

ENROLLED HOUSE
BILL NO. 1078

By: Bengé, Newport, Liotta,
Braddock, Nations,
Winchester and Perry of the
House

and

Morgan, Crutchfield,
Shurden and Branan of the
Senate

An Act relating to transportation finance; creating the Rebuilding Oklahoma Access and Driver Safety Fund; specifying nature of fund; providing for continuing nature of fund and prescribing procedures related thereto; prescribing method for expenditures; providing for apportionment of certain income tax revenues to fund; specifying amounts and time periods for apportionments; providing for apportionments to Oklahoma Tourism and Passenger Rail Revolving Fund and the Public Transit Revolving Fund; requiring minimum additional apportionment amount; providing for maximum additional apportionment amount; prescribing method for determination of maximum additional apportionment amount; providing for apportionment of certain amount after designated threshold achieved; prohibiting certain use of revenues apportioned to ROADS Fund; prescribing certain procedures related to appropriation; requiring reduction of apportionments under certain conditions; providing for authorized uses by the Department of Transportation for the Rebuilding Oklahoma Access and Driver Safety Fund; amending 68 O.S. 2001, Section 2352, as last amended by Section 67, Chapter 3, O.S.L. 2003 (68 O.S. Supp. 2004, Section 2352), which relates to apportionment of income tax revenue; providing for apportionment of revenues to the Rebuilding Oklahoma Access and Driver Safety Fund; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1521 of Title 69, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a fund to be known as the "Rebuilding Oklahoma Access and Driver Safety Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all appropriations and transfers

made by the Legislature. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended beginning with the fiscal year ending June 30, 2006, and each fiscal year thereafter by the Department of Transportation for the purposes authorized by subsection I of this section. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

B. There shall be apportioned to the funds specified in this subsection from the monies that would otherwise be apportioned to the General Revenue Fund by Section 2352 of Title 68 of the Oklahoma Statutes from the revenues derived pursuant to subsections A, B and E of Section 2355 of Title 68 of the Oklahoma Statutes amounts as follows:

1. For the fiscal year ending June 30, 2006:

- a. the first Fifteen Million Dollars (\$15,000,000.00) shall be apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund,
- b. the next Two Million Dollars (\$2,000,000.00) shall be apportioned to the Oklahoma Tourism and Passenger Rail Revolving Fund created pursuant to Section 325 of Title 66 of the Oklahoma Statutes to be used for capital and operating costs for the "Heartland Flyer" rail project, and
- c. the next Five Hundred Thousand Dollars (\$500,000.00) shall be apportioned to the Public Transit Revolving Fund created pursuant to Section 4031 of Title 69 of the Oklahoma Statutes to be used for purposes authorized by law other than the purpose described by subparagraph b of this paragraph,
- d. all amounts apportioned pursuant to this paragraph shall be divided into twelve equal amounts to be apportioned each month during the fiscal year;

2. For the fiscal year ending June 30, 2007, and for each fiscal year thereafter, subject to the provisions of paragraph 4 of this subsection, and subject to any reductions required by subsection H of this section, there shall be apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund:

- a. the total amount apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund for the preceding fiscal year which shall be apportioned before any other amount is apportioned pursuant to Section 2352 of Title 68 of the Oklahoma Statutes, plus
- b. an additional amount which shall be either:
 - (1) the next Seventeen Million Five Hundred Thousand Dollars (\$17,500,000.00) as provided by subsection C of this section, or

- (2) the next Thirty-five Million Dollars (\$35,000,000.00) as provided by subsection D of this section, or
- (3) an amount which shall not be in excess of the amount prescribed by division (1) of this subparagraph for a fiscal year in which such amount is the maximum additional amount that may be apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund and which shall not be in excess of the amount prescribed by division (2) of this subparagraph for a fiscal year in which such amount is the maximum additional amount that may be apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund, in order for the total apportionment for such fiscal year to equal One Hundred Seventy Million Dollars (\$170,000,000.00), and

- c. all amounts apportioned pursuant to this paragraph shall be divided into twelve equal amounts to be apportioned each month during the fiscal year;

3. For the fiscal year ending June 30, 2007, and for each fiscal year thereafter after the apportionments required by paragraph 2 of this subsection have been made:

- a. the next Two Million Dollars (\$2,000,000.00) shall be apportioned to the Oklahoma Tourism and Passenger Rail Revolving Fund created pursuant to Section 325 of Title 66 of the Oklahoma Statutes to be used for capital and operating costs for the "Heartland Flyer" rail project, and
- b. the next Three Million Dollars (\$3,000,000.00) shall be apportioned to the Public Transit Revolving Fund created pursuant to Section 4031 of Title 69 of the Oklahoma Statutes to be used for purposes authorized by law other than the purpose described by subparagraph a of this paragraph;
- c. all amounts apportioned pursuant to this paragraph shall be divided into twelve equal amounts to be apportioned each month during the fiscal year; and

4. For each fiscal year after the first fiscal year in which the total apportionment to the Rebuilding Oklahoma Access and Driver Safety Fund as provided by paragraph 2 of this subsection equals One Hundred Seventy Million Dollars (\$170,000,000.00), the first One Hundred Seventy Million Dollars (\$170,000,000.00) collected pursuant to subsections A, B and E of Section 2355 of Title 68 of the Oklahoma Statutes and apportioned pursuant to Section 2352 of Title 68 of the Oklahoma Statutes that would otherwise be apportioned to the General Revenue Fund shall be apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund. All amounts apportioned pursuant to this paragraph shall be divided into twelve equal amounts to be apportioned each month during the fiscal year.

C. For the fiscal year ending June 30, 2007, and for each fiscal year thereafter, in addition to the amount apportioned to the

Rebuilding Oklahoma Access and Driver Safety Fund pursuant to subparagraph a of paragraph 2 of subsection B of this section, there shall be apportioned to such fund an additional amount of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000.00) for each year that the State Board of Equalization determines that any increase between the final itemized estimate of General Revenue Fund revenues made by the State Board at the February meeting preceding the beginning of the fiscal year for which that estimate is made, which is the same fiscal year during which the apportionment to the Rebuilding Oklahoma Access and Driver Safety Fund is to be made, and the then current itemized estimate of General Revenue Fund revenues made by the State Board of Equalization for the fiscal year ending on June 30 immediately following such February meeting is less than three percent (3%).

D. For the fiscal year ending June 30, 2007, and for each fiscal year thereafter, in addition to the amount apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund pursuant to subparagraph a of paragraph 2 of subsection B of this section, there shall be apportioned to such fund an additional amount of Thirty-five Million Dollars (\$35,000,000.00) for each year that the State Board of Equalization determines that any increase between the final itemized estimate of General Revenue Fund revenues made by the State Board at the February meeting preceding the beginning of the fiscal year for which that estimate is made, which is the same fiscal year during which the apportionment to the Rebuilding Oklahoma Access and Driver Safety Fund is to be made, and the then current itemized estimate of General Revenue Fund revenues made by the State Board of Equalization for the fiscal year ending on June 30 immediately following such February meeting is three percent (3%) or greater.

E. The apportionments of revenues required by subparagraph a of paragraph 2 of subsection B of this section and the apportionment of additional revenues required by either division (1), (2) or (3) of subparagraph b of paragraph 2 of subsection B of this section, as governed by the provisions of subsection C or subsection D of this section, shall be made until the total annual apportionment to the Rebuilding Oklahoma Access and Driver Safety Fund equals One Hundred Seventy Million Dollars (\$170,000,000.00). After such annual apportionment level is reached, the apportionment to the fund shall be governed by the provisions of paragraph 4 of subsection B of this section.

F. The monies apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund shall not be used to supplant or replace existing state funds used for transportation purposes.

G. In order to ensure that the funds from the ROADS Fund are used to enhance and not supplant state funding for the Department of Transportation, the State Board of Equalization shall examine and investigate expenditures from the fund each year. For purposes of this examination, monies used to retire outstanding debt obligations for which the Department of Transportation is responsible shall be excluded. At the meeting of the State Board of Equalization held within five (5) days after the monthly apportionment in February of each year, the State Board of Equalization shall issue a finding and report which shall state whether expenditures from the ROADS Fund were used to enhance or supplant state funding for the Department of Transportation. If the State Board of Equalization finds that state funding for the Department of Transportation was supplanted by funds

from the ROADS Fund, the Board shall specify the amount by which such funding was supplanted. In this event, the Legislature shall not make any appropriations for the ensuing fiscal year until an appropriation in that amount is made to replenish state funding for the Department of Transportation.

H. In the event that the Director of the Office of State Finance declares a General Revenue Fund revenue failure pursuant to Section 41.9 of Title 62 of the Oklahoma Statutes, and agency allocations are reduced pursuant to the provisions of Section 41.9 of Title 62 of the Oklahoma Statutes, the amounts that would otherwise be apportioned to the ROADS Fund by subparagraphs a, b and c of paragraph 1 and subparagraphs a and b of paragraph 2 and paragraph 3 of subsection B of this section shall be reduced by a percentage equal to that required of the General Revenue Fund appropriations to state agencies and such reductions shall occur during the entire fiscal year and for any month during which such reductions are required by the Office of State Finance and by the same percentage as that required of the agencies for such General Revenue Fund appropriations.

I. The Department of Transportation shall use the monies in the Rebuilding Oklahoma Access and Driver Safety Fund for:

1. The construction and maintenance of state roads, bridges and highways;

2. The direct expenses of operating and maintaining the state highway system, including bridges;

3. Direct expenses incurred in constructing, repairing, and maintaining state highways, farm-to-market roads, county highways and bridges as authorized by law;

4. Matching federal funds; and

5. The purchase of materials, tools, machinery, motor vehicles, and equipment necessary or convenient for the construction and maintenance of the state highway system and bridges.

SECTION 2. AMENDATORY 68 O.S. 2001, Section 2352, as last amended by Section 67, Chapter 3, O.S.L. 2003 (68 O.S. Supp. 2004, Section 2352), is amended to read as follows:

Section 2352. It is hereby declared to be the purpose of Section 2351 et seq. of this title to provide revenue for general governmental functions of state government; and, for that purpose and to that end, it is expressly declared that the revenue derived herefrom and penalties and interest thereon, subject to the apportionment requirements for the Rebuilding Oklahoma Access and Driver Safety Fund, the Oklahoma Tourism and Passenger Rail Revolving Fund and the Public Transit Revolving Fund to be derived from income tax revenue that would otherwise be apportioned to the General Revenue Fund as provided by Section 1 of this act, shall be distributed as follows:

1. For the fiscal year beginning July 1, 2002, the first Five Million Eight Hundred Thousand Dollars (\$5,800,000.00) of revenue derived pursuant to the provisions of subsections A, B and E of Section 2355 of this title shall be apportioned to the Education

Reform Revolving Fund. The remainder of such revenue for the fiscal year beginning July 1, 2002, and all such revenue for each fiscal year thereafter shall be apportioned monthly as follows:

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

<u>Fiscal Year</u>	<u>Amount</u>
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%

- 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. 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:

<u>Fiscal Year</u>	<u>Amount</u>
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%

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

2. Beginning July 1, 2003, for any period of time as certified by the Oklahoma Development Finance Authority and the Oklahoma Department of Commerce to be necessary for the repayment of obligations issued by the Oklahoma Development Finance Authority pursuant to Section 4 3654 of this ~~act~~ title if the other sources of revenue paid to or apportioned to the Quality Jobs Program Incentive Leverage Fund are not adequate, including the proceeds from payment pursuant to the guaranty required by subsection M of Section 4 3654 of this ~~act~~ title, an amount certified by the Oklahoma Development Finance Authority to the Oklahoma Tax Commission shall be apportioned to the Quality Jobs Program Incentive Leverage Fund

before any other apportionments are made as otherwise authorized by this paragraph. The Oklahoma Development Finance Authority shall certify to the Oklahoma Tax Commission the time as of which the revenue authorized for apportionment pursuant to this paragraph is no longer required. After the certification, the revenue derived from the income tax shall be apportioned in the manner otherwise provided by this section. Except as otherwise provided by this paragraph, for the fiscal year beginning July 1, 2002, the first Forty-One Million One Hundred Ninety Thousand Eight Hundred Dollars (\$41,190,800.00) of revenue derived pursuant to the provisions of subsections C and D of Section 2355 of this title shall be apportioned to the Education Reform Revolving Fund. The remainder of such revenue for the fiscal year beginning July 1, 2002, and all such revenue for each fiscal year thereafter shall be apportioned monthly as follows:

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

<u>Fiscal Year</u>	<u>Amount</u>
FY 2003 and FY 2004	78.96%
FY 2005	78.75%
FY 2006	78.50%
FY 2007	78.0%
FY 2008 and each fiscal year thereafter	77.50%

- b. for FY 2003 and each fiscal year thereafter, sixteen and five-tenths percent (16.5%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education,

- c. 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:

<u>Fiscal Year</u>	<u>Amount</u>
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%

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

SECTION 3. This act shall become effective July 1, 2005.

SECTION 4. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 26th day of May, 2005.

Presiding Officer of the House of
Representatives

Passed the Senate the 26th day of May, 2005.

Presiding Officer of the Senate