

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 54<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2954</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>10358</b>
<b>Author:</b>	<b>Rep. Cockroft</b>
<b>Date:</b>	<b>2/25/2014</b>
<b>Impact:</b>	<b>Tax Commission:</b>
	<b>FY-15 General Revenue Fund Decrease</b>
	<b>Of \$15.1 Million</b>

**Increase to the Conversions Cost Revolving Fund**

**Subsequent Years Dependent on Revenue from  
Natural Gas**

**Research Analysis**

HB 2954 creates a Revolving Fund to pay for converting county fleet vehicles to compressed natural gas. Money from the Fund would be divided equally among the 77 counties and would come from certain taxes levied on natural gas production. The fund would sunset at the end of FY 2019. All vehicles and equipment purchased with these funds must be new and meet all applicable federal and Oklahoma safety regulations.

This measure contains an emergency clause.

Prepared By: Sean Webster

**Fiscal Analysis**

## **HB 2954 (Gas)**

Estimated Gross GP Tax @ 1%	\$15,516,267
Estimated Gross GP Tax @ 4%	\$9,548,472
Estimated Gross GP Tax @ 7%	\$292,421,955
Estimated Rebates	\$131,207,000
Estimated Net Revenue	\$186,279,694

### **Current Law**

<b><u>FY 14 Apportionment</u></b>	<b><u>Total</u></b>	<b><u>Proposed FY 15 Apportionment*</u></b>	<b><u>Total</u></b>	<b><u>Impact</u></b>
General Revenue Fund	\$126,618,454	General Revenue Fund	\$111,519,932	(\$15,098,522)
School Districts	\$29,830,620	School Districts	\$29,830,620	no change
Counties for Highways	\$29,830,620	Counties for Highways	\$29,830,620	no change
		County Fleet Compressed Natural Gas Conversion Cost Rev. Fund	\$15,098,521	\$15,098,521
<b>TOTAL GAS APPORTIONMENT</b>	\$186,279,694	<b>TOTAL GAS APPORTIONMENT</b>	\$186,279,693	

Estimated revenue numbers based on the Oklahoma Tax Commission Revenue Forecasts for FY 2015, December 12, 2013.

\*HB 2954 proposes to change the apportionment of Gross Production revenue from natural gas collections, which are being apportioned to the General Revenue (GR) fund. For gross production taxed at the 7% rate, the GR apportionment percentage would decrease from 85.72% to 80.72%. For gross production taxed at the 4% rate, the GR apportionment percentage would decrease from 75% to 70%. A new fund, the County Fleet Compressed Natural Gas Conversion Cost Revenue Fund, would receive 5% of the total apportionment from both the 7% and 4% tax rates.

Prepared By: Mark Tygret

### **Other Considerations**

None.