

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 HOUSE BILL 1041

By: Casey

4
5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2011, Section 1353, as amended by Section 540,
9 Chapter 304, O.S.L. 2012 (68 O.S. Supp. 2012, Section
10 1353), which relates to apportionment of sales tax
11 revenues; amending 68 O.S. 2011, Section 1403, as
12 amended by Section 542, Chapter 304, O.S.L. 2012 (68
13 O.S. Supp. 2012, Section 1403), which relates to
14 apportionment of use tax revenue; amending 68 O.S.
15 2011, Section 2352, as amended by Section 543,
16 Chapter 304, O.S.L. 2012 (68 O.S. Supp. 2012, Section
17 2352), which relates to apportionment of income tax
18 revenues; modifying apportionments to the General
19 Revenue Fund; providing for apportionment of revenues
20 to the Teachers' Retirement System Cost-of-Living
21 Adjustment Accumulation Fund; providing for
22 authorized use of fund based on future legislative
23 authorization; providing for codification; providing
24 an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 1353, as
amended by Section 540, Chapter 304, O.S.L. 2012 (68 O.S. Supp.
2012, Section 1353), is amended to read as follows:

Section 1353. A. It is hereby declared to be the purpose of
the Oklahoma Sales Tax Code to provide funds for the financing of
the program provided for by the Oklahoma Social Security Act and to

1 provide revenues for the support of the functions of the state
 2 government of Oklahoma, and for this purpose it is hereby expressly
 3 provided that, revenues derived pursuant to the provisions of the
 4 Oklahoma Sales Tax Code, subject to the apportionment requirements
 5 for the Oklahoma Tax Commission and Office of Management and
 6 Enterprise Services Joint Computer Enhancement Fund provided by
 7 Section 265 of this title, shall be apportioned as follows:

8 1. a. the following amounts shall be paid to the State
 9 Treasurer to be placed to the credit of the General
 10 Revenue Fund to be paid out pursuant to direct
 11 appropriation by the Legislature:

Fiscal Year	Amount
FY 2003 and FY 2004	86.04%
FY 2005	85.83%
FY 2006	85.54%
FY 2007	85.04%
FY 2008 and each fiscal	
year thereafter	83.61%
<u>FY 2014</u>	<u>83.36%</u>
<u>FY 2015</u>	<u>83.11%</u>
<u>FY 2016</u>	<u>82.86%</u>
<u>FY 2017 and each fiscal</u>	
<u>year thereafter</u>	<u>82.61%</u>

1 b. in the event that additional monies are necessary
2 pursuant to paragraph 6 of this subsection, such
3 additional monies shall be deducted in the proportion
4 determined by the State Board of Equalization pursuant
5 to paragraph 3 of Section 2355.1B of this title from
6 the monies apportioned to the General Revenue Fund;

7 2. For FY 2003, FY 2004 and FY 2005, ten and forty-two one-
8 hundredths percent (10.42%), shall be paid to the State Treasurer to
9 be placed to the credit of the Education Reform Revolving Fund of
10 the State Department of Education and for FY 2006 and each fiscal
11 year thereafter, ten and forty-six one-hundredths percent (10.46%)
12 shall be paid to the State Treasurer to be placed to the credit of
13 the Education Reform Revolving Fund of the State Department of
14 Education;

15 3. a. The following amounts shall be paid to the State
16 Treasurer to be placed to the credit of the Teachers'
17 Retirement System Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 and each fiscal year thereafter	5.0%

b. The following amounts shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Cost-of-Living Adjustment Accumulation Fund created by Section 4 of this act:

<u>FY 2014</u>	<u>0.25%</u>
<u>FY 2015</u>	<u>0.50%</u>
<u>FY 2016</u>	<u>0.75%</u>
<u>FY 2017 and each fiscal year thereafter</u>	<u>1.00%</u>

4. For the fiscal year beginning July 1, 2010, and for each fiscal year thereafter, eighty-seven one-hundredths percent (0.87%) shall be paid to the State Treasurer to be further apportioned as follows:

- a. thirty-six percent (36%) shall be placed to the credit of the Oklahoma Tourism Promotion Revolving Fund, and
- b. sixty-four percent (64%) shall be placed to the credit of the Oklahoma Tourism Capital Improvement Revolving Fund; and

5. For the fiscal year beginning July 1, 2010, and for each fiscal year thereafter, six one-hundredths percent (0.06%) shall be placed to the credit of the Oklahoma Historical Society Capital Improvement and Operations Revolving Fund.

6. During the first fiscal year after the State Board of Equalization has made a determination as provided in Section 2355.1B

1 of this title, regarding a baseline amount of revenue apportioned
2 pursuant to paragraph 3 of this subsection, and for each fiscal year
3 thereafter, in no event shall monies apportioned pursuant to
4 paragraph 3 of this subsection, paragraph 3 of Section 1403 of this
5 title and subparagraph c of paragraph 1 of Section 2352 of this
6 title be less than such baseline amount.

7 B. Provided, for the fiscal year beginning July 1, 2007, and
8 every fiscal year thereafter, an amount of revenue shall be
9 apportioned to each municipality or county which levies a sales tax
10 subject to the provisions of Section 1357.10 of this title and
11 subsection F of Section 2701 of this title equal to the amount of
12 sales tax revenue of such municipality or county exempted by the
13 provisions of Section 1357.10 of this title and subsection F of
14 Section 2701 of this title. The Oklahoma Tax Commission shall
15 promulgate and adopt rules necessary to implement the provisions of
16 this subsection.

17 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1403, as
18 amended by Section 542, Chapter 304, O.S.L. 2012 (68 O.S. Supp.
19 2012, Section 1403), is amended to read as follows:

20 Section 1403. It is hereby declared to be the purpose of
21 Section 1401 et seq. of this title to provide for the support of the
22 functions of the state and local government of Oklahoma; and for
23 this purpose and to this end, it is hereby expressly provided that
24 the revenues derived hereunder, subject to the apportionment

1 requirements for the Oklahoma Tax Commission and Office of
2 Management and Enterprise Services Joint Computer Enhancement Fund
3 provided by Section 265 of this title, are hereby apportioned as
4 follows:

5 1. a. the following amounts shall be paid by the Tax
6 Commission to the State Treasurer and placed to the
7 credit of the General Revenue Fund to be paid out
8 pursuant to direct appropriation by the Legislature:

9	Fiscal Year	Amount
10	FY 2004	85.35%
11	FY 2005	85.14%
12	FY 2006	85.54%
13	FY 2007	85.04%
14	FY 2008 and each fiscal	
15	year thereafter	83.61%
16	<u>FY 2014</u>	<u>83.36%</u>
17	<u>FY 2015</u>	<u>83.11%</u>
18	<u>FY 2016</u>	<u>82.86%</u>
19	<u>FY 2017 and each fiscal</u>	
20	<u>year thereafter</u>	<u>82.61%</u>

21 b. in the event that additional monies are necessary
22 pursuant to paragraph 6 of this section, such
23 additional monies shall be deducted in the proportion
24 determined by the State Board of Equalization pursuant

1 to paragraph 3 of Section 2355.1B of this title from
2 the monies apportioned to the General Revenue Fund;

3 2. Ten and forty-six one-hundredths percent (10.46%) shall be
4 paid to the State Treasurer to be placed to the credit of the
5 Education Reform Revolving Fund of the State Department of
6 Education;

7 3. a. The following amounts shall be paid to the State
8 Treasurer to be placed to the credit of the Teachers'
9 Retirement System Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 and each fiscal year thereafter	5.0%

17 b. The following amounts shall be paid to the State
18 Treasurer to be placed to the credit of the Teachers'
19 Retirement System Cost-of-Living Adjustment
20 Accumulation Fund created by Section 4 of this act:

<u>FY 2014</u>	<u>0.25%</u>
<u>FY 2015</u>	<u>0.50%</u>
<u>FY 2016</u>	<u>0.75%</u>

1 SECTION 3. AMENDATORY 68 O.S. 2011, Section 2352, as
2 amended by Section 543, Chapter 304, O.S.L. 2012 (68 O.S. Supp.
3 2012, Section 2352), is amended to read as follows:

4 Section 2352. It is hereby declared to be the purpose of
5 Section 2351 et seq. of this title to provide revenue for general
6 governmental functions of state government; and, for that purpose
7 and to that end, it is expressly declared that the revenue derived
8 herefrom and penalties and interest thereon, subject to the
9 apportionment requirements for the Rebuilding Oklahoma Access and
10 Driver Safety Fund, the Oklahoma Tourism and Passenger Rail
11 Revolving Fund and the Public Transit Revolving Fund to be derived
12 from income tax revenue that would otherwise be apportioned to the
13 General Revenue Fund as provided by Section 1521 of Title 69 of the
14 Oklahoma Statutes, subject to the apportionment requirements for the
15 Oklahoma Tax Commission and Office of Management and Enterprise
16 Services Joint Computer Enhancement Fund provided by Section 265 of
17 this title, shall be distributed as follows:

18 1. For the fiscal year beginning July 1, 2002, the first Five
19 Million Eight Hundred Thousand Dollars (\$5,800,000.00) of revenue
20 derived pursuant to the provisions of subsections A, B and E of
21 Section 2355 of this title shall be apportioned to the Education
22 Reform Revolving Fund. The remainder of such revenue for the fiscal
23 year beginning July 1, 2002, and all such revenue for each fiscal
24 year thereafter shall be apportioned monthly as follows:

1 a. (1) the following amounts shall be paid to the State
2 Treasurer to be placed to the credit of the
3 General Revenue Fund of the state for such fiscal
4 year for the support of the state government to
5 be paid out only pursuant to appropriation by the
6 Legislature:

Fiscal Year	Amount
FY 2003 and FY 2004	87.12%
FY 2005	86.91%
FY 2006	86.66%
FY 2007	86.16%
FY 2008 and each fiscal	
year thereafter	85.66%
<u>FY 2014</u>	<u>83.36%</u>
<u>FY 2015</u>	<u>83.11%</u>
<u>FY 2016</u>	<u>82.86%</u>
<u>FY 2017 and each fiscal</u>	
<u>year thereafter</u>	<u>82.61%</u>

18 (2) in the event that additional monies are necessary
19 pursuant to paragraph 3 of this section, such
20 additional monies shall be deducted in the
21 proportion determined by the State Board of
22 Equalization pursuant to paragraph 3 of Section
23
24

2355.1B of this title from the monies apportioned
to the General Revenue Fund,

b. for FY 2003 and each fiscal year thereafter, eight and
thirty-four one-hundredths percent (8.34%) shall be
paid to the State Treasurer to be placed to the credit
of the Education Reform Revolving Fund,

c. (1) the following amounts shall be paid to the State
Treasurer to be placed to the credit of the
Teachers' Retirement System Dedicated Revenue
Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 and each fiscal year thereafter	5.0%

(2) the following amounts shall be paid to the State
Treasurer to be placed to the credit of the
Teachers' Retirement System Cost-of-Living
Adjustment Accumulation Fund created by Section 4
of this act:

<u>FY 2014</u>	<u>0.25%</u>
<u>FY 2015</u>	<u>0.50%</u>

1 fiscal year beginning July 1, 2002, the first Forty-One Million One
2 Hundred Ninety Thousand Eight Hundred Dollars (\$41,190,800.00) of
3 revenue derived pursuant to the provisions of subsections C and D of
4 Section 2355 of this title shall be apportioned to the Education
5 Reform Revolving Fund. The remainder of such revenue for the fiscal
6 year beginning July 1, 2002, and all such revenue for each fiscal
7 year thereafter, subject to the apportionment requirements for the
8 Oklahoma Tax Commission and Office of Management and Enterprise
9 Services Joint Computer Enhancement Fund provided by Section 265 of
10 this title, shall be apportioned monthly as follows:

11 a. the following amounts shall be paid to the State
12 Treasurer to be placed to the credit of the General
13 Revenue Fund of the state for such fiscal year for the
14 support of the state government to be paid out only
15 pursuant to appropriation by the Legislature:

16	Fiscal Year	Amount
17	FY 2003 and FY 2004	78.96%
18	FY 2005	78.75%
19	FY 2006	78.50%
20	FY 2007	78.0%
21	FY 2008 and each fiscal	
22	year thereafter	77.50%
23	<u>FY 2014</u>	<u>77.25%</u>
24	<u>FY 2015</u>	<u>77.0%</u>

1	<u>FY 2014</u>	<u>0.25%</u>
2	<u>FY 2015</u>	<u>0.50%</u>
3	<u>FY 2016</u>	<u>0.75%</u>
4	<u>FY 2017 and each fiscal</u>	
5	<u>year thereafter</u>	<u>1.00%</u>

6 d. for FY 2003 and each fiscal year thereafter, one
7 percent (1%) shall be placed to the credit of the Ad
8 Valorem Reimbursement Fund; and

9 3. During the first fiscal year after the State Board of
10 Equalization has made a determination as provided in Section 2355.1B
11 of this title, regarding a baseline amount of revenue apportioned
12 pursuant to subparagraph c of paragraph 1 of this section, and for
13 each fiscal year thereafter, in no event shall monies apportioned
14 pursuant to subparagraph c of paragraph 1 of this section, paragraph
15 3 of Section 1353 of this title and paragraph 3 of Section 1403 of
16 this title be less than such baseline amount.

17 SECTION 4. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 17-116.100 of Title 70, unless
19 there is created a duplication in numbering, reads as follows:

20 There is hereby created in the State Treasury a fund for the
21 Teachers' Retirement System of Oklahoma to be designated the
22 "Teachers' Retirement System Cost-of-Living Adjustment Accumulation
23 Fund". The fund shall be a continuing fund, not subject to fiscal
24 year limitations, and shall consist of all monies received by the

1 State Treasurer from the dedicated revenues apportioned to the fund
2 as provided by this act. All monies accruing to the credit of said
3 fund are hereby appropriated and may be budgeted and expended by the
4 Teachers' Retirement System of Oklahoma for the purpose of funding a
5 cost-of-living adjustment to the retired members and beneficiaries
6 of the Teachers' Retirement System of Oklahoma based upon future
7 authorization by the Legislature.

8 SECTION 5. This act shall become effective July 1, 2013.

9 SECTION 6. It being immediately necessary for the preservation
10 of the public peace, health and safety, an emergency is hereby
11 declared to exist, by reason whereof this act shall take effect and
12 be in full force from and after its passage and approval.

13

14 54-1-6204 MAH 01/13/13

15

16

17

18

19

20

21

22

23

24