

1 ENGROSSED SENATE AMENDMENT  
TO

2 ENGROSSED HOUSE  
BILL NO. 2763

By: Montgomery and Sherrer of  
the House

and

Holt of the Senate

[ public finance - Oklahoma Energy Revenues  
Stabilization Act - creation of Revenue Protection  
Strategy - creating the Board on Revenue  
Stabilization - ~~effective date~~ -  
emergency ]

13 AUTHOR: Add the following House Coauthors: Vaughan, Leewright,  
Murdock and Wood

15 AUTHOR: Add the following Senate Coauthors: Standridge, Shortey  
and Brecheen

17 AMENDMENT NO. 1. Page 1, strike the stricken title, enacting clause  
and entire bill and insert

"[ Oklahoma Legacy Fund - deposit - earnings -  
Revenue Stabilization Fund - State Board of  
Equalization - codification ]

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

1           SECTION 1.           NEW LAW           A new section of law to be codified  
2 in the Oklahoma Statutes as Section 34.102 of Title 62, unless there  
3 is created a duplication in numbering, reads as follows:

4           A. There is hereby created in the State Treasury a revolving  
5 fund to be known and designated as the "Revenue Stabilization Fund."  
6 The fund shall be a continuing fund, not subject to fiscal year  
7 limitations. Beginning for the first fiscal year when the amount of  
8 certified revenues exceeds the amount of such revenues certified by  
9 the State Board of Equalization in February of 2014, and subject to  
10 the conditions and findings of the State Board of Equalization as  
11 prescribed by Section 2 of this act, the Revenue Stabilization Fund  
12 shall consist of:

13           1. Seventy-five percent (75%) of the revenue derived from the  
14 gross production tax on oil levied pursuant to Section 1001 of Title  
15 68 of the Oklahoma Statutes which is in excess of the five-year  
16 average computed as prescribed by Section 2 of this act;

17           2. Seventy-five percent (75%) of the revenue derived from the  
18 gross production tax on natural gas levied pursuant to Section 1001  
19 of Title 68 of the Oklahoma Statutes which is in excess of the five-  
20 year average computed as prescribed by Section 2 of this act;

21           3. Seventy-five percent (75%) of the revenue derived from  
22 corporate income tax levied pursuant to Section 2355 of Title 68 of  
23 the Oklahoma Statutes which is in excess of the five-year average  
24 computed as prescribed by Section 2 of this act; and

1 4. Any amounts appropriated by the Legislature.

2 B. In the event that a revenue failure is declared with respect  
3 to the General Revenue Fund pursuant to Section 34.49 of Title 62 of  
4 the Oklahoma Statutes, the Director of the Office of Management and  
5 Enterprise Services may withdraw up to one-quarter (1/4) of the  
6 balance of the Revenue Stabilization Fund, to reduce or avoid  
7 reductions to agencies for the current fiscal year not to exceed the  
8 amount of the declared revenue failure.

9 C. In the event that a revenue failure is declared with respect  
10 to the General Revenue Fund pursuant to Section 34.49 of Title 62 of  
11 the Oklahoma Statutes, the Legislature may appropriate up to one-  
12 quarter (1/4) of the balance of the Revenue Stabilization Fund, not  
13 to exceed the amount of the declared revenue failure as declared  
14 with respect to the General Revenue Fund pursuant to Section 34.49  
15 of Title 62 of the Oklahoma Statutes.

16 D. In the event that the amount of revenue certified to be  
17 collected in the General Revenue Fund for the upcoming fiscal year  
18 is less than the amount of revenue certified to the General Revenue  
19 Fund for the current fiscal year, the Legislature may appropriate up  
20 to one-quarter (1/4) of the balance of the Revenue Stabilization  
21 Fund; provided, that the amount withdrawn shall not exceed the  
22 amount of the decline in revenue certified.

1 SECTION 2. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 34.105 of Title 62, unless there  
3 is created a duplication in numbering, reads as follows:

4 A. In addition to any other duties prescribed by law, at the  
5 meeting required by paragraph 1 of Section 23 of Article X of the  
6 Oklahoma Constitution to be held in February of 2017, and each year  
7 thereafter, the State Board of Equalization shall certify:

8 1. For the revenue derived from the tax levied on oil pursuant  
9 to Section 1001 of Title 68 of the Oklahoma Statutes, which would  
10 otherwise be apportioned to the General Revenue Fund, the average  
11 annual amount of actual revenue apportioned to the General Revenue  
12 Fund for the previous five (5) fiscal years;

13 2. For the revenue derived from the tax levied on natural gas  
14 pursuant to Section 1001 of Title 68 of the Oklahoma Statutes, which  
15 would otherwise be apportioned to the General Revenue Fund, the  
16 average annual amount of actual revenue apportioned to the General  
17 Revenue Fund for the previous five (5) fiscal years; and

18 3. For the revenue derived from the corporate income tax levied  
19 pursuant to Section 2355 of Title 68 the Oklahoma Statutes, which  
20 would otherwise be apportioned to the General Revenue Fund, the  
21 average annual amount of actual revenue apportioned to the General  
22 Revenue Fund for the previous five (5) fiscal years.

23 B. If the amount of revenue available for apportionment to the  
24 General Revenue Fund for the next ensuing fiscal year as estimated

1 by the State Board of Equalization exceeds the amounts certified  
2 pursuant to paragraph 1 or 2 of subsection A of this section, with  
3 respect to each such revenue source, seventy-five percent (75%) of  
4 such amount in excess of the separately computed five-year average,  
5 which would otherwise be apportioned to the General Revenue Fund,  
6 shall be deposited to the credit of the Revenue Stabilization Fund.

7 C. If the amount of revenue available for apportionment to the  
8 General Revenue Fund for the next ensuing fiscal year exceeds the  
9 amount certified, as estimated by the State Board of Equalization  
10 pursuant to paragraph 3 of subsection A of this section, twenty-five  
11 percent (25%) of such amount in excess shall be deposited to the  
12 credit of the Maintenance of State Buildings Revolving Fund created  
13 in Section 908 of Title 62 of the Oklahoma Statutes. The remaining  
14 seventy-five percent (75%) shall be deposited to the credit of the  
15 Revenue Stabilization Fund.

16 SECTION 3. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 34.106 of Title 62, unless there  
18 is created a duplication in numbering, reads as follows:

19 Not later than December 15, 2021, and every five (5) years  
20 thereafter, the Office of Management and Enterprise Services shall  
21 submit a report to the Joint Committee on Appropriations and Budget,  
22 and the Governor on the performance of the Revenue Stabilization  
23 Fund and Maintenance of State Buildings Revolving Fund set forth in  
24 this section. The reports shall include an analysis of the deposit

1 formulae impact on General Revenue Fund tax revenue volatility, the  
2 adequacy of deposits required by the formula to the Revenue  
3 Stabilization Fund to replace potential future revenue declines, the  
4 adequacy of the deposits to the Maintenance of State Buildings  
5 Revolving Fund to ensure the proper maintenance of state buildings,  
6 the withdrawal provisions of the Revenue Stabilization Fund and an  
7 analysis of the adequacy of the maximum cap on the Revenue  
8 Stabilization Fund balances. The reports shall include recommended  
9 changes, if any, to the deposit formulae, withdrawal rules or  
10 maximum balance cap that are consistent with the purposes of the  
11 Revenue Stabilization Fund and the Maintenance of State Buildings  
12 Revolving Fund."

13 and when the title is restored, amend the title to  
14 conform

15 Passed the Senate the 21st day of April, 2016.

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17 \_\_\_\_\_  
18 Presiding Officer of the Senate

19 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
20 2016.

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23 Presiding Officer of the House  
24 of Representatives