

**COMMITTEE AMENDMENT**

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1401 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

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

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Amendment submitted by: John Montgomery \_\_\_\_\_

Adopted: \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

PROPOSED COMMITTEE  
SUBSTITUTE  
FOR  
HOUSE BILL NO. 1401

By: Montgomery

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to public finance; enacting the Oklahoma Legacy Act; creating the Oklahoma Legacy Fund; providing for apportionment and deposit of monies into fund; providing for investment of funds; prescribing investment standard; authorizing State Treasurer to perform certain actions; defining term; providing for reinvestment of monies; authorizing administrative expenses; providing for transfer of monies to Common Schools Legacy Fund; creating Common Schools Legacy Fund; providing for deposit of monies; providing for reinvestment of monies; providing for transfer of monies to the State Department of Education; creating the Higher Education Legacy Fund; providing for apportionment and deposit of monies; providing for reinvestment of monies; providing for transfer of monies; requiring State Auditor and Inspector to conduct audits; requiring report to Governor and Legislature; amending 68 O.S. 2011, Section 1004, as last amended by Section 4, Chapter 337, O.S.L. 2016 (68 O.S. Supp. 2016, Section 1004), which relates to apportionment of gross production tax revenues; providing for apportionment to Oklahoma Legacy Fund; providing for effectiveness of act dependent upon revenue collection determination; prescribing procedures; providing for codification; and providing an effective date.

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

2 SECTION 1. NEW LAW A new section of law to be codified  
3 in the Oklahoma Statutes as Section 4201 of Title 62, unless there  
4 is created a duplication in numbering, reads as follows:

5 This act shall be known and may be cited as the "Oklahoma Legacy  
6 Act".

7 SECTION 2. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 4202 of Title 62, unless there  
9 is created a duplication in numbering, reads as follows:

10 A. There is hereby created in the State Treasury a fund to be  
11 known and designated as the "Oklahoma Legacy Fund". The fund shall  
12 be a continuing fund, not subject to fiscal year limitations.

13 B. The Oklahoma Legacy Fund shall consist of:

14 1. Twenty percent (20%) of total actual revenue from the gross  
15 production tax on oil levied pursuant to Section 1001 of Title 68 of  
16 the Oklahoma Statutes in the manner prescribed by Section 7 of this  
17 act, but subject to the requirements of Section 8 of this act;

18 2. Twenty percent (20%) of total actual revenue from the gross  
19 production tax on natural gas levied pursuant to Section 1001 of  
20 Title 68 of the Oklahoma Statutes, in the manner prescribed in  
21 Section 7 of this act, but subject to the requirements of Section 8  
22 of this act;

23 3. Any amounts accruing to the subfunds as prescribed by this  
24 section; and

1        4. Any amounts appropriated by the Legislature.

2        C. Monies in the Oklahoma Legacy Fund shall be managed with the  
3 care, skill, prudence and diligence under the circumstances then  
4 prevailing that a prudent person acting in a like capacity and  
5 familiar with such matters would use in the conduct of an enterprise  
6 of a like character and with like aims and by diversifying the  
7 investments of the system so as to minimize the risk of large  
8 losses, unless under the circumstances it is clearly prudent not to  
9 do so.

10       D. Funds shall be managed by the Office of the State Treasurer  
11 who may hire and retain staff for the purpose of managing such funds  
12 and use investment earnings in accordance with this act for the  
13 performance of such duties as may be required.

14       SECTION 3.       NEW LAW       A new section of law to be codified  
15 in the Oklahoma Statutes as Section 4203 of Title 62, unless there  
16 is created a duplication in numbering, reads as follows:

17       A. Investment earnings shall consist of interest, dividends and  
18 realized capital gains to the extent applicable.

19       B. Until such time as the ten-year moving average of total  
20 investment earnings for the previous fiscal year shall equal the  
21 ten-year moving average of the collections from the gross production  
22 tax derived from the levy imposed by Section 1001 of Title 68 of the  
23 Oklahoma Statutes, ninety percent (90%) of the total investment  
24 earnings from the investment of the Oklahoma Legacy Fund shall be

1 reinvested into the corpus of the Oklahoma Legacy Fund. Two percent  
2 (2%) may be used by the Office of the State Treasurer for the  
3 purpose of managing the Oklahoma Legacy Fund and its investments.  
4 Eight percent (8%) of the investment earnings from the Oklahoma  
5 Legacy Fund shall be transferred to the credit of the Common Schools  
6 Legacy Fund.

7 SECTION 4. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 4204 of Title 62, unless there  
9 is created a duplication in numbering, reads as follows:

10 A. There is hereby created a subfund of the Oklahoma Legacy  
11 Fund to be known and designated as the "Common Schools Legacy Fund".  
12 The fund shall be a continuing fund, not subject to fiscal year  
13 limitations.

14 B. The Common Schools Legacy Fund shall consist of:

15 1. All monies which would otherwise be apportioned to the  
16 Common Education Technology Fund, or pending adjustment to  
17 apportionments; and

18 2. Any amounts appropriated by the Legislature.

19 C. Until such time as the five-year moving average of total  
20 investment earnings from the Common Schools Legacy Fund shall equal  
21 the five-year moving average of deposits from the apportionment of  
22 revenues from the gross production tax pursuant to this section,  
23 ninety percent (90%) of the investment earnings shall be deposited  
24 to the credit of the Common Schools Legacy Fund and be reinvested,

1 and ten percent (10%) of the investment earnings shall be  
2 transferred to the State Department of Education for appropriation  
3 through the State Aid Formula to common schools.

4 D. At such time that the five-year moving average of investment  
5 earnings from the Common Schools Legacy Fund shall equal the five-  
6 year moving average of deposits to the Common School Legacy Fund  
7 from the gross production tax, ninety-five percent (95%) of the  
8 investment earnings shall be made available for apportionment to the  
9 common schools of the state for allocation through the State Aid  
10 Formula by the State Department of Education and five percent (5%)  
11 of the investment earnings shall be reinvested into the balance of  
12 the Oklahoma Legacy Fund.

13 SECTION 5. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 4205 of Title 62, unless there  
15 is created a duplication in numbering, reads as follows:

16 A. There is hereby created a subfund of the Oklahoma Legacy  
17 Fund to be known and designated as the "Higher Education Legacy  
18 Fund". The fund shall be a continuing fund, not subject to fiscal  
19 year limitations.

20 B. The Higher Education Legacy Fund shall consist of:

21 1. All monies which would otherwise be apportioned to the  
22 Higher Education Capital Revolving Fund and the Oklahoma Student Aid  
23 Revolving Fund; and

24 2. Any amounts appropriated by the Legislature.

1 C. Until such time as the five-year moving average of total  
2 investment earnings from the Higher Education Legacy Fund shall  
3 equal the five-year moving average of deposits from the  
4 apportionment of revenues from the gross production tax pursuant to  
5 this section, eighty-five percent (85%) of the investment earnings  
6 shall be deposited to the credit of the Higher Education Legacy Fund  
7 and be reinvested. Five percent (5%) of the investment earnings  
8 shall be transferred to the Higher Education Research and  
9 Development Fund and ten percent (10%) of the investment earnings  
10 shall be transferred to the State Regents for Higher Education for  
11 apportionment to the universities and colleges of the State of  
12 Oklahoma.

13 D. At such time that the five-year moving average of investment  
14 earnings from the Higher Education Legacy Fund shall equal the five-  
15 year moving average of deposits to the Higher Education Legacy Fund  
16 from the gross production tax, forty percent (40%) of the investment  
17 earnings shall be transferred to the Higher Education Research and  
18 Development Fund, fifty percent (50%) of the investment earnings  
19 shall be transferred to the colleges and universities of the state  
20 for tuition assistance grants and five percent (5%) of the  
21 investment earnings shall be reinvested into the balance of the  
22 Higher Education Legacy Fund.

1       SECTION 6.       NEW LAW       A new section of law to be codified  
2 in the Oklahoma Statutes as Section 4206 of Title 62, unless there  
3 is created a duplication in numbering, reads as follows:

4       The State Auditor and Inspector shall conduct an audit every two  
5 (2) years of the Oklahoma Legacy Fund, its subaccounts, and all  
6 expenditures which are otherwise derived from the Oklahoma Legacy  
7 Fund and report any findings to the Governor, the Legislature, and  
8 make any documents pertaining to the audit publicly accessible.

9       SECTION 7.       AMENDATORY       68 O.S. 2011, Section 1004, as  
10 last amended by Section 4, Chapter 337, O.S.L. 2016 (68 O.S. Supp.  
11 2016, Section 1004), is amended to read as follows:

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

13       1. "Moving five-year average amount for gas" means, for  
14 purposes of the apportionments prescribed by this section, the  
15 amount of gross production tax on natural gas collected for each of  
16 the five (5) complete fiscal years, as computed by the State Board  
17 of Equalization pursuant to Section 2 34.102 of ~~this act~~ Title 62 of  
18 the Oklahoma Statutes; and

19       2. "Moving five-year average amount for oil" means, for  
20 purposes of the apportionments prescribed by this section, the  
21 amount of gross production tax on oil collected for each of the five  
22 (5) complete fiscal years, as computed by the State Board of  
23 Equalization pursuant to Section 2 34.102 of ~~this act~~ Title 62 of  
24 the Oklahoma Statutes.



1 B. Beginning July 1, 2017, the gross production tax provided  
2 for in Section 1001 of this title is hereby levied and shall be  
3 collected and apportioned as follows:

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

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

12 b. seven and fourteen one-hundredths percent (7.14%) of  
13 the sum collected from natural gas and/or casinghead  
14 gas or asphalt or ores bearing uranium, lead, zinc,  
15 jack, gold, silver or copper 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. seven and fourteen one-hundredths percent (7.14%)  
23 shall be allocated to each county as provided for in  
24 subparagraph b of this paragraph and shall be

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

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

12           a. for the fiscal year beginning July 1, 2019, and for  
13           each fiscal year thereafter, prior to any other  
14           apportionment that would otherwise be made to the  
15           General Revenue Fund pursuant to the provisions of  
16           this section, there shall be apportioned twenty  
17           percent (20%) of such revenues to the Oklahoma Legacy  
18           Fund created pursuant to Section 2 of this act,

19           b. after the total revenue apportioned to the General  
20           Revenue Fund as prescribed by subparagraph ~~b~~ c of this  
21           paragraph equals the moving five-year average amount  
22           for gas as defined by paragraph 1 of subsection A of  
23           this section, there shall be apportioned from the  
24           gross production tax levy imposed pursuant to Section

1 1001 of this title on natural gas and/or casinghead  
2 gas to the Revenue Stabilization Fund created by  
3 Section ~~1~~ 34.102 of ~~this act~~ Title 62 of the Oklahoma  
4 Statutes, the amount of revenue, if any, which exceeds  
5 the moving five-year average amount for gas as defined  
6 pursuant to paragraph 1 of subsection A of this  
7 section,

8 ~~b.~~ c. until the apportionment to the General Revenue Fund  
9 equals the moving five-year average amount for gas as  
10 prescribed by paragraph 1 of subsection A of this  
11 section, eighty-five and seventy-two one-hundredths  
12 percent (85.72%) shall be paid to the State Treasurer  
13 of the state to be placed in the General Revenue Fund  
14 of the state and used for the general expense of state  
15 government, to be paid out pursuant to direct  
16 appropriation by the Legislature,

17 ~~e.~~ d. before any other apportionment of revenue has been  
18 made pursuant to this paragraph, seven and fourteen  
19 one-hundredths percent (7.14%) of the sum collected  
20 from natural gas and/or casinghead gas shall be paid  
21 to the various county treasurers to be credited to the  
22 County Highway Fund as follows: Each county shall  
23 receive a proportionate share of the funds available  
24 based upon the proportion of the total value of

1 production from such county in the corresponding month  
2 of the preceding year, and

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

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

19 a. for the fiscal year beginning July 1, 2019, and for  
20 each fiscal year thereafter, prior to any other  
21 apportionment that would otherwise be made to the  
22 General Revenue Fund pursuant to the provisions of  
23 this section, there shall be apportioned twenty  
24

1           percent (20%) of such revenues to the Oklahoma Legacy  
2           Fund created pursuant to Section 2 of this act,

3           b.   after the total revenue apportioned to the General  
4           Revenue Fund as prescribed by subparagraph ~~b~~ c 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 natural gas and/or casinghead  
10          gas to the Revenue Stabilization Fund created pursuant  
11          to Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the  
12          Oklahoma Statutes, the amount of revenue, if any,  
13          which exceeds the moving five-year average amount for  
14          gas as defined pursuant to paragraph 1 of subsection A  
15          of this section,

16          ~~b.~~ c.   until the apportionment to the General Revenue Fund  
17          equals the moving five-year average amount for gas as  
18          prescribed by paragraph 1 of subsection A of this  
19          section, seventy-five percent (75%) shall be paid to  
20          the State Treasurer of the state to be placed in the  
21          General Revenue Fund of the state and used for the  
22          general expense of state government, to be paid out  
23          pursuant to direct appropriation by the Legislature,

1       ~~e.~~ d. before any other apportionment of revenue has been  
2               made pursuant to this paragraph, twelve and one-half  
3               percent (12.5%) of the sum collected from natural gas  
4               and/or casinghead gas shall be paid to the various  
5               county treasurers to be credited to the County Highway  
6               Fund as follows: Each county shall receive a  
7               proportionate share of the funds available based upon  
8               the proportion of the total value of production from  
9               such county in the corresponding month of the  
10              preceding year, and

11       ~~d.~~ e. before any other apportionment of revenue has been  
12               made pursuant to this paragraph, twelve and one-half  
13               percent (12.5%) shall be allocated to each county as  
14               provided for in subparagraph ~~e~~ d of this paragraph and  
15               shall be apportioned, on an average daily attendance  
16               per capita distribution basis, as certified by the  
17               State Superintendent of Public Instruction to the  
18               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       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. for the fiscal year beginning July 1, 2019, and for  
4 each fiscal year thereafter, prior to any other  
5 apportionment that would otherwise be made to the  
6 General Revenue Fund pursuant to the provisions of  
7 this section, there shall be apportioned twenty  
8 percent (20%) of such revenues to the Oklahoma Legacy  
9 Fund created pursuant to Section 2 of this act,

10 b. after the total revenue apportioned to the General  
11 Revenue Fund as prescribed by subparagraph ~~b~~ c of this  
12 paragraph equals the moving five-year average amount  
13 for gas as defined by paragraph 1 of subsection A of  
14 this section, there shall be apportioned from the  
15 gross production tax levy imposed pursuant to Section  
16 1001 of this title on gas to the Revenue Stabilization  
17 Fund created by Section ~~4~~ 34.102 of ~~this act~~ Title 62  
18 of the Oklahoma Statutes, the amount of revenue, if  
19 any, which exceeds the moving five-year average amount  
20 for natural gas and/or casinghead gas as defined  
21 pursuant to paragraph 1 of subsection A of this  
22 section,

23 ~~b.~~ c. until the apportionment to the General Revenue Fund  
24 equals the moving five-year average amount for gas as



1           prescribed by paragraph 1 of subsection A of this  
2           section, fifty percent (50%) shall be paid to the  
3           State Treasurer to be placed in the General Revenue  
4           Fund of the state and used for the general expense of  
5           state government, to be paid out pursuant to direct  
6           appropriation by the Legislature,

7       ~~e.~~ d. before any other apportionment of revenue has been  
8           made pursuant to this paragraph, twenty-five percent  
9           (25%) of the sum collected from natural gas and/or  
10          casinghead gas shall be paid to the various county  
11          treasurers to be credited to the County Highway Fund  
12          as follows: Each county shall receive a proportionate  
13          share of the funds available based upon the proportion  
14          of the total value of production from such county in  
15          the corresponding month of the preceding year, and

16       ~~d.~~ e. before any other apportionment of revenue has been  
17          made pursuant to this paragraph, twenty-five percent  
18          (25%) shall be allocated to each county as provided  
19          for in subparagraph ~~e~~ d of this paragraph and shall be  
20          apportioned on an average daily attendance per capita  
21          distribution basis, as certified by the State  
22          Superintendent of Public Instruction, to the school  
23          districts of the county where such pupils attend  
24          school regardless of residence of such pupil, provided

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

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

- 7 a. for the fiscal year beginning July 1, 2019, and for  
8 each fiscal year thereafter, prior to any other  
9 apportionment that would otherwise be made to the  
10 General Revenue Fund pursuant to the provisions of  
11 this section, there shall be apportioned twenty  
12 percent (20%) of such revenues to the Oklahoma Legacy  
13 Fund created pursuant to Section 2 of this act,
- 14 b. there shall be apportioned from the gross production  
15 tax levy imposed pursuant to Section 1001 of this  
16 title on oil to the Revenue Stabilization Fund created  
17 by Section ~~± 34.102~~ of ~~this act~~ Title 62 of the  
18 Oklahoma Statutes, after the applicable maximum amount  
19 prescribed by subsection C of this section has been  
20 deposited to the funds therein specified, the amount  
21 of revenue, if any, which would otherwise be  
22 apportioned to the General Revenue Fund and which  
23 exceeds the moving five-year average amount for oil as  
24

1 defined pursuant to paragraph 2 of subsection A of  
2 this section,

3 ~~b.~~ c. before any other apportionment of revenue has been  
4 made pursuant to this paragraph, twenty-five and  
5 seventy-two one-hundredths percent (25.72%) shall be  
6 paid to the State Treasurer to be placed in the Common  
7 Education Technology Revolving Fund created in Section  
8 34.90 of Title 62 of the Oklahoma Statutes,

9 ~~e.~~ d. before any other apportionment of revenue has been  
10 made pursuant to this paragraph, twenty-five and  
11 seventy-two one-hundredths percent (25.72%) shall be  
12 paid to the State Treasurer to be placed in the Higher  
13 Education Capital Revolving Fund created in Section  
14 34.91 of Title 62 of the Oklahoma Statutes,

15 ~~d.~~ e. before any other apportionment of revenue has been  
16 made pursuant to this paragraph, twenty-five and  
17 seventy-two one-hundredths percent (25.72%) shall be  
18 paid to the State Treasurer to be placed in the  
19 Oklahoma Student Aid Revolving Fund created in Section  
20 34.92 of Title 62 of the Oklahoma Statutes,

21 ~~e.~~ f. before any other apportionment of revenue has been  
22 made pursuant to this paragraph, three and seven  
23 hundred forty-five one-thousandths percent (3.745%)  
24 shall be distributed to the various counties of the

1 state for deposit into the County Bridge and Road  
2 Improvement Fund of each county based on a formula  
3 developed by the Department of Transportation and  
4 approved by the Department of Transportation County  
5 Advisory Board created pursuant to Section 302.1 of  
6 Title 69 of the Oklahoma Statutes to be used for the  
7 purposes set forth in the County Bridge and Road  
8 Improvement Act. The formula shall be similar to the  
9 formula currently used for the distribution of monies  
10 in the County Bridge Program funds, but shall also  
11 take into consideration the effect of the terrain and  
12 traffic volume as related to county road improvement  
13 and maintenance costs,

14 ~~f.~~ g. before any other apportionment of revenue has been  
15 made pursuant to this paragraph, four and twenty-eight  
16 one-hundredths percent (4.28%) shall be paid to the  
17 State Treasurer to be apportioned to:

18 (1) the following sources and in the following  
19 amounts through the fiscal year ending June 30,  
20 2019:

21 (a) thirty-three and one-third percent (33 1/3%)  
22 to the Oklahoma Tourism and Recreation  
23 Department Capital Expenditure Revolving  
24

Fund created pursuant to Section 2254.1 of  
Title 74 of the Oklahoma Statutes,

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

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

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

~~g.~~ h. before any other apportionment of revenue has been  
made pursuant to this paragraph, seven and fourteen  
one-hundredths percent (7.14%) of the sum collected  
from oil 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

1 of the total value of production from such county in  
2 the corresponding month of the preceding year,

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

16 ~~i.~~ j. before any other apportionment of revenue has been  
17 made pursuant to this paragraph, five hundred thirty-  
18 five one-thousandths percent (0.535%) of the levy  
19 shall be transmitted by the Oklahoma Tax Commission to  
20 the Statewide Circuit Engineering District Revolving  
21 Fund as created in Section 687.2 of Title 69 of the  
22 Oklahoma Statutes;  
23  
24

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

4            a. for the fiscal year beginning July 1, 2019, and for  
5 each fiscal year thereafter, prior to any other  
6 apportionment that would otherwise be made to the  
7 General Revenue Fund pursuant to the provisions of  
8 this section, there shall be apportioned twenty  
9 percent (20%) of such revenues to the Oklahoma Legacy  
10 Fund created pursuant to Section 2 of this act,

11           b. there shall be apportioned from the gross production  
12 tax levy imposed pursuant to Section 1001 of this  
13 title on oil to the Revenue Stabilization Fund created  
14 by Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the  
15 Oklahoma Statutes, after the applicable maximum amount  
16 prescribed by subsection C of this section has been  
17 deposited to the funds therein specified, the amount  
18 of revenue, if any, which would otherwise be  
19 apportioned to the General Revenue Fund and which  
20 exceeds the moving five-year average amount for oil as  
21 defined pursuant to paragraph 2 of subsection A of  
22 this section,

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

1 half percent (22.5%) shall be paid to the State  
2 Treasurer to be placed in the Common Education  
3 Technology Revolving Fund created in Section 34.90 of  
4 Title 62 of the Oklahoma Statutes,

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

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

17 ~~e.~~ f. before any other apportionment of revenue has been  
18 made pursuant to this paragraph, three and twenty-  
19 eight one-hundredths percent (3.28%) shall be  
20 distributed to the various counties of the state for  
21 deposit into the County Bridge and Road Improvement  
22 Fund of each county based on a formula developed by  
23 the Department of Transportation and approved by the  
24 Department of Transportation County Advisory Board



1 created pursuant to Section 302.1 of Title 69 of the  
2 Oklahoma Statutes to be used for the purposes set  
3 forth in the County Bridge and Road Improvement Act.  
4 The formula shall be similar to the formula currently  
5 used for the distribution of monies in the County  
6 Bridge Program funds, but shall also take into  
7 consideration the effect of the terrain and traffic  
8 volume as related to county road improvement and  
9 maintenance costs,

10 ~~f.~~ g. before any other apportionment of revenue has been  
11 made pursuant to this paragraph, three and seventy-  
12 five one-hundredths percent (3.75%) shall be paid to  
13 the State Treasurer to be apportioned to:

14 (1) the following sources and in the following  
15 amounts through the fiscal year ending June 30,  
16 2019:

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

22 (b) thirty-three and one-third percent (33 1/3%)  
23 to the Oklahoma Conservation Commission  
24 Infrastructure Revolving Fund created

1                   pursuant to Section 3-2-110 of Title 27A of  
2                   the Oklahoma Statutes, and

3                   (c) thirty-three and one-third percent (33 1/3%)  
4                   to the Community Water Infrastructure  
5                   Development Revolving Fund created pursuant  
6                   to Section 1085.7A of Title 82 of the  
7                   Oklahoma Statutes, and

8                   (2) the Oklahoma Water Resources Board Rural Economic  
9                   Action Plan Water Projects Fund for the fiscal  
10                  year beginning July 1, 2019, and for each fiscal  
11                  year thereafter,

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

21           ~~h.~~ i. before any other apportionment of revenue has been  
22                  made pursuant to this paragraph, twelve and one-half  
23                  percent (12.5%) shall be allocated to each county as  
24                  provided in subparagraph ~~g~~ h of this paragraph and

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

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

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

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

1           b.   fifty percent (50%) shall be allocated to each county  
2               as provided for in subparagraph a of this paragraph  
3               and shall be apportioned on an average daily  
4               attendance per capita distribution basis, as certified  
5               by the State Superintendent of Public Instruction, to  
6               the school districts of the county where such pupils  
7               attend school regardless of residence of such pupil,  
8               provided the school district makes an ad valorem tax  
9               levy of fifteen (15) mills for the current year and  
10              maintains twelve (12) years of instruction;

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

14           a.   for the fiscal year beginning July 1, 2019, and for  
15               each fiscal year thereafter, prior to any other  
16               apportionment that would otherwise be made to the  
17               General Revenue Fund pursuant to the provisions of  
18               this section, there shall be apportioned twenty  
19               percent (20%) of such revenues to the Oklahoma Legacy  
20               Fund created pursuant to Section 2 of this act,

21           b.   there shall be apportioned from the gross production  
22               tax levy imposed pursuant to Section 1001 of this  
23               title on oil to the Revenue Stabilization Fund created  
24               by Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the

1           Oklahoma Statutes, the amount of revenue, if any,  
2           which exceeds the moving five-year average amount for  
3           oil as defined pursuant to paragraph 2 of subsection A  
4           of this section,

5       ~~b.~~ c.   until the apportionment to the General Revenue Fund  
6           equals the moving five-year average amount for oil as  
7           prescribed by paragraph 2 of subsection A of this  
8           section, fifty percent (50%) shall be paid to the  
9           State Treasurer to be placed in the General Revenue  
10          Fund of the state and used for the general expense of  
11          state government, to be paid out pursuant to direct  
12          appropriation by the Legislature,

13       ~~e.~~ d.   before any other apportionment of revenue has been  
14           made pursuant to this paragraph, twenty-five percent  
15           (25%) of the sum collected from oil shall be paid to  
16           the various county treasurers, to be credited to the  
17           County Highway Fund as follows: Each county shall  
18           receive a proportionate share of the funds available  
19           based upon the proportion of the total value of  
20           production from such county in the corresponding month  
21           of the preceding year, and

22       ~~d.~~ e.   before any other apportionment of revenue has been  
23           made pursuant to this paragraph, twenty-five percent  
24           (25%) shall be allocated to each county as provided in

1           subparagraph ~~e~~ d of this paragraph and shall be  
2           apportioned on an average daily attendance per capita  
3           distribution basis, as certified by the State  
4           Superintendent of Public Instruction, to the school  
5           districts of the county where such pupils attend  
6           school regardless of residence of such pupil, provided  
7           the school district makes an ad valorem tax levy of  
8           fifteen (15) mills for the current year and maintains  
9           twelve (12) years of instruction.

10        C.   Provided, notwithstanding any other provision of this  
11 section, the total amounts deposited to the Common Education  
12 Technology Revolving Fund, the Higher Education Capital Revolving  
13 Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic  
14 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation  
15 Department Capital Expenditure Revolving Fund, the Oklahoma  
16 Conservation Commission Infrastructure Revolving Fund and the  
17 Community Water Infrastructure Development Revolving Fund pursuant  
18 to paragraphs 6 and 7 of subsection B of this section shall not  
19 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any  
20 fiscal year. Except as otherwise provided in this subsection, all  
21 sums in excess of One Hundred Fifty Million Dollars  
22 (\$150,000,000.00) in any fiscal year which would otherwise be  
23 deposited in such funds shall be apportioned by the Oklahoma Tax  
24 Commission to the General Revenue Fund of the state.

1       SECTION 8.       NEW LAW       A new section of law to be codified

2 in the Oklahoma Statutes as Section 34.105 of Title 62, unless there  
3 is created a duplication in numbering, reads as follows:

4       A. The provisions of this act shall not be operative until the  
5 first July 1 date immediately following an annual determination, to  
6 be made by the Office of Management and Enterprise Services and  
7 reported to the Governor, the Speaker of the Oklahoma House of  
8 Representatives and the President Pro Tempore of the Oklahoma State  
9 Senate, not later than April 15 or the first business day following  
10 such date, that the total collections for the General Revenue Fund  
11 of the state for the fiscal year ending on the June 30 date  
12 immediately preceding the April 15 date upon which the determination  
13 has been reported, were equal to or in excess of the total  
14 collections to the General Revenue Fund for the fiscal year ending  
15 June 30, 2014, as certified by the State Board of Equalization at  
16 its December 2014 meeting.

17       B. The provisions of this act shall be operative for any fiscal  
18 year beginning July 1 if the revenue conditions described by  
19 subsection A of this section are fulfilled as reported by the Office  
20 of Management and Enterprise Services.

21       C. The provisions of this act shall not be operative as law for  
22 any fiscal year beginning July 1 if the revenue conditions described  
23 by subsection A of this section are not fulfilled as reported by the  
24 Office of Management and Enterprise Services.

SECTION 9. This act shall become effective July 1, 2019.

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