

STATE OF OKLAHOMA

2nd Session of the 55th Legislature (2016)

CONFERENCE COMMITTEE  
SUBSTITUTE  
FOR ENGROSSED  
HOUSE BILL NO. 2763

By: Montgomery, Sherrer,  
Vaughan, Leewright, Murdock  
and Wood of the House

and

Holt, Standridge, Shortey  
and Brecheen of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to revenue stabilization; creating the Revenue Stabilization Fund; prohibiting deposit of revenues to the Revenue Stabilization Fund unless certain apportionment finding made by State Board of Equalization; authorizing deposits to the credit of the Revenue Stabilization Fund; prohibiting deposits to Revenue Stabilization Fund based upon declaration of revenue failures; providing exceptions; specifying amounts of gross production tax revenues and corporation income tax revenues to be deposited into the Revenue Stabilization Fund; providing for deposit of excess amounts otherwise apportionable to the General Revenue Fund; prescribing procedures; authorizing appropriations by the Legislature; authorizing Director of the Office of Management and Enterprise Services to withdraw monies from the Revenue Stabilization Fund under certain circumstances; imposing limitation upon amount to be withdrawn; authorizing appropriation of monies from the Revenue Stabilization Fund; imposing limit upon amount available for appropriation; imposing duties upon the State Board of Equalization; requiring computation of certain moving average amounts; prescribing procedures; providing for apportionment of certain revenue amounts in excess of five-year

1 moving average to the Revenue Stabilization Fund;  
2 requiring reports to the Governor, the Speaker of the  
3 Oklahoma House of Representatives and the President  
4 Pro Tempore of the Oklahoma State Senate regarding  
5 the Revenue Stabilization Fund; amending 68 O.S.  
6 2011, Sections 1004, as last amended by Section 1 of  
7 Enrolled House Bill No. 2623 of the 2nd Session of  
8 the 55th Oklahoma Legislature and 2352, as last  
9 amended by Section 1, Chapter 253, O.S.L. 2013 (68  
10 O.S. Supp. 2015, Section 2352), which relate to  
11 apportionment of gross production and income tax  
12 revenues; modifying apportionments; providing for  
13 apportionment of certain revenues otherwise  
14 apportionable to the General Revenue Fund of the  
15 State Treasury to the Revenue Stabilization Fund or  
16 the Constitutional Reserve Fund; providing for  
17 codification; and providing an effective date.

18  
19  
20 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

24 A. There is hereby created in the State Treasury a revolving  
fund to be known and designated as the "Revenue Stabilization Fund".  
The fund shall be a continuing fund, not subject to fiscal year  
limitations.

B. No monies shall be deposited to the credit of the Revenue  
Stabilization Fund until such time as the amount of actual revenue  
certified by the State Board of Equalization as having been  
deposited into the General Revenue Fund for the first fiscal year  
prior to the beginning of the fiscal year that deposits to the

Revenue Stabilization Fund are first made equals or exceeds Five Billion Seven Hundred Thirty Million Dollars (\$5,730,000,000.00).

C. Once the provisions prescribed by subsection B of this section have been met, deposits to the Revenue Stabilization Fund as prescribed by this section may be made during any subsequent fiscal year according to the requirements and limitations imposed by this act.

D. Notwithstanding any other provisions of this section, no monies shall be deposited to the credit of the Revenue Stabilization Fund for any month during a fiscal year after the month during which the declaration of a revenue failure pursuant to the provisions of Section 34.49 of Title 62 of the Oklahoma Statutes has been made. For purposes of this subsection, the limitation on deposits to the Revenue Stabilization Fund shall be imposed for the remaining months of the fiscal year during which the revenue failure was declared, but shall not operate as a limitation upon deposits for any subsequent fiscal year unless a revenue failure is declared at some time during such fiscal year.

E. The Revenue Stabilization Fund shall consist of:

1. One hundred percent (100%) of the revenue derived from the gross production tax on oil levied pursuant to Section 1001 of Title 68 of the Oklahoma Statutes which is in excess of the five-year average computed as prescribed by Section 2 of this act;

1        2. One hundred percent (100%) of the revenue derived from the  
2 gross production tax on natural gas levied pursuant to Section 1001  
3 of Title 68 of the Oklahoma Statutes which is in excess of the five-  
4 year average computed as prescribed by Section 2 of this act;

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

9        4. Any amounts appropriated by the Legislature.

10       F. In the event that a revenue failure is declared with respect  
11 to the General Revenue Fund pursuant to Section 34.49 of Title 62 of  
12 the Oklahoma Statutes, the Director of the Office of Management and  
13 Enterprise Services may withdraw up to one-quarter (1/4) of the  
14 balance of the Revenue Stabilization Fund available at the beginning  
15 of the fiscal year, provided the total amount withdrawn shall not  
16 exceed the amount of the declared revenue failure, to reduce or  
17 avoid reductions to agencies for the current fiscal year and to  
18 mitigate potential reductions of funds to be expended by common  
19 school districts which were appropriated or authorized by the  
20 Legislature, but excluding any funds which are apportioned directly  
21 to common school districts.

22       G. In the event that a revenue failure is declared with respect  
23 to the General Revenue Fund pursuant to Section 34.49 of Title 62 of  
24 the Oklahoma Statutes, the Legislature may appropriate up to one-

1 quarter (1/4) of the balance of the Revenue Stabilization Fund  
2 available at the beginning of the fiscal year, not to exceed the  
3 amount of the revenue failure as declared with respect to the  
4 General Revenue Fund pursuant to Section 34.49 of Title 62 of the  
5 Oklahoma Statutes.

6 H. If the amount of revenue certified by the State Board of  
7 Equalization at its February meeting in any year to be collected in  
8 the General Revenue Fund for the upcoming fiscal year is less than  
9 the amount of revenue certified by the State Board of Equalization  
10 to be collected in the General Revenue Fund for the current fiscal  
11 year as determined at its February meeting conducted in the  
12 preceding calendar year, the Legislature may appropriate up to one-  
13 half (1/2) of the balance of the Revenue Stabilization Fund  
14 available at the beginning of the fiscal year; provided, that the  
15 amount withdrawn shall not exceed the amount of the decline in  
16 revenue certified.

17 SECTION 2. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 34.103 of Title 62, unless there  
19 is created a duplication in numbering, reads as follows:

20 A. In addition to any other duties prescribed by law, at the  
21 meeting required by Section 23 of Article X of the Oklahoma  
22 Constitution to be held in February of 2017, and at the February  
23 meeting of the State Board of Equalization each year thereafter, the  
24 State Board of Equalization shall certify:

1        1. For the revenue derived from the tax levied on oil pursuant  
2 to Section 1001 of Title 68 of the Oklahoma Statutes, which would  
3 otherwise be apportioned to the General Revenue Fund, the average  
4 annual amount of actual revenue apportioned to the General Revenue  
5 Fund for the immediately preceding five (5) complete fiscal years.  
6 For any year after the first year during which a deposit to the  
7 Revenue Stabilization Fund is made, the amount of any deposit to the  
8 Revenue Stabilization Fund shall be disregarded for purposes of this  
9 paragraph and the average shall be computed using the total amount  
10 of revenue that was available to be apportioned to the General  
11 Revenue Fund for the applicable period of time;

12        2. For the revenue derived from the tax levied on natural gas  
13 pursuant to Section 1001 of Title 68 of the Oklahoma Statutes, which  
14 would otherwise be apportioned to the General Revenue Fund, the  
15 average annual amount of actual revenue apportioned to the General  
16 Revenue Fund for the previous five (5) fiscal years. For any year  
17 after the first year during which a deposit to the Revenue  
18 Stabilization Fund is made, the amount of any deposit to the Revenue  
19 Stabilization Fund shall be disregarded for purposes of this  
20 paragraph and the average shall be computed using the total amount  
21 of revenue that was available to be apportioned to the General  
22 Revenue Fund for the applicable period of time; and

23        3. For the revenue derived from the corporate income tax levied  
24 pursuant to Section 2355 of Title 68 the Oklahoma Statutes, which

1 would otherwise be apportioned to the General Revenue Fund, the  
2 average annual amount of actual revenue apportioned to the General  
3 Revenue Fund for the previous five (5) fiscal years. For any year  
4 after the first year during which a deposit to the Revenue  
5 Stabilization Fund is made, the amount of any deposit to the Revenue  
6 Stabilization Fund shall be disregarded for purposes of this  
7 paragraph and the average shall be computed using the total amount  
8 of revenue that was available to be apportioned to the General  
9 Revenue Fund for the applicable period of time.

10 B. If the amount of revenue available for apportionment to the  
11 General Revenue Fund for the next ensuing fiscal year exceeds the  
12 amounts certified pursuant to paragraph 1 or 2 of subsection A of  
13 this section, with respect to each such revenue source, one hundred  
14 percent (100%) of such amount in excess of the separately computed  
15 five-year average, which would otherwise be apportioned to the  
16 General Revenue Fund, shall be deposited to the credit of the  
17 Revenue Stabilization Fund.

18 C. If the amount of revenue available for apportionment to the  
19 General Revenue Fund for the next ensuing fiscal year exceeds the  
20 amount certified pursuant to paragraph 3 of subsection A of this  
21 section:

22 1. Twenty-five percent (25%) of such amount in excess of the  
23 five-year average, which would otherwise be apportioned to the  
24 General Revenue Fund, shall be deposited to the credit of the

1 Constitutional Reserve Fund unless such deposit would exceed the  
2 maximum balance permitted pursuant to Section 23 of Article X of the  
3 Oklahoma Constitution and in such case the amount in excess of the  
4 maximum balance shall be deposited to the credit of the Revenue  
5 Stabilization Fund; and

6 2. Seventy-five percent (75%) of such amount in excess of the  
7 five-year average, which would otherwise be apportioned to the  
8 General Revenue Fund, shall be deposited to the credit of the  
9 Revenue Stabilization Fund, together with any amount required for  
10 deposit pursuant to the provisions of paragraph 1 of this  
11 subsection.

12 SECTION 3. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 34.104 of Title 62, unless there  
14 is created a duplication in numbering, reads as follows:

15 Not later than December 15, 2018, and every five (5) years  
16 thereafter, the Office of Management and Enterprise Services shall  
17 submit a report to the Joint Committee on Appropriations and Budget,  
18 and the Governor on the performance of the Revenue Stabilization  
19 Fund set forth in this section. The reports shall include an  
20 analysis of the deposit formulae impact on General Revenue Fund tax  
21 revenue volatility, the adequacy of deposits required by the formula  
22 to the Revenue Stabilization Fund to replace potential future  
23 revenue declines, and the withdrawal provisions of the Revenue  
24 Stabilization Fund. The reports shall include recommended changes,



1 if any, to the deposit formulae or withdrawal rules that are  
2 consistent with the purposes of the Revenue Stabilization Fund.

3 SECTION 4. AMENDATORY 68 O.S. 2011, Section 1004, as  
4 last amended by Section 1 of Enrolled House Bill No. 2623 of the 2nd  
5 Session of the 55th Oklahoma Legislature, is amended to read as  
6 follows:

7 Section 1004. A. As used in this section:

8 1. "Moving five-year average amount for gas" means, for  
9 purposes of the apportionments prescribed by this section, the  
10 amount of gross production tax on natural gas collected for each of  
11 the five (5) complete fiscal years, as computed by the State Board  
12 of Equalization pursuant to Section 2 of this act; and

13 2. "Moving five-year average amount for oil" means, for  
14 purposes of the apportionments prescribed by this section, the  
15 amount of gross production tax on oil collected for each of the five  
16 (5) complete fiscal years, as computed by the State Board of  
17 Equalization pursuant to Section 2 of this act.

18 B. Beginning July 1, ~~2002~~ 2017, the gross production tax  
19 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  
24 (85.72%) shall be paid to the State Treasurer of the

1 state to be placed in the General Revenue Fund of the  
2 state and used for the general expense of state  
3 government, to be paid out pursuant to direct  
4 appropriation by the Legislature,

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

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

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

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

6           a. after the total revenue apportioned to the General  
7 Revenue Fund as prescribed by subparagraph b of this  
8 paragraph equals the moving five-year average amount  
9 for gas as defined by paragraph 1 of subsection A of  
10 this section, there shall be apportioned from the  
11 gross production tax levy imposed pursuant to Section  
12 1001 of this title on natural gas and/or casinghead  
13 gas to the Revenue Stabilization Fund created by  
14 Section 1 of this act, the amount of revenue, if any,  
15 which exceeds the moving five-year average amount for  
16 gas as defined pursuant to paragraph 1 of subsection A  
17 of this section,

18           b. until the apportionment to the General Revenue Fund  
19 equals the moving five-year average amount for gas as  
20 prescribed by paragraph 1 of subsection A of this  
21 section, eighty-five and seventy-two one-hundredths  
22 percent (85.72%) shall be paid to the State Treasurer  
23 of the state to be placed in the General Revenue Fund  
24 of the state and used for the general expense of state

1 government, to be paid out pursuant to direct  
2 appropriation by the Legislature,

3 ~~b.~~ c. before any other apportionment of revenue has been  
4 made pursuant to this paragraph, seven and fourteen  
5 one-hundredths percent (7.14%) of the sum collected  
6 from natural gas and/or casinghead gas shall be paid  
7 to the various county treasurers to be credited to the  
8 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 ~~e.~~ d. before any other apportionment of revenue has been  
14 made pursuant to this paragraph, seven and fourteen  
15 one-hundredths percent (7.14%) shall be allocated to  
16 each county as provided for in subparagraph ~~b~~ c of  
17 this paragraph and shall be apportioned, on an average  
18 daily attendance per capita distribution basis, as  
19 certified by the State Superintendent of Public  
20 Instruction to the school districts of the county  
21 where such pupils attend school regardless of  
22 residence of such pupil, provided the school district  
23 makes an ad valorem tax levy of fifteen (15) mills for  
24

1 the current year and maintains twelve (12) years of  
2 instruction;

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

6 a. after the total revenue apportioned to the General  
7 Revenue Fund as prescribed by subparagraph b of this  
8 paragraph equals the moving five-year average amount  
9 for gas as defined by paragraph 1 of subsection A of  
10 this section, there shall be apportioned from the  
11 gross production tax levy imposed pursuant to Section  
12 1001 of this title on natural gas and/or casinghead  
13 gas to the Revenue Stabilization Fund created pursuant  
14 to Section 1 of this act, the amount of revenue, if  
15 any, which exceeds the moving five-year average amount  
16 for gas as defined pursuant to paragraph 1 of  
17 subsection A of this section,

18 b. until the apportionment to the General Revenue Fund  
19 equals the moving five-year average amount for gas as  
20 prescribed by paragraph 1 of subsection A of this  
21 section, seventy-five percent (75%) shall be paid to  
22 the State Treasurer of the state to be placed in the  
23 General Revenue Fund of the state and used for the  
24

1           general expense of state government, to be paid out  
2           pursuant to direct appropriation by the Legislature,  
3       ~~b.~~ c.   before any other apportionment of revenue has been  
4           made pursuant to this paragraph, twelve and one-half  
5           percent (12.5%) of the sum collected from natural gas  
6           and/or casinghead gas shall be paid to the various  
7           county treasurers to be credited to the County Highway  
8           Fund as follows: Each county shall receive a  
9           proportionate share of the funds available based upon  
10          the proportion of the total value of production from  
11          such county in the corresponding month of the  
12          preceding year, and  
13       ~~e.~~ d.   before any other apportionment of revenue has been  
14           made pursuant to this paragraph, twelve and one-half  
15          percent (12.5%) shall be allocated to each county as  
16          provided for in subparagraph ~~b~~ c of this paragraph and  
17          shall be apportioned, on an average daily attendance  
18          per capita distribution basis, as certified by the  
19          State Superintendent of Public Instruction to the  
20          school districts of the county where such pupils  
21          attend school regardless of residence of such pupil,  
22          provided the school district makes an ad valorem tax  
23          levy of fifteen (15) mills for the current year and  
24          maintains twelve (12) years of instruction;

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

4           a. fifty percent (50%) of the sum collected from natural  
5 gas and/or casinghead gas shall be paid to the various  
6 county treasurers to be credited to the County Highway  
7 Fund as follows: Each county shall receive a  
8 proportionate share of the funds available based upon  
9 the proportion of the total value of production from  
10 such county in the corresponding month of the  
11 preceding year, and

12          b. fifty percent (50%) shall be allocated to each county  
13 as provided for in subparagraph a of this paragraph  
14 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;

22       5. For all monies collected from the tax levied on natural gas  
23 and/or casinghead gas at a tax rate of two percent (2%) pursuant to  
24

1 the provisions of subparagraph c of paragraph 3 of subsection B of  
2 Section 1001 of this title:

3 a. after the total revenue apportioned to the General  
4 Revenue Fund as prescribed by subparagraph b of this  
5 paragraph equals the moving five-year average amount  
6 for gas as defined by paragraph 1 of subsection A of  
7 this section, there shall be apportioned from the  
8 gross production tax levy imposed pursuant to Section  
9 1001 of this title on gas to the Revenue Stabilization  
10 Fund created by Section 1 of this act, the amount of  
11 revenue, if any, which exceeds the moving five-year  
12 average amount for natural gas and/or casinghead gas  
13 as defined pursuant to paragraph 1 of subsection A of  
14 this section,

15 b. until the apportionment to the General Revenue Fund  
16 equals the moving five-year average amount for gas as  
17 prescribed by paragraph 1 of subsection A of this  
18 section, fifty percent (50%) shall be paid to the  
19 State Treasurer to be placed in the General Revenue  
20 Fund of the state and used for the general expense of  
21 state government, to be paid out pursuant to direct  
22 appropriation by the Legislature,

23 ~~b.~~ c. before any other apportionment of revenue has been  
24 made pursuant to this paragraph, twenty-five percent



(25%) of the sum collected from natural gas and/or casinghead gas shall be paid to the various county treasurers to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and ~~e.~~ d. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-five percent (25%) shall be allocated to each county as provided for in subparagraph ~~b~~ c of this paragraph and shall be apportioned on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction, to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction;

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

a. there shall be apportioned from the gross production tax levy imposed pursuant to Section 1001 of this

1 title on oil to the Revenue Stabilization Fund created  
2 by Section 1 of this act, after the applicable maximum  
3 amount prescribed by subsection C of this section has  
4 been deposited to the funds therein specified, the  
5 amount of revenue, if any, which would otherwise be  
6 apportioned to the General Revenue Fund and which  
7 exceeds the moving five-year average amount for oil as  
8 defined pursuant to paragraph 2 of subsection A of  
9 this section,

10 b. before any other apportionment of revenue has been  
11 made pursuant to this paragraph, twenty-five and  
12 seventy-two one-hundredths percent (25.72%) shall be  
13 paid to the State Treasurer to be placed in the Common  
14 Education Technology Revolving Fund created in Section  
15 34.90 of Title 62 of the Oklahoma Statutes,

16 ~~b.~~ c. before any other apportionment of revenue has been  
17 made pursuant to this paragraph, twenty-five and  
18 seventy-two one-hundredths percent (25.72%) shall be  
19 paid to the State Treasurer to be placed in the Higher  
20 Education Capital Revolving Fund created in Section  
21 34.91 of Title 62 of the Oklahoma Statutes,

22 ~~c.~~ d. before any other apportionment of revenue has been  
23 made pursuant to this paragraph, twenty-five and  
24 seventy-two one-hundredths percent (25.72%) shall be

1 paid to the State Treasurer to be placed in the  
2 Oklahoma Student Aid Revolving Fund created in Section  
3 34.92 of Title 62 of the Oklahoma Statutes,

4 ~~d.~~ e. before any other apportionment of revenue has been

5 made pursuant to this paragraph, three and seven

6 hundred forty-five one-thousandths percent (3.745%)

7 shall be distributed to the various counties of the

8 state for deposit into the County Bridge and Road

9 Improvement Fund of each county based on a formula

10 developed by the Department of Transportation and

11 approved by the Department of Transportation County

12 Advisory Board created pursuant to Section 302.1 of

13 Title 69 of the Oklahoma Statutes to be used for the

14 purposes set forth in the County Bridge and Road

15 Improvement Act. The formula shall be similar to the

16 formula currently used for the distribution of monies

17 in the County Bridge Program funds, but shall also

18 take into consideration the effect of the terrain and

19 traffic volume as related to county road improvement

20 and maintenance costs,

21 ~~e.~~ f. before any other apportionment of revenue has been

22 made pursuant to this paragraph, four and twenty-eight

23 one-hundredths percent (4.28%) shall be paid to the

24 State Treasurer to be apportioned to:

1 (1) the following sources and in the following  
2 amounts through the fiscal year ending June 30,  
3 2019:

4 (a) thirty-three and one-third percent (33 1/3%)  
5 to the Oklahoma Tourism and Recreation  
6 Department Capital Expenditure Revolving  
7 Fund created pursuant to Section 2254.1 of  
8 Title 74 of the Oklahoma Statutes,

9 (b) thirty-three and one-third percent (33 1/3%)  
10 to the Oklahoma Conservation Commission  
11 Infrastructure Revolving Fund created  
12 pursuant to Section 3-2-110 of Title 27A of  
13 the Oklahoma Statutes, and

14 (c) thirty-three and one-third percent (33 1/3%)  
15 to the Community Water Infrastructure  
16 Development Revolving Fund created pursuant  
17 to Section 1085.7A of Title 82 of the  
18 Oklahoma Statutes, and

19 (2) the Oklahoma Water Resources Board Rural Economic  
20 Action Plan Water Projects Fund for the fiscal  
21 year beginning July 1, 2019, and for each fiscal  
22 year thereafter,

23 ~~f.~~ g. before any other apportionment of revenue has been  
24 made pursuant to this paragraph, seven and fourteen

1 one-hundredths percent (7.14%) of the sum collected  
2 from oil shall be paid to the various county  
3 treasurers, to be credited to the County Highway Fund  
4 as follows: Each county shall receive a proportionate  
5 share of the funds available based upon the proportion  
6 of the total value of production from such county in  
7 the corresponding month of the preceding year,

8 ~~g.~~ h. before any other apportionment of revenue has been  
9 made pursuant to this paragraph, seven and fourteen  
10 one-hundredths percent (7.14%) shall be allocated to  
11 each county as provided in subparagraph ~~f~~ g of this  
12 paragraph and shall be apportioned, on an average  
13 daily attendance per capita distribution basis, as  
14 certified by the State Superintendent of Public  
15 Instruction, to the school districts of the county  
16 where such pupils attend school regardless of  
17 residence of such pupil, provided the school district  
18 makes an ad valorem tax levy of fifteen (15) mills for  
19 the current year and maintains twelve (12) years of  
20 instruction, and

21 ~~h.~~ i. before any other apportionment of revenue has been  
22 made pursuant to this paragraph, five hundred thirty-  
23 five one-thousandths percent (0.535%) of the levy  
24 shall be transmitted by the Oklahoma Tax Commission to

1 the Statewide Circuit Engineering District Revolving  
2 Fund as created in Section 687.2 of Title 69 of the  
3 Oklahoma Statutes;

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

7 a. there shall be apportioned from the gross production  
8 tax levy imposed pursuant to Section 1001 of this  
9 title on oil to the Revenue Stabilization Fund created  
10 by Section 1 of this act, after the applicable maximum  
11 amount prescribed by subsection C of this section has  
12 been deposited to the funds therein specified, the  
13 amount of revenue, if any, which would otherwise be  
14 apportioned to the General Revenue Fund and which  
15 exceeds the moving five-year average amount for oil as  
16 defined pursuant to paragraph 2 of subsection A of  
17 this section,

18 b. before any other apportionment of revenue has been  
19 made pursuant to this paragraph, twenty-two and one-  
20 half percent (22.5%) shall be paid to the State  
21 Treasurer to be placed in the Common Education  
22 Technology Revolving Fund created in Section 34.90 of  
23 Title 62 of the Oklahoma Statutes,  
24

1       ~~b.~~ c.   before any other apportionment of revenue has been  
2                   made pursuant to this paragraph, twenty-two and one-  
3                   half percent (22.5%) shall be paid to the State  
4                   Treasurer to be placed in the Higher Education Capital  
5                   Revolving Fund created in Section 34.91 of Title 62 of  
6                   the Oklahoma Statutes,

7       ~~e.~~ d.   before any other apportionment of revenue has been  
8                   made pursuant to this paragraph, twenty-two and one-  
9                   half percent (22.5%) shall be paid to the State  
10                  Treasurer to be placed in the Oklahoma Student Aid  
11                  Revolving Fund created in Section 34.92 of Title 62 of  
12                  the Oklahoma Statutes,

13       ~~d.~~ e.   before any other apportionment of revenue has been  
14                   made pursuant to this paragraph, three and twenty-  
15                   eight one-hundredths percent (3.28%) shall be  
16                   distributed to the various counties of the state for  
17                   deposit into the County Bridge and Road Improvement  
18                   Fund of each county based on a formula developed by  
19                   the Department of Transportation and approved by the  
20                   Department of Transportation County Advisory Board  
21                   created pursuant to Section 302.1 of Title 69 of the  
22                   Oklahoma Statutes to be used for the purposes set  
23                   forth in the County Bridge and Road Improvement Act.  
24                   The formula shall be similar to the formula currently

1           used for the distribution of monies in the County  
2           Bridge Program funds, but shall also take into  
3           consideration the effect of the terrain and traffic  
4           volume as related to county road improvement and  
5           maintenance costs,

6       ~~e.~~ f.   before any other apportionment of revenue has been  
7           made pursuant to this paragraph, three and seventy-  
8           five one-hundredths percent (3.75%) shall be paid to  
9           the State Treasurer to be apportioned to:

10          (1)   the following sources and in the following  
11               amounts through the fiscal year ending June 30,  
12               2019:

13               (a)   thirty-three and one-third percent (33 1/3%)  
14                   to the Oklahoma Tourism and Recreation  
15                   Department Capital Expenditure Revolving  
16                   Fund created pursuant to Section 2254.1 of  
17                   Title 74 of the Oklahoma Statutes,

18               (b)   thirty-three and one-third percent (33 1/3%)  
19                   to the Oklahoma Conservation Commission  
20                   Infrastructure Revolving Fund created  
21                   pursuant to Section 3-2-110 of Title 27A of  
22                   the Oklahoma Statutes, and

23               (c)   thirty-three and one-third percent (33 1/3%)  
24                   to the Community Water Infrastructure



1 Development Revolving Fund created pursuant  
2 to Section 1085.7A of Title 82 of the  
3 Oklahoma Statutes, and

4 (2) the Oklahoma Water Resources Board Rural Economic  
5 Action Plan Water Projects Fund for the fiscal  
6 year beginning July 1, 2019, and for each fiscal  
7 year thereafter,

8 ~~f.~~ g. before any other apportionment of revenue has been  
9 made pursuant to this paragraph, twelve and one-half  
10 percent (12.5%) of the sum collected from oil shall be  
11 paid to the various county treasurers, to be credited  
12 to the County Highway Fund as follows: Each county  
13 shall receive a proportionate share of the funds  
14 available based upon the proportion of the total value  
15 of production from such county in the corresponding  
16 month of the preceding year,

17 ~~g.~~ h. before any other apportionment of revenue has been  
18 made pursuant to this paragraph, twelve and one-half  
19 percent (12.5%) shall be allocated to each county as  
20 provided in subparagraph ~~f~~ g of this paragraph and  
21 shall be apportioned on an average daily attendance  
22 per capita distribution basis, as certified by the  
23 State Superintendent of Public Instruction, to the  
24 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, and

5 ~~h.~~ i. before any other apportionment of revenue has been  
6 made pursuant to this paragraph, forty-seven one-  
7 hundredths percent (0.47%) of the levy shall be  
8 transmitted by the Tax Commission to the Statewide  
9 Circuit Engineering District Revolving Fund as created  
10 in Section 687.2 of Title 69 of the Oklahoma Statutes;

11 8. For all monies collected from the tax levied on oil at a tax  
12 rate of one percent (1%) pursuant to the provisions of subsection B  
13 of Section 1001 of this title:

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

21 b. fifty percent (50%) shall be allocated to each county  
22 as provided for in subparagraph a of this paragraph  
23 and shall be apportioned on an average daily  
24 attendance per capita distribution basis, as certified

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

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

10 a. there shall be apportioned from the gross production  
11 tax levy imposed pursuant to Section 1001 of this  
12 title on oil to the Revenue Stabilization Fund created  
13 by Section 1 of this act, the amount of revenue, if  
14 any, which exceeds the moving five-year average amount  
15 for oil as defined pursuant to paragraph 2 of  
16 subsection A of this section,

17 b. until the apportionment to the General Revenue Fund  
18 equals the moving five-year average amount for oil as  
19 prescribed by paragraph 2 of subsection A of this  
20 section, fifty percent (50%) shall be paid to the  
21 State Treasurer to be placed in the General Revenue  
22 Fund of the state and used for the general expense of  
23 state government, to be paid out pursuant to direct  
24 appropriation by the Legislature,

1        ~~b.~~ c.    before any other apportionment of revenue has been  
2                    made pursuant to this paragraph, twenty-five percent  
3                    (25%) of the sum collected from oil shall be paid to  
4                    the various county treasurers, to be credited to the  
5                    County Highway Fund as follows: Each county shall  
6                    receive a proportionate share of the funds available  
7                    based upon the proportion of the total value of  
8                    production from such county in the corresponding month  
9                    of the preceding year, and

10       ~~e.~~ d.    before any other apportionment of revenue has been  
11                    made pursuant to this paragraph, twenty-five percent  
12                    (25%) shall be allocated to each county as provided in  
13                    subparagraph ~~b~~ c of this paragraph and shall be  
14                    apportioned on an average daily attendance per capita  
15                    distribution basis, as certified by the State  
16                    Superintendent of Public Instruction, to the school  
17                    districts of the county where such pupils attend  
18                    school regardless of residence of such pupil, provided  
19                    the school district makes an ad valorem tax levy of  
20                    fifteen (15) mills for the current year and maintains  
21                    twelve (12) years of instruction.

22       ~~B.~~ C.    Provided, notwithstanding any other provision of this  
23       section, the total amounts deposited to the Common Education  
24       Technology Revolving Fund, the Higher Education Capital Revolving

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

13 SECTION 5. AMENDATORY 68 O.S. 2011, Section 2352, as  
14 last amended by Section 1, Chapter 253, O.S.L. 2013 (68 O.S. Supp.  
15 2015, Section 2352), is amended to read as follows:

16 Section 2352. It is hereby declared to be the purpose of  
17 Section 2351 et seq. of this title to provide revenue for general  
18 governmental functions of state government; and, for that purpose  
19 and to that end, it is expressly declared that the revenue derived  
20 herefrom and penalties and interest thereon, subject to the  
21 apportionment requirements for the Rebuilding Oklahoma Access and  
22 Driver Safety Fund, the Oklahoma Tourism and Passenger Rail  
23 Revolving Fund and the Public Transit Revolving Fund to be derived  
24 from income tax revenue that would otherwise be apportioned to the

1 General Revenue Fund as provided by Section 1521 of Title 69 of the  
2 Oklahoma Statutes, subject to the apportionment requirements for the  
3 Oklahoma Tax Commission and Office of Management and Enterprise  
4 Services Joint Computer Enhancement Fund provided by Section 265 of  
5 this title, and subject to the apportionment requirements for the  
6 Oklahoma State Capitol Building Repair and Restoration Fund provided  
7 by Section ~~4~~ 19 of ~~this act~~ Title 73 of the Oklahoma Statutes, shall  
8 be distributed as follows:

9 1. For the fiscal year beginning July 1, 2002, the first Five  
10 Million Eight Hundred Thousand Dollars (\$5,800,000.00) of revenue  
11 derived pursuant to the provisions of subsections A, B and E of  
12 Section 2355 of this title shall be apportioned to the Education  
13 Reform Revolving Fund. The remainder of such revenue for the fiscal  
14 year beginning July 1, 2002, and all such revenue for each fiscal  
15 year thereafter shall be apportioned monthly as follows:

16 a. (1) the following amounts shall be paid to the State  
17 Treasurer to be placed to the credit of the  
18 General Revenue Fund of the state for such fiscal  
19 year for the support of the state government to  
20 be paid out only pursuant to appropriation by the  
21 Legislature:

| 22 | Fiscal Year         | Amount |
|----|---------------------|--------|
| 23 | FY 2003 and FY 2004 | 87.12% |
| 24 | FY 2005             | 86.91% |

FY 2006 86.66%

FY 2007 86.16%

FY 2008 and each fiscal  
year thereafter 85.66%

(2) in the event that additional monies are necessary pursuant to paragraph 3 of this section, such additional monies shall be deducted in the proportion determined by the State Board of Equalization pursuant to paragraph 3 of Section 2355.1B of this title from the monies apportioned to the General Revenue Fund,

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:

| Fiscal Year         | Amount |
|---------------------|--------|
| FY 2003 and FY 2004 | 3.54%  |
| FY 2005             | 3.75%  |
| FY 2006             | 4.0%   |
| FY 2007             | 4.5%   |

1                   FY 2008 and each fiscal

2                   year thereafter                                   5.0%

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

6           2.   Beginning July 1, 2003, for any period of time as certified  
7 by the Oklahoma Development Finance Authority and the Oklahoma  
8 Department of Commerce to be necessary for the repayment of  
9 obligations issued by the Oklahoma Development Finance Authority  
10 pursuant to Section 3654 of this title if the other sources of  
11 revenue paid to or apportioned to the Quality Jobs Program Incentive  
12 Leverage Fund are not adequate, including the proceeds from payment  
13 pursuant to the guaranty required by subsection M of Section 3654 of  
14 this title, an amount certified by the Oklahoma Development Finance  
15 Authority to the Oklahoma Tax Commission shall be apportioned to the  
16 Quality Jobs Program Incentive Leverage Fund before any other  
17 apportionments are made as otherwise authorized by this paragraph.  
18 The Oklahoma Development Finance Authority shall certify to the  
19 Oklahoma Tax Commission the time as of which the revenue authorized  
20 for apportionment pursuant to this paragraph is no longer required.  
21 After the certification, the revenue derived from the income tax  
22 shall be apportioned in the manner otherwise provided by this  
23 section. Except as otherwise provided by this paragraph, for the  
24 fiscal year beginning July 1, 2002, the first Forty-One Million One



1 Hundred Ninety Thousand Eight Hundred Dollars (\$41,190,800.00) of  
2 revenue derived pursuant to the provisions of subsections D and E of  
3 Section 2355 of this title shall be apportioned to the Education  
4 Reform Revolving Fund. The remainder of such revenue for the fiscal  
5 year beginning July 1, 2002, and all such revenue for each fiscal  
6 year thereafter, subject to the apportionment requirements for the  
7 Oklahoma Tax Commission and Office of Management and Enterprise  
8 Services Joint Computer Enhancement Fund provided by Section 265 of  
9 this title, shall be apportioned monthly as follows:

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

| Fiscal Year         | Amount |
|---------------------|--------|
| FY 2003 and FY 2004 | 78.96% |
| FY 2005             | 78.75% |
| FY 2006             | 78.50% |
| FY 2007             | 78.0%  |

20 (1) FY ~~2008~~ 2018 and each  
21 fiscal year thereafter until  
22 the apportionment to the  
23 General Revenue Fund equals  
24 the moving five-year average

amount for corporate income

tax as prescribed by

paragraph 4 of this

section

77.50%

(2) there shall be apportioned from the tax

levy imposed on corporate income tax to

the Revenue Stabilization Fund created by

Section 1 of this act, or to the

Constitutional Reserve Fund, as provided

by Section 1 of this act, the amount of

revenue, if any, which exceeds the moving

five-year average amount as defined

pursuant to paragraph 4 of this section,

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:

Fiscal Year

Amount

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; ~~and~~

3. During the first fiscal year after the State Board of Equalization has made a determination as provided in Section 2355.1B of this title, regarding a baseline amount of revenue apportioned pursuant to subparagraph c of paragraph 1 of this section, and for each fiscal year thereafter, in no event shall monies apportioned pursuant to subparagraph c of paragraph 1 of this section, paragraph 3 of Section 1353 of this title and paragraph 3 of Section 1403 of this title be less than such baseline amount; and

4. "Moving five-year average for corporate income tax" means, for purposes of the apportionments prescribed by this section, the amount of income tax on corporations, as determined by the State Board of Equalization in the manner prescribed by Section 2 of this act.

SECTION 6. This act shall become effective November 1, 2016.

55-2-9997 MAH 05/16/16