

1 **SENATE FLOOR VERSION**

2 April 11, 2018

3 **AS AMENDED**

4 ENGROSSED HOUSE
5 BILL NO. 1401

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

9 and

10 **Sparks** of the Senate

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

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

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

18 This act shall be known and may be cited as the "Oklahoma Legacy
19 Act".

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

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

1 B. The Oklahoma Legacy Fund shall consist of:

2 1. Twenty percent (20%) of total actual revenue from the gross
3 production tax on oil levied pursuant to Section 1001 of Title 68 of
4 the Oklahoma Statutes in the manner prescribed by Section 1004 of
5 Title 68 of the Oklahoma Statutes, but subject to the requirements
6 of Section 8 of this act;

7 2. Twenty percent (20%) of total actual revenue from the gross
8 production tax on natural gas levied pursuant to Section 1001 of
9 Title 68 of the Oklahoma Statutes, in the manner prescribed in
10 Section 1004 of Title 68 of the Oklahoma Statutes, but subject to
11 the requirements of Section 8 of this act;

12 3. Any amounts accruing to the subfunds as prescribed by this
13 section; and

14 4. Any amounts appropriated by the Legislature.

15 C. Monies in the Oklahoma Legacy Fund shall be managed with the
16 care, skill, prudence and diligence under the circumstances then
17 prevailing that a prudent person acting in a like capacity and
18 familiar with such matters would use in the conduct of an enterprise
19 of a like character and with like aims and by diversifying the
20 investments of the system so as to minimize the risk of large
21 losses, unless under the circumstances it is clearly prudent not to
22 do so.

23 D. Funds shall be managed by the Office of the State Treasurer
24 who may hire and retain staff for the purpose of managing such funds

1 and use investment earnings in accordance with this act for the
2 performance of such duties as may be required.

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

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

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

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

23 A. There is hereby created a subfund of the Oklahoma Legacy
24 Fund to be known and designated as the "Common Schools Legacy Fund".

1 The fund shall be a continuing fund, not subject to fiscal year
2 limitations.

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

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

7 2. Any amounts appropriated by the Legislature.

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

17 D. At such time that the five-year moving average of investment
18 earnings from the Common Schools Legacy Fund shall equal the five-
19 year moving average of deposits to the Common School Legacy Fund
20 from the gross production tax, ninety-five percent (95%) of the
21 investment earnings shall be made available for apportionment to the
22 common schools of the state for allocation through the State Aid
23 Formula by the State Department of Education and five percent (5%)

24

1 of the investment earnings shall be reinvested into the balance of
2 the Oklahoma Legacy Fund.

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

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

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

11 1. All monies which would otherwise be apportioned to the
12 Higher Education Capital Revolving Fund and the Oklahoma Student Aid
13 Revolving Fund; and

14 2. Any amounts appropriated by the Legislature.

15 C. Until such time as the five-year moving average of total
16 investment earnings from the Higher Education Legacy Fund shall
17 equal the five-year moving average of deposits from the
18 apportionment of revenues from the gross production tax pursuant to
19 this section, eighty-five percent (85%) of the investment earnings
20 shall be deposited to the credit of the Higher Education Legacy Fund
21 and be reinvested. Five percent (5%) of the investment earnings
22 shall be transferred to the Higher Education Research and
23 Development Fund and ten percent (10%) of the investment earnings
24 shall be transferred to the State Regents for Higher Education for

1 apportionment to the universities and colleges of the State of
2 Oklahoma.

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

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

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

21 SECTION 7. AMENDATORY 68 O.S. 2011, Section 1004, as
22 last amended by Section 4, Chapter 337, O.S.L. 2016 (68 O.S. Supp.
23 2017, Section 1004), is amended to read as follows:

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

1 1. "Moving five-year average amount for gas" means, for
2 purposes of the apportionments prescribed by this section, the
3 amount of gross production tax on natural gas collected for each of
4 the five (5) complete fiscal years, as computed by the State Board
5 of Equalization pursuant to Section 34.103 of Title 62 of the
6 Oklahoma Statutes; and

7 2. "Moving five-year average amount for oil" means, for
8 purposes of the apportionments prescribed by this section, the
9 amount of gross production tax on oil collected for each of the five
10 (5) complete fiscal years, as computed by the State Board of
11 Equalization pursuant to Section 34.103 of Title 62 of the Oklahoma
12 Statutes.

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

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

18 a. eighty-five and seventy-two one-hundredths percent
19 (85.72%) shall be paid to the State Treasurer of the
20 state to be placed in the General Revenue Fund of the
21 state and used for the general expense of state
22 government, to be paid out pursuant to direct
23 appropriation by the Legislature,

24

1 b. seven and fourteen one-hundredths percent (7.14%) of
2 the sum collected from natural gas and/or casinghead
3 gas or asphalt or ores bearing uranium, lead, zinc,
4 jack, gold, silver or copper shall be paid to the
5 various county treasurers to be credited to the County
6 Highway 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 c. seven and fourteen one-hundredths percent (7.14%)
12 shall be allocated to each county as provided for in
13 subparagraph b of this paragraph and shall be
14 apportioned, on an average daily attendance per capita
15 distribution basis, as certified by the State
16 Superintendent of Public Instruction to the school
17 districts of the county where such pupils attend
18 school regardless of residence of such pupil, provided
19 the school district makes an ad valorem tax levy of
20 fifteen (15) mills for the current year and maintains
21 twelve (12) years of instruction;

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

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

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

21 ~~b.~~ c. until the apportionment to the General Revenue Fund
22 equals the moving five-year average amount for gas as
23 prescribed by paragraph 1 of subsection A of this
24 section, eighty-five and seventy-two one-hundredths

1 percent (85.72%) shall be paid to the State Treasurer
2 of the state to be placed in the General Revenue Fund
3 of the state and used for the general expense of state
4 government, to be paid out pursuant to direct
5 appropriation by the Legislature,

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

16 ~~d.~~ e. 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 for in subparagraph ~~e~~ d of
20 this 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;

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

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

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

1 the moving five-year average amount for gas as defined
2 pursuant to paragraph 1 of subsection A of this
3 section,

4 ~~b.~~ c. until the apportionment to the General Revenue Fund
5 equals the moving five-year average amount for gas as
6 prescribed by paragraph 1 of subsection A of this
7 section, seventy-five percent (75%) shall be paid to
8 the State Treasurer of the state to be placed in the
9 General Revenue Fund of the state and used for the
10 general expense of state government, to be paid out
11 pursuant to direct appropriation by the Legislature,

12 ~~e.~~ d. 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 natural gas
15 and/or casinghead gas shall be paid to the various
16 county treasurers to be credited to the County Highway
17 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 ~~d.~~ e. before any other apportionment of revenue has been
23 made pursuant to this paragraph, twelve and one-half
24 percent (12.5%) shall be allocated to each county as

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

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

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

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

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

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

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

18 b. after the total revenue apportioned to the General
19 Revenue Fund as prescribed by subparagraph ~~b~~ c of this
20 paragraph equals the moving five-year average amount
21 for gas as defined by paragraph 1 of subsection A of
22 this section, there shall be apportioned from the
23 gross production tax levy imposed pursuant to Section
24 1001 of this title on gas to the Revenue Stabilization

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

6 ~~b.~~ c. until the apportionment to the General Revenue Fund
7 equals the moving five-year average amount for gas as
8 prescribed by paragraph 1 of subsection A of this
9 section, fifty percent (50%) shall be paid to the
10 State Treasurer to be placed in the General Revenue
11 Fund of the state and used for the general expense of
12 state government, to be paid out pursuant to direct
13 appropriation by the Legislature,

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

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

1 (25%) shall be allocated to each county as provided
2 for in subparagraph e d of this paragraph and shall be
3 apportioned on an average daily attendance per capita
4 distribution basis, as certified by the State
5 Superintendent of Public Instruction, to the school
6 districts of the county where such pupils attend
7 school regardless of residence of such pupil, provided
8 the school district makes an ad valorem tax levy of
9 fifteen (15) mills for the current year and maintains
10 twelve (12) years of instruction;

11 6. For all monies collected from the tax levied on oil at a tax
12 rate of seven percent (7%) pursuant to the provisions of subsection
13 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 34.102 of Title 62 of the Oklahoma

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

9 ~~b.~~ c. 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 Common
13 Education Technology Revolving Fund created in Section
14 34.90 of Title 62 of the Oklahoma Statutes,

15 ~~e.~~ d. 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 Higher
19 Education Capital Revolving Fund created in Section
20 34.91 of Title 62 of the Oklahoma Statutes,

21 ~~d.~~ e. before any other apportionment of revenue has been
22 made pursuant to this paragraph, twenty-five and
23 seventy-two one-hundredths percent (25.72%) shall be
24 paid to the State Treasurer to be placed in the

1 Oklahoma Student Aid Revolving Fund created in Section
2 34.92 of Title 62 of the Oklahoma Statutes,

3 ~~e.~~ f. before any other apportionment of revenue has been
4 made pursuant to this paragraph, three and seven
5 hundred forty-five one-thousandths percent (3.745%)
6 shall be distributed to the various counties of the
7 state for deposit into the County Bridge and Road
8 Improvement Fund of each county based on a formula
9 developed by the Department of Transportation and
10 approved by the Department of Transportation County
11 Advisory Board created pursuant to Section 302.1 of
12 Title 69 of the Oklahoma Statutes to be used for the
13 purposes set forth in the County Bridge and Road
14 Improvement Act. The formula shall be similar to the
15 formula currently used for the distribution of monies
16 in the County Bridge Program funds, but shall also
17 take into consideration the effect of the terrain and
18 traffic volume as related to county road improvement
19 and maintenance costs,

20 ~~f.~~ g. before any other apportionment of revenue has been
21 made pursuant to this paragraph, four and twenty-eight
22 one-hundredths percent (4.28%) shall be paid to the
23 State Treasurer to be apportioned to:
24

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, seven and fourteen

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

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

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

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

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

7 a. 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 Title 62 of the Oklahoma
18 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-two and one-
5 half percent (22.5%) shall be paid to the State
6 Treasurer to be placed in the Common Education
7 Technology Revolving Fund created in Section 34.90 of
8 Title 62 of the Oklahoma Statutes,

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

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

21 ~~e.~~ f. before any other apportionment of revenue has been
22 made pursuant to this paragraph, three and twenty-
23 eight one-hundredths percent (3.28%) shall be
24 distributed to the various counties of the state for

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

14 ~~f.~~ g. before any other apportionment of revenue has been
15 made pursuant to this paragraph, three and seventy-
16 five one-hundredths percent (3.75%) shall be paid to
17 the 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

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

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

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

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

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

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

3 ~~h.~~ i. 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 in subparagraph ~~g~~ h 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, and

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

21 8. For all monies collected from the tax levied on oil at a tax
22 rate of one percent (1%) pursuant to the provisions of subsection B
23 of Section 1001 of this title:
24

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

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

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

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

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

4 b. there shall be apportioned from the gross production
5 tax levy imposed pursuant to Section 1001 of this
6 title on oil to the Revenue Stabilization Fund created
7 by Section 34.102 of Title 62 of the Oklahoma
8 Statutes, the amount of revenue, if any, which exceeds
9 the moving five-year average amount for oil as defined
10 pursuant to paragraph 2 of subsection A of this
11 section,

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

20 ~~e.~~ d. before any other apportionment of revenue has been
21 made pursuant to this paragraph, twenty-five percent
22 (25%) of the sum collected from oil shall be paid to
23 the various county treasurers, to be credited to the
24 County Highway Fund as follows: Each county shall

1 receive a proportionate share of the funds available
2 based upon the proportion of the total value of
3 production from such county in the corresponding month
4 of the preceding year, and

5 ~~d.~~ e. before any other apportionment of revenue has been
6 made pursuant to this paragraph, twenty-five percent
7 (25%) shall be allocated to each county as provided in
8 subparagraph ~~e~~ d of this paragraph and shall be
9 apportioned on an average daily attendance per capita
10 distribution basis, as certified by the State
11 Superintendent of Public Instruction, to the school
12 districts of the county where such pupils attend
13 school regardless of residence of such pupil, provided
14 the school district makes an ad valorem tax levy of
15 fifteen (15) mills for the current year and maintains
16 twelve (12) years of instruction.

17 C. Provided, notwithstanding any other provision of this
18 section, the total amounts deposited to the Common Education
19 Technology Revolving Fund, the Higher Education Capital Revolving
20 Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic
21 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation
22 Department Capital Expenditure Revolving Fund, the Oklahoma
23 Conservation Commission Infrastructure Revolving Fund and the
24 Community Water Infrastructure Development Revolving Fund pursuant

1 to paragraphs 6 and 7 of subsection B of this section shall not
2 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any
3 fiscal year. Except as otherwise provided in this subsection, all
4 sums in excess of One Hundred Fifty Million Dollars
5 (\$150,000,000.00) in any fiscal year which would otherwise be
6 deposited in such funds shall be apportioned by the Oklahoma Tax
7 Commission to the General Revenue Fund of the state.

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

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

24

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

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

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

10 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
11 April 11, 2018 - DO PASS AS AMENDED
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