

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               1st Session of the 56th Legislature (2017)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 1401

By: Montgomery, Worthen,  
Roberts (Dustin) and Lawson  
of the House

7   and

8   Holt of the Senate

9  
10  
11                               COMMITTEE SUBSTITUTE

12               [ public finance - Oklahoma Legacy Act -  
13               apportionment and deposit of monies - investment of  
14               funds - effective date ]

15  
16  
17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

21               This act shall be known and may be cited as the "Oklahoma Legacy  
22 Act".

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

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

7       B. The Oklahoma Legacy Fund shall consist of:

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

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

17       3. Any amounts accruing to the subfunds as prescribed by this  
18 section; and

19       4. Any amounts appropriated by the Legislature.

20       C. Monies in the Oklahoma Legacy Fund shall be managed with the  
21 care, skill, prudence and diligence under the circumstances then  
22 prevailing that a prudent person acting in a like capacity and  
23 familiar with such matters would use in the conduct of an enterprise  
24 of a like character and with like aims and by diversifying the

1 investments of the system so as to minimize the risk of large  
2 losses, unless under the circumstances it is clearly prudent not to  
3 do so.

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

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

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

13 B. Until such time as the ten-year moving average of total  
14 investment earnings for the previous fiscal year shall equal the  
15 ten-year moving average of the collections from the gross production  
16 tax derived from the levy imposed by Section 1001 of Title 68 of the  
17 Oklahoma Statutes, ninety percent (90%) of the total investment  
18 earnings from the investment of the Oklahoma Legacy Fund shall be  
19 reinvested into the corpus of the Oklahoma Legacy Fund. Two percent  
20 (2%) may be used by the Office of the State Treasurer for the  
21 purpose of managing the Oklahoma Legacy Fund and its investments.  
22 Eight percent (8%) of the investment earnings from the Oklahoma  
23 Legacy Fund shall be transferred to the credit of the Common Schools  
24 Legacy Fund.

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

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

B. The Common Schools Legacy Fund shall consist of:

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

2. Any amounts appropriated by the Legislature.

C. Until such time as the five-year moving average of total investment earnings from the Common Schools Legacy Fund shall equal the five-year moving average of deposits from the apportionment of revenues from the gross production tax pursuant to this section, ninety percent (90%) of the investment earnings shall be deposited to the credit of the Common Schools Legacy Fund and be reinvested, and ten percent (10%) of the investment earnings shall be transferred to the State Department of Education for appropriation through the State Aid Formula to common schools.

D. At such time that the five-year moving average of investment earnings from the Common Schools Legacy Fund shall equal the five-year moving average of deposits to the Common School Legacy Fund

1 from the gross production tax, ninety-five percent (95%) of the  
2 investment earnings shall be made available for apportionment to the  
3 common schools of the state for allocation through the State Aid  
4 Formula by the State Department of Education and five percent (5%)  
5 of the investment earnings shall be reinvested into the balance of  
6 the Oklahoma Legacy Fund.

7 SECTION 5. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 4205 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 "Higher Education Legacy  
12 Fund". The fund shall be a continuing fund, not subject to fiscal  
13 year limitations.

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

15 1. All monies which would otherwise be apportioned to the  
16 Higher Education Capital Revolving Fund and the Oklahoma Student Aid  
17 Revolving Fund; 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 Higher Education Legacy Fund shall  
21 equal the five-year moving average of deposits from the  
22 apportionment of revenues from the gross production tax pursuant to  
23 this section, eighty-five percent (85%) of the investment earnings  
24 shall be deposited to the credit of the Higher Education Legacy Fund

1 and be reinvested. Five percent (5%) of the investment earnings  
2 shall be transferred to the Higher Education Research and  
3 Development Fund and ten percent (10%) of the investment earnings  
4 shall be transferred to the State Regents for Higher Education for  
5 apportionment to the universities and colleges of the State of  
6 Oklahoma.

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

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

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

1       SECTION 7.       AMENDATORY       68 O.S. 2011, Section 1004, as  
2 last amended by Section 4, Chapter 337, O.S.L. 2016 (68 O.S. Supp.  
3 2016, Section 1004), is amended to read as follows:

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

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

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

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

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

22           a. eighty-five and seventy-two one-hundredths percent

23               (85.72%) shall be paid to the State Treasurer of the

24               state to be placed in the General Revenue Fund of the

1 state and used for the general expense of state  
2 government, to be paid out pursuant to direct  
3 appropriation by the Legislature,

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

14 c. seven and fourteen one-hundredths percent (7.14%)  
15 shall be allocated to each county as provided for in  
16 subparagraph b of this paragraph and shall be  
17 apportioned, on an average daily attendance per capita  
18 distribution basis, as certified by the State  
19 Superintendent of Public Instruction to the school  
20 districts of the county where such pupils attend  
21 school regardless of residence of such pupil, provided  
22 the school district makes an ad valorem tax levy of  
23 fifteen (15) mills for the current year and maintains  
24 twelve (12) years of instruction;



1        2. For all monies collected from the tax levied on natural gas  
2 and/or casinghead gas at a tax rate of seven percent (7%) pursuant  
3 to the provisions of subsection B 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. after the total revenue apportioned to the General  
12 Revenue Fund as prescribed by subparagraph ~~b~~ c of this  
13 paragraph equals the moving five-year average amount  
14 for gas as defined by paragraph 1 of subsection A of  
15 this section, there shall be apportioned from the  
16 gross production tax levy imposed pursuant to Section  
17 1001 of this title on natural gas and/or casinghead  
18 gas to the Revenue Stabilization Fund created by  
19 Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the Oklahoma  
20 Statutes, the amount of revenue, if any, which exceeds  
21 the moving five-year average amount for gas as defined  
22 pursuant to paragraph 1 of subsection A of this  
23 section,  
24

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

10       ~~e.~~ d.   before any other apportionment of revenue has been  
11                   made pursuant to this paragraph, seven and fourteen  
12                   one-hundredths percent (7.14%) of the sum collected  
13                   from natural gas and/or casinghead gas shall be paid  
14                   to the various county treasurers to be credited to the  
15                   County Highway Fund as follows: Each county shall  
16                   receive a proportionate share of the funds available  
17                   based upon the proportion of the total value of  
18                   production from such county in the corresponding month  
19                   of the preceding year, and

20       ~~d.~~ e.   before any other apportionment of revenue has been  
21                   made pursuant to this paragraph, seven and fourteen  
22                   one-hundredths percent (7.14%) shall be allocated to  
23                   each county as provided for in subparagraph ~~e~~ d of  
24                   this paragraph and shall be apportioned, on an average

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

9           3. For all monies collected from the tax levied on natural gas  
10          and/or casinghead gas at a tax rate of four percent (4%) pursuant to  
11          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 pursuant  
3 to Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the  
4 Oklahoma Statutes, the amount of revenue, if any,  
5 which exceeds the moving five-year average amount for  
6 gas as defined pursuant to paragraph 1 of subsection A  
7 of this 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, seventy-five percent (75%) shall be paid to  
12 the State Treasurer of the state to be placed in the  
13 General Revenue Fund of the state and used for the  
14 general expense of state government, to be paid out  
15 pursuant to direct appropriation by the Legislature,

16 ~~e.~~ d. before any other apportionment of revenue has been  
17 made pursuant to this paragraph, twelve and one-half  
18 percent (12.5%) of the sum collected from natural gas  
19 and/or casinghead gas shall be paid to the various  
20 county treasurers to be credited to the County Highway  
21 Fund as follows: Each county shall receive a  
22 proportionate share of the funds available based upon  
23 the proportion of the total value of production from  
24

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

3       ~~d.~~ e. before any other apportionment of revenue has been  
4           made pursuant to this paragraph, twelve and one-half  
5           percent (12.5%) shall be allocated to each county as  
6           provided for in subparagraph ~~e~~ d of this paragraph and  
7           shall be apportioned, on an average daily attendance  
8           per capita distribution basis, as certified by the  
9           State Superintendent of Public Instruction to the  
10          school districts of the county where such pupils  
11          attend school regardless of residence of such pupil,  
12          provided the school district makes an ad valorem tax  
13          levy of fifteen (15) mills for the current year and  
14          maintains twelve (12) years of instruction;

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

18           a. fifty percent (50%) of the sum collected from natural  
19           gas and/or casinghead gas shall be paid to the various  
20           county treasurers to be credited to the County Highway  
21           Fund as follows: Each county shall receive a  
22           proportionate share of the funds available based upon  
23           the proportion of the total value of production from  
24

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

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

13          5.   For all monies collected from the tax levied on natural gas  
14          and/or casinghead gas at a tax rate of two percent (2%) pursuant to  
15          the provisions of subparagraph c of paragraph 3 of subsection B of  
16          Section 1001 of this title:

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

1        b.    after the total revenue apportioned to the General  
2            Revenue Fund as prescribed by subparagraph ~~b~~ c of this  
3            paragraph equals the moving five-year average amount  
4            for gas as defined by paragraph 1 of subsection A of  
5            this section, there shall be apportioned from the  
6            gross production tax levy imposed pursuant to Section  
7            1001 of this title on gas to the Revenue Stabilization  
8            Fund created by Section ~~1~~ 34.102 of ~~this act~~ Title 62  
9            of the Oklahoma Statutes, the amount of revenue, if  
10          any, which exceeds the moving five-year average amount  
11          for natural gas and/or casinghead gas as defined  
12          pursuant to paragraph 1 of subsection A of this  
13          section,

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

22        ~~c.~~ d.    before any other apportionment of revenue has been  
23            made pursuant to this paragraph, twenty-five percent  
24            (25%) of the sum collected from natural gas and/or

1 casinghead gas shall be paid to the various county  
2 treasurers to be credited to the County Highway Fund  
3 as follows: Each county shall receive a proportionate  
4 share of the funds available based upon the proportion  
5 of the total value of production from such county in  
6 the corresponding month of the preceding year, and  
7 ~~d.~~ e. before any other apportionment of revenue has been  
8 made pursuant to this paragraph, twenty-five percent  
9 (25%) shall be allocated to each county as provided  
10 for in subparagraph ~~e~~ d of this paragraph and shall be  
11 apportioned on an average daily attendance per capita  
12 distribution basis, as certified by the State  
13 Superintendent of Public Instruction, to the school  
14 districts of the county where such pupils attend  
15 school regardless of residence of such pupil, provided  
16 the school district makes an ad valorem tax levy of  
17 fifteen (15) mills for the current year and maintains  
18 twelve (12) years of instruction;

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

22 a. for the fiscal year beginning July 1, 2019, and for  
23 each fiscal year thereafter, prior to any other  
24 apportionment that would otherwise be made to the



1           General Revenue Fund pursuant to the provisions of  
2           this section, there shall be apportioned twenty  
3           percent (20%) of such revenues to the Oklahoma Legacy  
4           Fund created pursuant to Section 2 of this act,

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

17          ~~b.~~ c.   before any other apportionment of revenue has been  
18          made pursuant to this paragraph, twenty-five and  
19          seventy-two one-hundredths percent (25.72%) shall be  
20          paid to the State Treasurer to be placed in the Common  
21          Education Technology Revolving Fund created in Section  
22          34.90 of Title 62 of the Oklahoma Statutes,

23          ~~e.~~ d.   before any other apportionment of revenue has been  
24          made pursuant to this paragraph, twenty-five and

1           seventy-two one-hundredths percent (25.72%) shall be  
2           paid to the State Treasurer to be placed in the Higher  
3           Education Capital Revolving Fund created in Section  
4           34.91 of Title 62 of the Oklahoma Statutes,

5       ~~d.~~ e.   before any other apportionment of revenue has been  
6           made pursuant to this paragraph, twenty-five and  
7           seventy-two one-hundredths percent (25.72%) shall be  
8           paid to the State Treasurer to be placed in the  
9           Oklahoma Student Aid Revolving Fund created in Section  
10          34.92 of Title 62 of the Oklahoma Statutes,

11       ~~e.~~ f.   before any other apportionment of revenue has been  
12           made pursuant to this paragraph, three and seven  
13           hundred forty-five one-thousandths percent (3.745%)  
14           shall be distributed to the various counties of the  
15           state for deposit into the County Bridge and Road  
16           Improvement Fund of each county based on a formula  
17           developed by the Department of Transportation and  
18           approved by the Department of Transportation County  
19           Advisory Board created pursuant to Section 302.1 of  
20           Title 69 of the Oklahoma Statutes to be used for the  
21           purposes set forth in the County Bridge and Road  
22           Improvement Act. The formula shall be similar to the  
23           formula currently used for the distribution of monies  
24           in the County Bridge Program funds, but shall also

1 take into consideration the effect of the terrain and  
2 traffic volume as related to county road improvement  
3 and maintenance costs,

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

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

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

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

21 (c) thirty-three and one-third percent (33 1/3%)  
22 to the Community Water Infrastructure  
23 Development Revolving Fund created pursuant  
24

1 to Section 1085.7A of Title 82 of the  
2 Oklahoma Statutes, and

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

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

16 ~~h.~~ i. before any other apportionment of revenue has been  
17 made pursuant to this paragraph, seven and fourteen  
18 one-hundredths percent (7.14%) shall be allocated to  
19 each county as provided in subparagraph ~~g~~ h of this  
20 paragraph and shall be apportioned, on an average  
21 daily attendance per capita distribution basis, as  
22 certified by the State Superintendent of Public  
23 Instruction, to the school districts of the county  
24 where such pupils attend school regardless of

1 residence of such pupil, provided the school district  
2 makes an ad valorem tax levy of fifteen (15) mills for  
3 the current year and maintains twelve (12) years of  
4 instruction, and

5 ~~i.~~ j. before any other apportionment of revenue has been  
6 made pursuant to this paragraph, five hundred thirty-  
7 five one-thousandths percent (0.535%) of the levy  
8 shall be transmitted by the Oklahoma Tax Commission to  
9 the Statewide Circuit Engineering District Revolving  
10 Fund as created in Section 687.2 of Title 69 of the  
11 Oklahoma Statutes;

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

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

22 b. there shall be apportioned from the gross production  
23 tax levy imposed pursuant to Section 1001 of this  
24 title on oil to the Revenue Stabilization Fund created

1 by Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the  
2 Oklahoma Statutes, after the applicable maximum amount  
3 prescribed by subsection C of this section has been  
4 deposited to the funds therein specified, the amount  
5 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.~~ c. before any other apportionment of revenue has been  
11 made pursuant to this paragraph, twenty-two and one-  
12 half percent (22.5%) shall be paid to the State  
13 Treasurer to be placed in the Common Education  
14 Technology Revolving Fund created in Section 34.90 of  
15 Title 62 of the Oklahoma Statutes,

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

22 ~~d.~~ e. before any other apportionment of revenue has been  
23 made pursuant to this paragraph, twenty-two and one-  
24 half percent (22.5%) shall be paid to the State

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

4       ~~e.~~ f. before any other apportionment of revenue has been  
5           made pursuant to this paragraph, three and twenty-  
6           eight one-hundredths percent (3.28%) shall be  
7           distributed to the various counties of the state for  
8           deposit into the County Bridge and Road Improvement  
9           Fund of each county based on a formula developed by  
10          the Department of Transportation and approved by the  
11          Department of Transportation County Advisory Board  
12          created pursuant to Section 302.1 of Title 69 of the  
13          Oklahoma Statutes to be used for the purposes set  
14          forth in the County Bridge and Road Improvement Act.  
15          The formula shall be similar to the formula currently  
16          used for the distribution of monies in the County  
17          Bridge Program funds, but shall also take into  
18          consideration the effect of the terrain and traffic  
19          volume as related to county road improvement and  
20          maintenance costs,

21       ~~f.~~ g. before any other apportionment of revenue has been  
22           made pursuant to this paragraph, three and seventy-  
23           five one-hundredths percent (3.75%) shall be paid to  
24           the 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 ~~g.~~ h. before any other apportionment of revenue has been  
24 made pursuant to this paragraph, twelve and one-half



1           percent (12.5%) of the sum collected from oil shall be  
2           paid to the various county treasurers, to be credited  
3           to the County Highway Fund as follows: Each county  
4           shall receive a proportionate share of the funds  
5           available based upon the proportion of the total value  
6           of production from such county in the corresponding  
7           month of the preceding year,

8       ~~h.~~ i. before any other apportionment of revenue has been  
9           made pursuant to this paragraph, twelve and one-half  
10          percent (12.5%) shall be allocated to each county as  
11          provided in subparagraph ~~g~~ h of this paragraph and  
12          shall be apportioned on an average daily attendance  
13          per capita distribution basis, as certified by the  
14          State Superintendent of Public Instruction, to the  
15          school districts of the county where such pupils  
16          attend school regardless of residence of such pupil,  
17          provided the school district makes an ad valorem tax  
18          levy of fifteen (15) mills for the current year and  
19          maintains twelve (12) years of instruction, and

20       ~~i.~~ j. before any other apportionment of revenue has been  
21          made pursuant to this paragraph, forty-seven one-  
22          hundredths percent (0.47%) of the levy shall be  
23          transmitted by the Tax Commission to the Statewide  
24

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

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

6 a. fifty percent (50%) of the sum collected shall be paid  
7 to the various county treasurers, to be credited to  
8 the 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 b. fifty percent (50%) shall be allocated to each county  
14 as provided for in subparagraph a of this paragraph  
15 and shall be apportioned on an average daily  
16 attendance per capita distribution basis, as certified  
17 by the State Superintendent of Public Instruction, to  
18 the 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        9. For all monies collected from the tax levied on oil at a tax  
2 rate of two percent (2%) pursuant to the provisions of subparagraph  
3 c of paragraph 3 of subsection B 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, the amount of revenue, if any,  
16 which exceeds the moving five-year average amount for  
17 oil as defined pursuant to paragraph 2 of subsection A  
18 of this section,

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

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

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

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

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

16 SECTION 8. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 34.105 of Title 62, unless there  
18 is created a duplication in numbering, reads as follows:

19 A. The provisions of this act shall not be operative until the  
20 first July 1 date immediately following an annual determination, to  
21 be made by the Office of Management and Enterprise Services and  
22 reported to the Governor, the Speaker of the Oklahoma House of  
23 Representatives and the President Pro Tempore of the Oklahoma State  
24 Senate, not later than April 15 or the first business day following

1 such date, that the total collections for the General Revenue Fund  
2 of the state for the fiscal year ending on the June 30 date  
3 immediately preceding the April 15 date upon which the determination  
4 has been reported, were equal to or in excess of the total  
5 collections to the General Revenue Fund for the fiscal year ending  
6 June 30, 2014, as certified by the State Board of Equalization at  
7 its December 2014 meeting.

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

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

16 SECTION 9. This act shall become effective July 1, 2019.  
17

18 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
19 03/02/2017 - DO PASS, As Amended and Coauthored.  
20  
21  
22  
23  
24