

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL 838

By: David and Fields of the
Senate

and

Osborn (Leslie) and Wallace
of the House

COMMITTEE SUBSTITUTE

An Act relating to motor vehicle taxes and fees;
amending 47 O.S. 2011, Section 1104, as last amended
by Section 1, Chapter 350, O.S.L. 2015 (47 O.S. Supp.
2016, Section 1104), which relates to apportionment
of revenue; modifying apportionment based on
specified limitations; providing for distribution of
amounts in excess of limitations; providing an
effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 47 O.S. 2011, Section 1104, as
last amended by Section 1, Chapter 350, O.S.L. 2015 (47 O.S. Supp.
2016, Section 1104), is amended to read as follows:

Section 1104. A. Unless otherwise provided by law, all fees,
taxes and penalties collected or received pursuant to the Oklahoma
Vehicle License and Registration Act or Section 1-101 et seq. of

1 this title shall be apportioned and distributed monthly by the
2 Oklahoma Tax Commission in accordance with this section.

3 B. 1. The following percentages of the monies referred to in
4 subsection A of this section shall be apportioned to the various
5 school districts in accordance with paragraph 2 of this subsection:

- 6 a. from October 1, 2000, until June 30, 2001, thirty-five
7 and forty-six one-hundredths percent (35.46%),
- 8 b. for the year beginning July 1, 2001, and ending June
9 30, 2002, thirty-five and ninety-one one-hundredths
10 percent (35.91%),
- 11 c. for the year beginning July 1, 2002, through the year
12 ending on June 30, 2015, thirty-six and twenty one-
13 hundredths percent (36.20%), and
- 14 d. for the year beginning July 1, 2015, and all
15 subsequent years, thirty-six and twenty one-hundredths
16 percent (36.20%), but in no event shall the amount
17 apportioned in any fiscal year pursuant to this
18 subparagraph exceed the total amount apportioned for
19 the fiscal year ending on June 30, 2015. Any amounts
20 in excess of such limitation shall be placed to the
21 credit of the General Revenue Fund.

22 2. The monies apportioned pursuant to subparagraphs a through c
23 of paragraph 1 of this subsection shall be apportioned to the
24 various school districts as follows:

- a. except as otherwise provided in this subparagraph, each district shall receive the same amount of funds as such district received from the taxes and fees provided in this title in the corresponding month of the preceding year. Any district eligible for funds pursuant to the provisions of this section that was not eligible the preceding year shall receive an amount equal to the average daily attendance of the applicable year multiplied by the average daily attendance apportionment within such county for each appropriate month. For fiscal year 1995 and thereafter, any district which received less than twenty-five percent (25%) of the average apportionment of the monies made to school districts in this state based on average daily attendance in fiscal year 1995 shall receive an amount equal to the average daily attendance in the 1994-1995 school year multiplied by the average daily attendance apportionment within the county in which the district is located for each appropriate month, and
- b. any funds remaining unallocated following the allocation provided in subparagraph a of this paragraph shall be apportioned to the various school districts so that each district shall first receive

1 the cumulative total of the monthly apportionments for
2 which it is otherwise eligible under subparagraph a of
3 this paragraph and then an amount based upon the
4 proportion that each district's average daily
5 attendance bears to the total average daily attendance
6 of those districts entitled to receive funds pursuant
7 to this section as certified by the State Department
8 of Education.

9 Each district's allocation of funds shall be remitted to the
10 county treasurer of the county wherein the administrative
11 headquarters of the district are located.

12 No district shall be eligible for the funds herein provided
13 unless the district makes an ad valorem tax levy of fifteen (15)
14 mills and maintains nine (9) years of instruction and pursuant to
15 the rules of the State Board of Education, is authorized to maintain
16 ten (10) years of instruction.

17 C. The following percentages of the monies referred to in
18 subsection A of this section shall be remitted to the State
19 Treasurer to be credited to the General Revenue Fund of the State
20 Treasury:

21 1. From October 1, 2000, until June 30, 2001, forty-five and
22 ninety-seven one-hundredths percent (45.97%);

23 2. For the year beginning July 1, 2001, and ending June 30,
24 2002, forty-five and twenty-nine one-hundredths percent (45.29%);

1 3. For the year beginning July 1, 2002, and for the subsequent
2 fiscal years ending June 30, 2007, forty-four and eighty-four one-
3 hundredths percent (44.84%);

4 4. For the year beginning July 1, 2007, and ending June 30,
5 2008, thirty-nine and eighty-four one-hundredths percent (39.84%);

6 5. For the year beginning July 1, 2008, and ending June 30,
7 2009, thirty-four and eighty-four one-hundredths percent (34.84%);

8 6. For the period beginning July 1, 2009, and ending December
9 31, 2012, twenty-nine and eighty-four one-hundredths percent
10 (29.84%);

11 7. For the period beginning January 1, 2013, and ending June
12 30, 2013, twenty-nine and thirty-four one-hundredths percent
13 (29.34%);

14 8. For the year beginning July 1, 2013, and ending June 30,
15 2014, twenty-six and eighty-four one-hundredths percent (26.84%);
16 ~~and~~

17 9. For the year beginning July 1, 2014, ~~and all subsequent~~
18 ~~years~~ through the year ending June 30, 2017, twenty-four and eighty-
19 four one-hundredths percent (24.84%); and

20 10. For the years beginning July 1, 2017, and all subsequent
21 years, twenty-eight and eighty-four one-hundredths percent (28.84%).

22 D. The following percentages of the monies referred to in
23 subsection A of this section shall be remitted to the State
24 Treasurer to be credited to the State Transportation Fund:

1 1. From October 1, 2000, until June 30, 2001, thirty one-
2 hundredths percent (0.30%);

3 2. For the year beginning July 1, 2001, through the year ending
4 on June 30, 2015, thirty-one one-hundredths percent (0.31%); and

5 3. For the year beginning July 1, 2015, and all subsequent
6 years, thirty-one one-hundredths percent (0.31%), but in no event
7 shall the amount apportioned in any fiscal year pursuant to this
8 paragraph exceed the total amount apportioned for the fiscal year
9 ending on June 30, 2015. Any amounts in excess of such limitation
10 shall be placed to the credit of the General Revenue Fund.

11 E. 1. The following percentages of the monies referred to in
12 subsection A of this section shall be apportioned to the various
13 counties as set forth in paragraph 2 of this section:

14 a. from October 1, 2000, until June 30, 2001, seven and
15 nine one-hundredths percent (7.09%),

16 b. for the year beginning July 1, 2001, and ending June
17 30, 2002, seven and eighteen one-hundredths percent
18 (7.18%),

19 c. for the year beginning July 1, 2002, through the year
20 ending on June 30, 2015, seven and twenty-four one-
21 hundredths percent (7.24%), and

22 d. for the year beginning July 1, 2015, and all
23 subsequent years, seven and twenty-four one-hundredths
24 percent (7.24%), but in no event shall the amount

1 apportioned in any fiscal year pursuant to this
2 subparagraph exceed the total amount apportioned for
3 the fiscal year ending on June 30, 2015. Any amounts
4 in excess of such limitation shall be placed to the
5 credit of the General Revenue Fund.

6 2. The monies apportioned pursuant to subparagraphs a through c
7 of paragraph 1 of this subsection shall be apportioned as follows:
8 forty percent (40%) of such sum shall be distributed to the various
9 counties in that proportion which the county road mileage of each
10 county bears to the entire state road mileage as certified by the
11 Transportation Commission and the remaining sixty percent (60%) of
12 such sum shall be distributed to the various counties on the basis
13 which the population and area of each county bears to the total
14 population and area of the state. The population shall be as shown
15 by the last Federal Census or the most recent annual estimate
16 provided by the United States Bureau of the Census. The funds shall
17 be used for the purpose of constructing and maintaining county
18 highways, provided, however, the county treasurer may deposit so
19 much of the funds in the sinking fund as may be necessary for the
20 retirement of interest and annual accrual of indebtedness created by
21 the issuance of county or township bonds for road purposes. Such
22 deposits to the sinking fund shall not exceed forty percent (40%) of
23 the funds allocated to a county pursuant to this paragraph.

1 F. 1. The following percentages of the monies referred to in
2 subsection A of this section shall be remitted to the county
3 treasurers of the respective counties and by them deposited in a
4 separate special revenue fund to be used by the county commissioners
5 in accordance with paragraph 2 of this subsection:

6 a. from October 1, 2000, until June 30, 2001, two and
7 fifty-three one-hundredths percent (2.53%),

8 b. for the year beginning July 1, 2001, and ending June
9 30, 2002, two and fifty-six one-hundredths percent
10 (2.56%),

11 c. for the year beginning July 1, 2002, through the year
12 ending on June 30, 2015, two and fifty-nine one-
13 hundredths percent (2.59%), and

14 d. for the year beginning July 1, 2015, and all
15 subsequent years, two and fifty-nine one-hundredths
16 percent (2.59%), but in no event shall the amount
17 apportioned in any fiscal year pursuant to this
18 subparagraph exceed the total amount apportioned for
19 the fiscal year ending on June 30, 2015. Any amounts
20 in excess of such limitation shall be placed to the
21 credit of the General Revenue Fund.

22 2. The monies apportioned pursuant to subparagraphs a through c
23 of paragraph 1 of this subsection shall be used for the primary
24 purpose of matching federal funds for the construction of federal

1 aid projects on county roads, or constructing and maintaining county
2 or township highways and permanent bridges of such counties. The
3 distribution of monies apportioned by this paragraph shall be made
4 upon the basis of the current formula based upon road mileage, area
5 and population as related to county road improvement and maintenance
6 costs. Provided, however, the Department of Transportation may
7 update the formula factors from time to time as necessary to account
8 for changing conditions.

9 G. 1. The following percentages of the monies referred to in
10 subsection A of this section shall be transmitted by the Tax
11 Commission to the various counties as set forth in paragraph 2 of
12 this subsection:

- 13 a. from October 1, 2000, until June 30, 2001, three and
14 fifty-five one-hundredths percent (3.55%),
- 15 b. for the year beginning July 1, 2001, and ending June
16 30, 2002, three and fifty-nine one-hundredths percent
17 (3.59%),
- 18 c. for the year beginning July 1, 2002, through the year
19 ending on June 30, 2015, three and sixty-two one-
20 hundredths percent (3.62%), and
- 21 d. for the year beginning July 1, 2015, and all
22 subsequent years, three and sixty-two one-hundredths
23 percent (3.62%), but in no event shall the amount
24 apportioned in any fiscal year pursuant to this

1 subparagraph exceed the total amount apportioned for
2 the fiscal year ending on June 30, 2015. Any amounts
3 in excess of such limitation shall be placed to the
4 credit of the General Revenue Fund.

5 2. The monies apportioned pursuant to subparagraphs a through c
6 of paragraph 1 of this subsection shall be transmitted to the
7 various counties on the basis of a formula to be developed by the
8 Department of Transportation. Such formula shall be similar to that
9 currently used for the distribution of County Bridge Program Funds,
10 but also taking into consideration the effect of terrain and traffic
11 volume as related to county road improvement and maintenance costs.
12 Provided, however, the Department of Transportation may update the
13 formula factors from time to time as necessary to account for
14 changing conditions. The funds shall be transmitted to the various
15 county treasurers to be deposited in the county highway fund of
16 their respective counties.

17 H. 1. The following percentages of the monies referred to in
18 subsection A of this section shall be apportioned to the various
19 counties as set forth in paragraph 2 of this subsection:

- 20 a. from October 1, 2000, until June 30, 2001, eighty-one
21 one-hundredths percent (0.81%),
22 b. for the year beginning July 1, 2001, and ending June
23 30, 2002, eighty-two one-hundredths percent (0.82%),
24

1 c. for the year beginning July 1, 2002, through the year
2 ending on June 30, 2015, eighty-three one-hundredths
3 percent (0.83%), and

4 d. for the year beginning July 1, 2015, and all
5 subsequent years, eighty-three one-hundredths percent
6 (0.83%), but in no event shall the amount apportioned
7 in any fiscal year pursuant to this subparagraph
8 exceed the total amount apportioned for the fiscal
9 year ending on June 30, 2015. Any amounts in excess
10 of such limitation shall be placed to the credit of
11 the General Revenue Fund.

12 2. The monies apportioned pursuant to subparagraphs a through c
13 of paragraph 1 of this subsection shall be apportioned to the
14 various counties as follows:

15 a. each county shall receive the same amount of funds as
16 such county received from the taxes and fees provided
17 for in the 1985 fiscal year, and

18 b. any funds remaining unallocated following the
19 allocation provided in subparagraph a of this
20 paragraph shall be apportioned to the various counties
21 based upon the proportion that each county's
22 population bears to the total state population.

1 Each county's allocation of funds shall be remitted to the
2 various county treasurers to be deposited in the general fund of the
3 county and used for the support of county government.

4 I. 1. The following percentages of the monies referred to in
5 subsection A of this section shall be apportioned to the various
6 cities and incorporated towns as set forth in paragraph 2 of this
7 subsection:

8 a. from October 1, 2000, until June 30, 2001, three and
9 four one-hundredths percent (3.04%),

10 b. for the year beginning July 1, 2001, and ending June
11 30, 2002, three and eight one-hundredths percent
12 (3.08%),

13 c. for the year beginning July 1, 2002, through the year
14 ending on June 30, 2015, three and ten one-hundredths
15 percent (3.10%), and

16 d. for the year beginning July 1, 2015, and all
17 subsequent years, three and ten one-hundredths percent
18 (3.10%), but in no event shall the amount apportioned
19 in any fiscal year pursuant to this subparagraph
20 exceed the total amount apportioned for the fiscal
21 year ending on June 30, 2015. Any amounts in excess
22 of such limitation shall be placed to the credit of
23 the General Revenue Fund.
24

1 2. The monies apportioned pursuant to subparagraphs a through c
2 of paragraph 1 of this subsection shall be apportioned to the
3 various cities and incorporated towns based upon the proportion that
4 each city or incorporated town's population bears to the total
5 population of all cities and incorporated towns in the state. Such
6 funds shall be remitted to the various county treasurers for
7 allocation to the various cities and incorporated towns. All such
8 funds shall be used for the construction, maintenance, repair,
9 improvement and lighting of streets and alleys. Provided, however,
10 the governing board of any city or town may, with the approval of
11 the county excise board, transfer any surplus funds to the general
12 revenue fund of such city or town whenever an emergency requires
13 such a transfer.

14 J. The following percentages of the monies referred to in
15 subsection A of this section shall be remitted to the State
16 Treasurer to be credited to the Oklahoma Law Enforcement Retirement
17 Fund:

18 1. From October 1, 2000, until June 30, 2001, one and twenty-
19 two one-hundredths percent (1.22%);

20 2. For the year beginning July 1, 2001, and ending June 30,
21 2002, one and twenty-three one-hundredths percent (1.23%); and

22 3. For the year beginning July 1, 2002, and all subsequent
23 years, one and twenty-four one-hundredths percent (1.24%).
24

1 K. Three one-hundredths of one percent (3/100 of 1%) of the
2 monies referred to in subsection A of this section shall be remitted
3 to the State Treasurer to be credited to the Wildlife Conservation
4 Fund. Seventy-five percent (75%) of the funds shall be used for
5 fish habitat restoration and twenty-five percent (25%) of the funds
6 shall be used in the fish hatchery system for fish production.

7 L. 1. For the year beginning July 1, 2007, and ending June 30,
8 2008, five percent (5%) of monies referred to in subsection A of
9 this section shall be remitted to the State Treasurer to be credited
10 to the County Improvements for Roads and Bridges Fund as created in
11 Section 507 of Title 69 of the Oklahoma Statutes.

12 2. For the year beginning July 1, 2008, and ending June 30,
13 2009, ten percent (10%) of monies referred to in subsection A of
14 this section shall be remitted to the State Treasurer to be credited
15 to the County Improvements for Roads and Bridges Fund as created in
16 Section 507 of Title 69 of the Oklahoma Statutes.

17 3. For the period beginning July 1, 2009, and ending December
18 31, 2012, fifteen percent (15%) of monies referred to in subsection
19 A of this section shall be remitted to the State Treasurer to be
20 credited to the County Improvements for Roads and Bridges Fund as
21 created in Section 507 of Title 69 of the Oklahoma Statutes.

22 4. For the period beginning January 1, 2013, and ending June
23 30, 2013, fifteen and fifty one-hundredths percent (15.50%) of
24 monies referred to in subsection A of this section shall be remitted

1 to the State Treasurer to be credited to the County Improvements for
2 Roads and Bridges Fund as created in Section 507 of Title 69 of the
3 Oklahoma Statutes.

4 5. For the year beginning July 1, 2013, and ending June 30,
5 2014, eighteen percent (18%) of monies referred to in subsection A
6 of this section shall be remitted to the State Treasurer to be
7 credited to the County Improvements for Roads and Bridges Fund as
8 created in Section 507 of Title 69 of the Oklahoma Statutes.

9 6. For the year beginning July 1, 2014, twenty percent (20%) of
10 monies referred to in subsection A of this section shall be remitted
11 to the State Treasurer to be credited to the County Improvements for
12 Roads and Bridges Fund as created in Section 507 of Title 69 of the
13 Oklahoma Statutes.

14 7. For the year beginning July 1, 2015, ~~and all subsequent~~
15 years through the year ending on June 30, 2017, twenty percent (20%)
16 of monies referred to in subsection A of this section shall be
17 remitted to the State Treasurer to be credited to the County
18 Improvements for Roads and Bridges Fund as created in Section 507 of
19 Title 69 of the Oklahoma Statutes, but in no event shall the total
20 amount apportioned in any fiscal year pursuant to this paragraph
21 exceed One Hundred Twenty Million Dollars (\$120,000,000.00). Any
22 amounts in excess of One Hundred Twenty Million Dollars
23 (\$120,000,000.00) shall be placed to the credit of the General
24 Revenue Fund.

1 8. For the year beginning July 1, 2017, and all subsequent
2 years, the lesser of either sixteen percent (16%) or One Hundred
3 Twenty Million Dollars (\$120,000,000.00) of monies referred to in
4 subsection A of this section shall be remitted to the State
5 Treasurer to be credited to the County Improvements for Roads and
6 Bridges Fund as created in Section 507 of Title 69 of the Oklahoma
7 Statutes. Any amounts in excess of such limitation shall be placed
8 to the credit of the General Revenue Fund.

9 M. Monies allocated to counties by this section may be
10 estimated by the county excise board in the budget for the county as
11 anticipated revenue to the extent of ninety percent (90%) of the
12 previous year's income from such source; provided, not more than
13 fifteen percent (15%) can be encumbered during any month.

14 N. Notwithstanding any other provisions of this section, for
15 the fiscal year beginning July 1, 2003, the first One Hundred
16 Thousand Dollars (\$100,000.00) of the monies collected or received
17 by the Tax Commission pursuant to the registration of motorcycles
18 and mopeds in this state shall be placed to the credit of the
19 Oklahoma Tax Commission Revolving Fund.

20 SECTION 2. This act shall become effective July 1, 2017.

21 SECTION 3. It being immediately necessary for the preservation
22 of the public peace, health or safety, an emergency is hereby
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1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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