

1 ENGROSSED HOUSE  
2 BILL NO. 2623

By: Osborn of the House

and

Justice of the Senate

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6  
7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2011, Section 1004, as last amended by Section  
9 3, Chapter 346, O.S.L. 2014 (68 O.S. Supp. 2015,  
10 Section 1004), which relates to gross production tax;  
11 modifying termination dates for certain funding  
12 allocations; and declaring an emergency.

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

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

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

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

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

23 (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.  
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