

SENATE CHAMBER
STATE OF OKLAHOMA

DISPOSITION

☐ FLOOR AMENDMENT

No. _____

☐ COMMITTEE AMENDMENT

(Date)

Mr./Madame President:

I move to amend House Bill No. 2763, by substituting the attached floor substitute for the title, enacting clause and entire body of the measure.

Submitted by:

Senator Holt

Holt-JCR-FS-Req#3370
4/20/2016 6:29 PM

(Floor Amendments Only) Date and Time Filed: _____

☐ Untimely

☐ Amendment Cycle Extended

☐ Secondary Amendment

STATE OF OKLAHOMA

2nd Session of the 55th Legislature (2016)

FLOOR SUBSTITUTE
FOR ENGROSSED

HOUSE BILL NO. 2763

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

and

Holt, Standridge and
Shortey of the Senate

FLOOR SUBSTITUTE

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

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 34.102 of Title 62, unless there
is created a duplication in numbering, reads as follows:

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. Beginning for the first fiscal year when the amount of
certified revenues exceeds the amount of such revenues certified by
the State Board of Equalization in February of 2014, and subject to

1 the conditions and findings of the State Board of Equalization as
2 prescribed by Section 2 of this act, the Revenue Stabilization Fund
3 shall consist of:

4 1. Seventy-five percent (75%) of the revenue derived from the
5 gross production tax on oil levied pursuant to Section 1001 of Title
6 68 of the Oklahoma Statutes which is in excess of the five-year
7 average computed as prescribed by Section 2 of this act;

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

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

16 4. Any amounts appropriated by the Legislature.

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

1 C. In the event that a revenue failure is declared with respect
2 to the General Revenue Fund pursuant to Section 34.49 of Title 62 of
3 the Oklahoma Statutes, the Legislature may appropriate up to one-
4 quarter (1/4) of the balance of the Revenue Stabilization Fund, not
5 to exceed the amount of the declared revenue failure as declared
6 with respect to the General Revenue Fund pursuant to Section 34.49
7 of Title 62 of the Oklahoma Statutes.

8 D. In the event that the amount of revenue certified to be
9 collected in the General Revenue Fund for the upcoming fiscal year
10 is less than the amount of revenue certified to the General Revenue
11 Fund for the current fiscal year, the Legislature may appropriate up
12 to one-quarter (1/4) of the balance of the Revenue Stabilization
13 Fund; provided, that the amount withdrawn shall not exceed the
14 amount of the decline in revenue certified.

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

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

22 1. For the revenue derived from the tax levied on oil pursuant
23 to Section 1001 of Title 68 of the Oklahoma Statutes, which would
24 otherwise be apportioned to the General Revenue Fund, the average

1 annual amount of actual revenue apportioned to the General Revenue
2 Fund for the previous five (5) fiscal years;

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

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

13 B. If the amount of revenue available for apportionment to the
14 General Revenue Fund for the next ensuing fiscal year as estimated
15 by the State Board of Equalization exceeds the amounts certified
16 pursuant to paragraph 1 or 2 of subsection A of this section, with
17 respect to each such revenue source, seventy-five percent (75%) of
18 such amount in excess of the separately computed five-year average,
19 which would otherwise be apportioned to the General Revenue Fund,
20 shall be deposited to the credit of the Revenue Stabilization Fund.

21 C. If the amount of revenue available for apportionment to the
22 General Revenue Fund for the next ensuing fiscal year exceeds the
23 amount certified, as estimated by the State Board of Equalization
24 pursuant to paragraph 3 of subsection A of this section, twenty-five

1 percent (25%) of such amount in excess shall be deposited to the
2 credit of the Maintenance of State Buildings Revolving Fund created
3 in Section 908 of Title 62 of the Oklahoma Statutes. The remaining
4 seventy-five percent (75%) shall be deposited to the credit of the
5 Revenue Stabilization Fund.

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

9 Not later than December 15, 2021, and every five (5) years
10 thereafter, the Office of Management and Enterprise Services shall
11 submit a report to the Joint Committee on Appropriations and Budget,
12 and the Governor on the performance of the Revenue Stabilization
13 Fund and Maintenance of State Buildings Revolving Fund set forth in
14 this section. The reports shall include an analysis of the deposit
15 formulae impact on General Revenue Fund tax revenue volatility, the
16 adequacy of deposits required by the formula to the Revenue
17 Stabilization Fund to replace potential future revenue declines, the
18 adequacy of the deposits to the Maintenance of State Buildings
19 Revolving Fund to ensure the proper maintenance of state buildings,
20 the withdrawal provisions of the Revenue Stabilization Fund and an
21 analysis of the adequacy of the maximum cap on the Revenue
22 Stabilization Fund balances. The reports shall include recommended
23 changes, if any, to the deposit formulae, withdrawal rules or
24 maximum balance cap that are consistent with the purposes of the

1 Revenue Stabilization Fund and the Maintenance of State Buildings
2 Revolving Fund.

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