

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2623 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Leslie Osborn _____

Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 PROPOSED COMMITTEE
4 SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2623

By: Osborn

7 PROPOSED COMMITTEE SUBSTITUTE

8 An Act relating to revenue and taxation; amending 68
9 O.S. 2011, Section 1004, as last amended by Section
10 3, Chapter 346, O.S.L. 2014 (68 O.S. Supp. 2015,
11 Section 1004), which relates to gross production tax;
12 modifying termination dates for certain funding
13 allocations; and declaring an emergency.

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

15 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1004, as
16 last amended by Section 3, Chapter 346, O.S.L. 2014 (68 O.S. Supp.
17 2015, Section 1004), is amended to read as follows:

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

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

23 a. eighty-five and seventy-two one-hundredths percent

(85.72%) shall be paid to the State Treasurer of the

24 state to be placed in the General Revenue Fund of the

1 state and used for the general expense of state
2 government, to be paid out pursuant to direct
3 appropriation by the Legislature,

4 b. seven and fourteen one-hundredths percent (7.14%) of
5 the sum collected from natural gas and/or casinghead
6 gas or asphalt or ores bearing uranium, lead, zinc,
7 jack, gold, silver or copper shall be paid to the
8 various county treasurers to be credited to the County
9 Highway Fund as follows: Each county shall receive a
10 proportionate share of the funds available based upon
11 the proportion of the total value of production from
12 such county in the corresponding month of the
13 preceding year, and

14 c. seven and fourteen one-hundredths percent (7.14%)
15 shall be allocated to each county as provided for in
16 subparagraph b of this paragraph and shall be
17 apportioned, on an average daily attendance per capita
18 distribution basis, as certified by the State
19 Superintendent of Public Instruction to the school
20 districts of the county where such pupils attend
21 school regardless of residence of such pupil, provided
22 the school district makes an ad valorem tax levy of
23 fifteen (15) mills for the current year and maintains
24 twelve (12) years of instruction;

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

4 a. eighty-five and seventy-two one-hundredths percent
5 (85.72%) shall be paid to the State Treasurer of the
6 state to be placed in the General Revenue Fund of the
7 state and used for the general expense of state
8 government, to be paid out pursuant to direct
9 appropriation by the Legislature,

10 b. seven and fourteen one-hundredths percent (7.14%) of
11 the sum collected from natural gas and/or casinghead
12 gas shall be paid to the various county treasurers to
13 be credited to the County Highway Fund as follows:
14 Each county shall receive a proportionate share of the
15 funds available based upon the proportion of the total
16 value of production from such county in the
17 corresponding month of the preceding year, and

18 c. seven and fourteen one-hundredths percent (7.14%)
19 shall be allocated to each county as provided for in
20 subparagraph b of this paragraph and shall be
21 apportioned, on an average daily attendance per capita
22 distribution basis, as certified by the State
23 Superintendent of Public Instruction to the school
24 districts of the county where such pupils attend

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

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

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

13 b. twelve and one-half percent (12.5%) of the sum
14 collected from natural gas and/or casinghead gas shall
15 be paid to the various county treasurers to be
16 credited to the County Highway Fund as follows: Each
17 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. twelve and one-half percent (12.5%) shall be allocated
22 to each county as provided for in subparagraph b of
23 this paragraph and shall be apportioned, on an average
24 daily attendance per capita distribution basis, as

1 certified by the State Superintendent of Public
2 Instruction to the school districts of the county
3 where such pupils attend school regardless of
4 residence of such pupil, provided the school district
5 makes an ad valorem tax levy of fifteen (15) mills for
6 the current year and maintains twelve (12) years of
7 instruction;

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

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

19 b. fifty percent (50%) shall be allocated to each county
20 as provided for in subparagraph a of this paragraph
21 and shall be apportioned, on an average daily
22 attendance per capita distribution basis, as certified
23 by the State Superintendent of Public Instruction to
24 the school districts of the county where such pupils

1 attend school regardless of residence of such pupil,
2 provided the school district makes an ad valorem tax
3 levy of fifteen (15) mills for the current year and
4 maintains twelve (12) years of instruction;

5 5. For all monies collected from the tax levied on natural gas
6 and/or casinghead gas at a tax rate of two percent (2%) pursuant to
7 the provisions of subparagraph c of paragraph 3 of subsection B of
8 Section 1001 of this title:

- 9 a. fifty percent (50%) shall be paid to the State
10 Treasurer to be placed in the General Revenue Fund of
11 the state and used for the general expense of state
12 government, to be paid out pursuant to direct
13 appropriation by the Legislature,
- 14 b. twenty-five percent (25%) of the sum collected from
15 natural gas and/or casinghead gas shall be paid to the
16 various county treasurers to be credited to the County
17 Highway Fund as follows: Each county shall receive a
18 proportionate share of the funds available based upon
19 the proportion of the total value of production from
20 such county in the corresponding month of the
21 preceding year, and
- 22 c. twenty-five percent (25%) shall be allocated to each
23 county as provided for in subparagraph b of this
24 paragraph and shall be apportioned on an average daily

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

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

11 a. twenty-five and seventy-two one-hundredths percent
12 (25.72%) shall be paid to the State Treasurer to be
13 placed in the Common Education Technology Revolving
14 Fund created in Section 34.90 of Title 62 of the
15 Oklahoma Statutes,

16 b. twenty-five and seventy-two one-hundredths percent
17 (25.72%) shall be paid to the State Treasurer to be
18 placed in the Higher Education Capital Revolving Fund
19 created in Section 34.91 of Title 62 of the Oklahoma
20 Statutes,

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

1 created in Section 34.92 of Title 62 of the Oklahoma
2 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 ~~2016~~ 2019:

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 beginning July 1, ~~2016~~ 2019, and for each
19 fiscal 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 7. 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 34.90 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 34.91 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 Student Aid Revolving Fund created in Section 34.92 of
10 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 ~~2016~~ 2019:

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 beginning July 1, ~~2016~~ 2019, and for each
4 fiscal 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 8. 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;

1 9. For all monies collected from the tax levied on oil at a tax
2 rate of two percent (2%) pursuant to the provisions of subparagraph
3 c of paragraph 3 of subsection B of Section 1001 of this title:

4 a. fifty percent (50%) shall be paid to the State

5 Treasurer to be placed in the General Revenue Fund of
6 the state and used for the general expense of state
7 government, to be paid out pursuant to direct
8 appropriation by the Legislature,

9 b. twenty-five percent (25%) of the sum collected from

10 oil shall be paid to the various county treasurers, to
11 be credited to the County Highway Fund as follows:

12 Each county shall receive a proportionate share of the
13 funds available based upon the proportion of the total
14 value of production from such county in the
15 corresponding month of the preceding year, and

16 c. twenty-five percent (25%) shall be allocated to each

17 county as provided in subparagraph b of this paragraph
18 and shall be apportioned on an average daily

19 attendance per capita distribution basis, as certified
20 by the State Superintendent of Public Instruction, to
21 the school districts of the county where such pupils
22 attend school regardless of residence of such pupil,
23 provided the school district makes an ad valorem tax
24

1 levy of fifteen (15) mills for the current year and
2 maintains twelve (12) years of instruction.

3 B. Provided, notwithstanding any other provision of this
4 section, the total amounts deposited to the Common Education
5 Technology Revolving Fund, the Higher Education Capital Revolving
6 Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic
7 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation
8 Department Capital Expenditure Revolving Fund, the Oklahoma
9 Conservation Commission Infrastructure Revolving Fund and the
10 Community Water Infrastructure Development Revolving Fund pursuant
11 to paragraphs 6 and 7 of subsection A of this section shall not
12 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any
13 fiscal year. Except as otherwise provided in this subsection, all
14 sums in excess of One Hundred Fifty Million Dollars
15 (\$150,000,000.00) in any fiscal year which would otherwise be
16 deposited in such funds shall be apportioned by the Oklahoma Tax
17 Commission to the General Revenue Fund of the state.

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

22
23 55-2-9198 KB 02/18/16
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