provided by law, the  
5 Oklahoma Department of Transportation shall have the power and duty  
6 to:

7 1. Manage, maintain, expend and otherwise administer monies in  
8 the Municipal Roads and Bridges Revolving Fund and any accounts or  
9 subaccounts in the Fund, pursuant to the provisions of this act.  
10 The Department shall manage the Fund so as to make available the  
11 amounts necessary to fund advance financing disbursements to the  
12 eligible entities entitled to receive funding pursuant to the  
13 provisions of the Municipal Roads and Bridges Revolving Fund Act;

14 2. Establish separate accounts and subaccounts within the  
15 Municipal Roads and Bridges Revolving Fund and provide that such  
16 accounts be segregated and used for specified purposes or held as  
17 security for designated obligations; and

18 3. Enter into binding advance financing agreements with the  
19 eligible applicants as specified by the Department.

20 SECTION 9. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 437 of Title 69, unless there is  
22 created a duplication in numbering, reads as follows:

23 A. By May 1, 2015, the Transportation Commission shall provide  
24 financial review guidelines to the Oklahoma Department of

1 Transportation for use by the Department in preliminary evaluations  
2 of projects. The evaluation shall include such information as  
3 required by the Department and the Commission, including but not  
4 limited to:

- 5 1. Cost of the proposed project;
- 6 2. Amount of the advance financing disbursement requested;
- 7 3. Repayment schedule; and
- 8 4. Existing and anticipated assets and liabilities of the  
9 applicant.

10 B. Upon a determination of the Department that an entity meets  
11 the criteria to receive funding pursuant to the provisions of the  
12 Municipal Roads and Bridges Revolving Fund Act, the Department shall  
13 forward to the Commission the preliminary application for an initial  
14 financial review.

15 C. Upon receipt of the preliminary application, the Commission  
16 shall prepare an initial financial review of the entity based upon:

- 17 1. The documents submitted by the Department and any additional  
18 information requested by the Commission through the Department,  
19 necessary to make a financial review of such entity; and
- 20 2. The proposed advance financing disbursement amount for which  
21 the entity qualifies.

22 Upon conclusion of the initial financial review, the Commission may  
23 either recommend approval or rejection of the proposed advance  
24 financing application.

1 D. The Commission shall return the preliminary application to  
2 the Department with a written recommendation of approval or  
3 rejection. If the Commission recommends rejection, the written  
4 recommendation shall include the reason for the rejection. The  
5 Commission shall forward a written copy of the rejection notice to  
6 the entity. The entity may then be allowed to modify any such  
7 documents in order to comply with the requirements of the Commission  
8 and may resubmit the necessary financial documents to the  
9 Department.

10 E. If the Commission recommends approval, the Commission shall  
11 notify the Department of the acceptance. Upon receipt of the notice  
12 and upon approval of the planning documents by the Department, the  
13 Department shall notify the entity of the approval and request the  
14 entity to prepare and submit the final advance financing application  
15 and a nonrefundable advance financing application processing fee in  
16 the amount of Five Hundred Dollars (\$500.00).

17 F. Upon a determination of compliance with the state and  
18 federal laws, the Department is authorized to approve, refer and  
19 forward the final advance financing application and necessary  
20 documents to the Commission with the recommendation that an advance  
21 financing disbursement be made to the eligible applicant.

22 G. Upon review of the final advance financing application and  
23 applicable documents, the Commission shall either approve or reject  
24 the advance financing application. The Commission may request

1 additional information from the applicant or the Department in order  
2 to complete the financial review of the application for the advance  
3 financing disbursement. The Commission shall notify the applicant  
4 of any rejection of the final advance financing application.  
5 Notification of approval of such entity for an advance financing  
6 disbursement shall be sent to the Department and the Department  
7 shall notify the applicant. The Department shall have the authority  
8 to grant final approval for disbursement of advance financing by the  
9 Municipal Roads and Bridges Revolving Fund and to present the  
10 proceeds at the advance financing disbursement. Upon request for  
11 disbursement of funds from the account pursuant to the provisions of  
12 the Municipal Roads and Bridges Revolving Fund Act, the Commission  
13 shall provide for the release of the advance financing disbursement.

14 H. Repayment of the advance financing disbursements shall be  
15 made to the Municipal Roads and Bridges Revolving Fund as provided  
16 in the advance financing disbursement agreement.

17 SECTION 10. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 438 of Title 69, unless there is  
19 created a duplication in numbering, reads as follows:

20 In the event of a failure by an eligible applicant to make  
21 required financing payments or repayments of advance financing  
22 disbursements made from the Municipal Roads and Bridges Revolving  
23 Fund pursuant to the Municipal Roads and Bridges Revolving Fund Act,  
24 the Attorney General is empowered and it shall be the duty of the

1 Attorney General to take actions to collect any amounts due or owing  
2 the Fund. The Attorney General shall institute appropriate  
3 proceedings to compel the party and its officers, agents, and  
4 employees to cure the failure of payment. Jurisdiction of any  
5 proceedings shall be in the district court of Oklahoma County.

6 SECTION 11. NEW LAW A new section of law to be codified  
7 in the Oklahoma Statutes as Section 439 of Title 69, unless there is  
8 created a duplication in numbering, reads as follows:

9 A. In order to administer the Municipal Roads and Bridges  
10 Revolving Fund, the following sources of revenues may be utilized:

- 11 1. Monies from the Municipal Roads and Bridges Revolving Fund;
  - 12 2. Advance financing application processing fees; and
  - 13 3. Appropriations from the General Revenue Fund or other funds
- 14 as may be provided for this purpose.

15 B. All funds to be utilized for administration by the  
16 Department of Transportation shall be subject to annual  
17 appropriation by the Legislature.

18 SECTION 12. This act shall become effective November 1, 2014.

19

20 COMMITTEE REPORT BY: COMMITTEE ON TRANSPORTATION, dated 02/19/2014 -  
21 DO PASS, As Amended.

22

23

24

25