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February 28, 2018

AS AMENDED

SENATE BILL NO. 1569

By: Schulz

[revenue and taxation - circumstances under which certain apportionments may not exceed prior year amount - duties of State Board of Equalization - apportionment of statutory revenues - Rebuilding Oklahoma Access and Driver Safety Fund - codification - ~~effective date~~ -

~~emergency~~]

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34.2.1 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. For any fiscal year for which the amount of revenue available for appropriation by the Legislature, as determined by the State Board of Equalization at its February meeting pursuant to the provisions of Section 23 of Article X of the Oklahoma Constitution, is less than the amount of revenue determined by the Board at its preceding June meeting to be available for appropriation by the Legislature for the then-current fiscal year, any apportionment of revenue provided for by law to a fund or source other than the General Revenue Fund shall be reduced by the same percentage that

1 the amount available for appropriation by the Legislature for the
2 upcoming fiscal year is less than such amount for the then-current
3 fiscal year.

4 B. At its February meeting each year, the Board shall determine
5 the amount of revenue available for appropriation by the Legislature
6 assuming apportionments of revenue to all sources as provided by law
7 without an adjustment pursuant to the provisions of this section.
8 If such amount is less than the amount determined by the Board at
9 its preceding June meeting to be available for appropriation for the
10 then-current fiscal year, the Board shall make a finding that the
11 provisions of subsection A of this section shall be in effect. In
12 such event, the Board shall determine the amount of revenue
13 available for appropriation assuming apportionments of revenue to
14 all funds or sources other than the General Revenue Fund shall not
15 exceed the amount apportioned thereto for the then-current fiscal
16 year and shall certify such adjusted amount as the amount available
17 for appropriation by the Legislature.

18 SECTION 2. AMENDATORY 68 O.S. 2011, Section 113, as
19 amended by Section 530, Chapter 304, O.S.L. 2012 (68 O.S. Supp.
20 2017, Section 113), is amended to read as follows:

21 Section 113. A. There is hereby created in the State Treasury
22 a revolving fund for the Oklahoma Tax Commission to be known as the
23 "Tax Commission Reimbursement Fund". ~~Said~~ The revolving fund shall
24 consist of any funds received by the Tax Commission for data

1 processing services or equipment rental and any funds received by
2 the Tax Commission from any incorporated city, town, or county
3 pursuant to a contractual agreement for the augmentation of the
4 enforcement and collection of municipal or county taxes entered into
5 pursuant to the provisions of Sections 1371 or 2702 of this title.
6 The Tax Commission is authorized to hire full-time-equivalent
7 employees as necessary to perform such duties as to fulfill
8 contractual agreements authorized pursuant to Sections 1371 and 2702
9 of this title, however, such employees hired to perform such
10 contractual duties shall be supported solely by funds in the Tax
11 Commission Reimbursement Fund which are collected by the Tax
12 Commission from incorporated cities, towns, and counties pursuant to
13 such contractual agreements and such employees shall be terminated
14 upon the discontinuation of such funds or inadequate funds to
15 support such positions. Such full-time-equivalent employees shall
16 be in the unclassified service and shall not be subject to any
17 provisions of the Oklahoma Personnel Act or to the Merit Rules for
18 Employment except leave regulations. All fees collected and
19 apportioned to this fund under the Oklahoma Vehicle License and
20 Registration Act, Section 1101 et seq. of Title 47 of the Oklahoma
21 Statutes, may be used by the Motor Vehicle Division of the Oklahoma
22 Tax Commission to pay all costs incurred in the issuance of
23 certificates of title and inspection of vehicles, including, but not
24 limited to, additional computer costs for the Tax Commission and

1 motor license agents and the check verification system authorized
2 pursuant to the provisions of paragraph 1 of subsection A of Section
3 1144 of Title 47 of the Oklahoma Statutes or be used for capital
4 expenditures as authorized by the Oklahoma State Legislature. For
5 the fiscal year beginning July 1, 2004, disbursements from the fund
6 shall be exempt from all agency budget limits.

7 B. Notwithstanding any other provision in the Oklahoma Statutes
8 except subsection F of Section 316 ~~and~~, subsection D of Section 418
9 of this title, ~~beginning July 1, 2009,~~ and Section 1 of this act,
10 all revenue from fees and penalties collected pursuant to Sections
11 304, 316, 415 and 418 of this title shall be apportioned to the Tax
12 Commission Reimbursement Fund for administrative expenses incurred
13 in connection with enforcement of the provisions of Section 301 et
14 seq., Section 346 et seq., Section 401 et seq. and Section 424 et
15 seq. of this title.

16 SECTION 3. AMENDATORY 68 O.S. 2011, Section 302-5, is
17 amended to read as follows:

18 Section 302-5. A. Effective January 1, 2005, in addition to
19 the tax levied in Sections 302, 302-1, 302-2, 302-3 and 302-4 of
20 this title, there is hereby levied upon the sale, use, gift,
21 possession, or consumption of cigarettes, as defined in Sections 301
22 through 325 of this title, within this state, a tax at the rate of
23 forty (40) mills per cigarette.

1 B. Except as provided in subsection D of this section and
2 Section 1 of this act, the revenue resulting from the additional tax
3 levied in subsection A of this section shall be apportioned by the
4 Oklahoma Tax Commission and transmitted to the State Treasurer as
5 follows:

6 1. Twenty-two and six-hundredths percent (22.06%) shall be
7 placed to the credit of the Health Employee and Economy Improvement
8 Act Revolving Fund created in Section 1010.1 of Title 56 of the
9 Oklahoma Statutes;

10 2. Three and nine-hundredths percent (3.09%) shall be placed to
11 the credit of the Comprehensive Cancer Center Debt Service Revolving
12 Fund created in Section 160.1 of Title 62 of the Oklahoma Statutes;

13 3. Before July 1, 2008, seven and fifty-hundredths percent
14 (7.50%) shall be placed to the credit of the Trauma Care Assistance
15 Revolving Fund created in Section 1-2530.9 of Title 63 of the
16 Oklahoma Statutes. On and after July 1, 2008, seven and fifty-
17 hundredths percent (7.50%) shall be allocated as follows:

18 a. every month, an amount equal to the actual amount
19 placed to the credit of the Trauma Care Assistance
20 Revolving Fund pursuant to this paragraph for the same
21 month of the 2008 fiscal year shall be credited to the
22 Trauma Care Assistance Revolving Fund,

23 b. every month, any amount over and above the amount
24 placed to the credit of the Trauma Care Assistance

1 Revolving Fund pursuant to subparagraph a of this
2 paragraph shall be credited to the Oklahoma Emergency
3 Response Systems Stabilization and Improvement
4 Revolving Fund as created in Section ~~8 of this act~~ 1-
5 2512.1 of Title 63 of the Oklahoma Statutes until the
6 combined amount credited to the Oklahoma Emergency
7 Response Systems Stabilization and Improvement
8 Revolving Fund pursuant to this section and Section
9 402-3 of this title is equal to a total of Two Million
10 Five Hundred Thousand Dollars (\$2,500,000.00) each
11 year, and

12 c. any additional revenue allocated pursuant to this
13 paragraph shall be placed to the credit of the Trauma
14 Care Assistance Revolving Fund;

15 4. Three and nine-hundredths percent (3.09%) shall be placed to
16 the credit of the Oklahoma State University College of Osteopathic
17 Medicine Revolving Fund created in Section 160.2 of Title 62 of the
18 Oklahoma Statutes;

19 5. Twenty-six and thirty-eight-hundredths percent (26.38%)
20 shall be placed to the credit of the Oklahoma Health Care Authority
21 Medicaid Program Fund created in Section 5020 of Title 63 of the
22 Oklahoma Statutes for the purposes of maintaining programs and
23 services funded under the federal "Jobs and Growth Tax Relief
24 Reconciliation Act of 2003", reimbursing city/county-owned

1 hospitals, increasing emergency room physician rates, and providing
2 TEFRA 134, also known as "Katie Beckett" services;

3 6. Two and sixty-five-hundredths percent (2.65%) shall be
4 placed to the credit of the Department of Mental Health and
5 Substance Abuse Services Revolving Fund created in Section 2-303 of
6 Title 43A of the Oklahoma Statutes;

7 7. Forty-four-hundredths of one percent (0.44%) shall be placed
8 to the credit of the Belle Maxine Hilliard Breast and Cervical
9 Cancer Treatment Revolving Fund created in Section 1-559 of Title 63
10 of the Oklahoma Statutes;

11 8. One percent (1%) shall be placed to the credit of the
12 Teachers' Retirement System Revolving Fund created in Section 158 of
13 Title 62 of the Oklahoma Statutes;

14 9. Two and seven-hundredths percent (2.07%) shall be placed to
15 the credit of the Education Reform Revolving Fund created in Section
16 41.29b of Title 62 of the Oklahoma Statutes;

17 10. Sixty-six-hundredths percent (0.66%) shall be placed to the
18 credit of the Tobacco Prevention and Cessation Revolving Fund
19 created in Section 1-105d of Title 63 of the Oklahoma Statutes;

20 11. Sixteen and eighty-three-hundredths percent (16.83%) shall
21 be placed to the credit of the General Revenue Fund; and

22 12. For fiscal years beginning July 1, 2004, and ending June
23 30, 2006, fourteen and twenty-three-hundredths percent (14.23%)
24 shall be apportioned to municipalities and counties that levy a

1 sales tax, in the proportions which total municipal and county sales
2 tax revenue was apportioned by the Tax Commission in the preceding
3 month.

4 For fiscal years beginning July 1, 2006, and thereafter, the
5 apportionment percentage specified in paragraph 12 of this
6 subsection will be adjusted by dividing the total municipal and
7 county sales tax revenue collected in the calendar year immediately
8 preceding the commencement of the fiscal year by the sum of the
9 state sales tax revenue and total municipal and county sales tax
10 revenue collected in the same year. This ratio shall be divided by
11 the ratio of the total municipal and county sales tax revenue
12 collected in the calendar year beginning January 1, 2004, and ending
13 December 31, 2004, divided by the sum of the state sales tax revenue
14 and total municipal and county sales tax revenue collected in the
15 same year. The resulting quotient shall be multiplied by fourteen
16 and twenty-three-hundredths percent (14.23%) to determine the
17 apportionment percentage for the fiscal year.

18 For fiscal years beginning July 1, 2006, and thereafter, any
19 adjustment to the percentage of revenues apportioned to
20 municipalities and counties shall be reflected in the percent of
21 revenues apportioned to the General Revenue Fund.

22 C. The tax shall be evidenced by tax stamps as now provided
23 for; however, as to cigarette packages of less than ten cigarettes
24 for free distribution as samples, the tax herein levied shall be

1 computed and paid as provided for other cigarette taxes without
2 affixing stamps on each such package.

3 D. ~~The~~ Except as otherwise provided in Section 1 of this act,
4 the net amount of any revenue resulting from a payment in lieu of
5 excise taxes on cigarettes levied by this section, pursuant to a
6 compact with a federally recognized Indian tribe or nation after
7 deductions for deposits into trust accounts pursuant to such
8 compacts, shall be apportioned by the Tax Commission and transmitted
9 to the State Treasurer as follows:

10 1. Thirty-three and forty-nine-hundredths percent (33.49%)
11 shall be placed to the credit of the Health Employee and Economy
12 Improvement Act Revolving Fund created in Section 1010.1 of Title 56
13 of the Oklahoma Statutes;

14 2. Four and sixty-nine-hundredths percent (4.69%) shall be
15 placed to the credit of the Comprehensive Cancer Center Debt Service
16 Revolving Fund created in Section 160.1 of Title 62 of the Oklahoma
17 Statutes;

18 3. Before July 1, 2008, eleven and thirty-nine-hundredths
19 percent (11.39%) shall be placed to the credit of the Trauma Care
20 Assistance Revolving Fund created in Section 1-2522 of Title 63 of
21 the Oklahoma Statutes. On and after July 1, 2008, eleven and
22 thirty-nine-hundredths percent (11.39%) shall be allocated as
23 follows:
24

1 a. every month, an amount equal to the actual amount
2 placed to the credit of the Trauma Care Assistance
3 Revolving Fund pursuant to this paragraph for the same
4 month of the 2008 fiscal year shall be credited to the
5 Trauma Care Assistance Revolving Fund,

6 b. every month, any amount over and above the amount
7 placed to the credit of the Trauma Care Assistance
8 Revolving Fund pursuant to subparagraph a of this
9 paragraph shall be credited to the Oklahoma Emergency
10 Response Systems Stabilization and Improvement
11 Revolving Fund as created in Section ~~8 of this act~~ 1-
12 2512.1 of Title 63 of the Oklahoma Statutes until the
13 combined amount credited to the Oklahoma Emergency
14 Response Systems Stabilization and Improvement
15 Revolving Fund pursuant to this section and Section
16 402-3 of this title is equal to a total of Two Million
17 Five Hundred Thousand Dollars (\$2,500,000.00) each
18 year, and

19 c. any additional revenue allocated pursuant to this
20 paragraph shall be placed to the credit of the Trauma
21 Care Assistance Revolving Fund;

22 4. Four and sixty-nine-hundredths percent (4.69%) shall be
23 placed to the credit of the Oklahoma State University College of
24

1 Osteopathic Medicine Revolving Fund created in Section 160.2 of
2 Title 62 of the Oklahoma Statutes;

3 5. Forty and six-hundredths percent (40.06%) shall be placed to
4 the credit of the Oklahoma Health Care Authority Medicaid Program
5 Fund created in Section 5020 of Title 63 of the Oklahoma Statutes
6 for the purposes of maintaining programs and services funded under
7 the federal "Jobs and Growth Tax Relief Reconciliation Act of 2003",
8 reimbursing city/county-owned hospitals, increasing emergency room
9 physician rates, and providing TEFRA 134, also known as "Katie
10 Beckett" services;

11 6. Four and one-hundredths percent (4.01%) shall be placed to
12 the credit of the Department of Mental Health and Substance Abuse
13 Services Revolving Fund created in Section 2-303 of Title 43A of the
14 Oklahoma Statutes;

15 7. Sixty-seven-hundredths percent (0.67%) shall be placed to
16 the credit of the Belle Maxine Hilliard Breast and Cervical Cancer
17 Treatment Revolving Fund created in Section 1-559 of Title 63 of the
18 Oklahoma Statutes; and

19 8. One percent (1%) shall be placed to the credit of the
20 Tobacco Prevention and Cessation Revolving Fund created in Section
21 1-105d of Title 63 of the Oklahoma Statutes.

22 E. No part of the revenues resulting from the additional taxes
23 levied in this section shall be used in determining the amount of
24 cigarette tax collections to be paid into:

1 1. The State of Oklahoma Building Bonds of 1961 Sinking Fund
2 pursuant to the provisions of Sections 57.31 through 57.43 of Title
3 62 of the Oklahoma Statutes;

4 2. The State of Oklahoma Institutional Building Bonds of 1965
5 Sinking Fund pursuant to the provisions of Sections 57.61 through
6 57.73 of Title 62 of the Oklahoma Statutes;

7 3. The State of Oklahoma Institutional Building Bonds of 1965
8 Sinking Fund Series C and Series D pursuant to Sections 57.81
9 through 57.112 of Title 62 of the Oklahoma Statutes;

10 4. The State of Oklahoma Building Bonds of 1968 Sinking Fund
11 pursuant to the provisions of Sections 57.121 through 57.193 of
12 Title 62 of the Oklahoma Statutes; or

13 5. The Oklahoma Building Bonds of 1992 Sinking Fund pursuant to
14 the provisions of Sections 57.300 through 57.313 of Title 62 of the
15 Oklahoma Statutes.

16 F. The cigarette taxes levied in this section shall be
17 collected and administered in all respects not inconsistent with as
18 now or hereafter provided for by law for other cigarette taxes now
19 levied, collected, and administered pursuant to the provisions of
20 Sections 301 through 325 of this title.

21 SECTION 4. AMENDATORY 68 O.S. 2011, Section 402-3, is
22 amended to read as follows:

23 Section 402-3. A. In addition to the tax levied in Sections
24 402, 402-1 and 402-2 of this title, effective January 1, 2005, there

1 shall be levied, assessed, collected, and paid in respect to the
2 articles containing tobacco enumerated in Section 401 et seq. of
3 this title, a tax in the following amounts:

4 1. Little Cigars. Upon cigars of all descriptions made of
5 tobacco, or any substitute therefor, and weighing not more than
6 three (3) pounds per thousand, twenty-seven (27) mills for each
7 cigar. Provided, that the tax levied on the products coming under
8 this paragraph shall not apply if the tax on such products is
9 reported and paid as cigarette tax under Sections 301 through 325 of
10 this title;

11 2. Cigars. Upon all other cigars of all descriptions made of
12 tobacco, or any substitute therefor, and weighing more than three
13 (3) pounds per thousand, Ninety Dollars (\$90.00) per thousand. For
14 the purpose of computing the tax, cheroots, stogies, etc., are
15 hereby classed as cigars;

16 3. Smoking Tobacco. Upon all smoking tobacco including
17 granulated, plug cut, crimp cut, ready rubbed and other kinds and
18 forms of tobacco prepared in such manner as to be suitable for
19 smoking in a pipe or cigarette, the tax shall be forty percent (40%)
20 of the factory list price exclusive of any trade discount, special
21 discount or deals; and

22 4. Chewing Tobacco. Upon chewing tobacco, smokeless tobacco,
23 and snuff, the tax shall be thirty percent (30%) of the factory list
24 price exclusive of any trade discount, special discount or deals.

1 B. Except as provided in subsection C of this section and
2 Section 1 of this act, the revenue resulting from the additional tax
3 levied in subsection A of this section shall be apportioned by the
4 Oklahoma Tax Commission and transmitted to the State Treasurer as
5 follows:

6 1. Twenty-two and six-hundredths percent (22.06%) shall be
7 placed to the credit of the Health Employee and Economy Improvement
8 Act Revolving Fund created in Section 1010.1 of Title 56 of the
9 Oklahoma Statutes;

10 2. Three and nine-hundredths percent (3.09%) shall be placed to
11 the credit of the Comprehensive Cancer Center Debt Service Revolving
12 Fund created in Section 160.1 of Title 62 of the Oklahoma Statutes;

13 3. Before July 1, 2008, seven and fifty-hundredths percent
14 (7.50%) shall be placed to the credit of the Trauma Care Assistance
15 Revolving Fund created in Section 1-2522 of Title 63 of the Oklahoma
16 Statutes. On and after July 1, 2008, seven and fifty-hundredths
17 percent (7.50%) shall be allocated as follows:

18 a. every month, an amount equal to the actual amount
19 placed to the credit of the Trauma Care Assistance
20 Revolving Fund pursuant to this paragraph for the same
21 month of the 2008 fiscal year shall be credited to the
22 Trauma Care Assistance Revolving Fund,

23 b. every month, any amount over and above the amount
24 placed to the credit of the Trauma Care Assistance

1 Revolving Fund pursuant to subparagraph a of this
2 paragraph shall be credited to the Oklahoma Emergency
3 Response Systems Stabilization and Improvement
4 Revolving Fund as created in Section ~~8 of this act~~ 1-
5 2512.1 of Title 63 of the Oklahoma Statutes until the
6 combined amount credited to the Oklahoma Emergency
7 Response Systems Stabilization and Improvement
8 Revolving Fund pursuant to this section and Section
9 302-5 of this title is equal to Two Million Five
10 Hundred Thousand Dollars (\$2,500,000.00) each year,
11 and

12 c. any additional revenue allocated pursuant to this
13 paragraph shall be placed to the credit of the Trauma
14 Care Assistance Revolving Fund;

15 4. Three and nine-hundredths percent (3.09%) shall be placed to
16 the credit of the Oklahoma State University College of Osteopathic
17 Medicine Revolving Fund created in Section 160.2 of Title 62 of the
18 Oklahoma Statutes;

19 5. Twenty-six and thirty-eight-hundredths percent (26.38%)
20 shall be placed to the credit of the Oklahoma Health Care Authority
21 Medicaid Program Fund created in Section 5020 of Title 63 of the
22 Oklahoma Statutes for the purposes of maintaining programs and
23 services funded under the federal "Jobs and Growth Tax Relief
24 Reconciliation Act of 2003", reimbursing city/county-owned

1 hospitals, increasing emergency room physician rates, and providing
2 TEFRA 134, also known as "Katie Beckett" services;

3 6. Two and sixty-five-hundredths percent (2.65%) shall be
4 placed to the credit of the Department of Mental Health and
5 Substance Abuse Services Revolving Fund created in Section 2-303 of
6 Title 43A of the Oklahoma Statutes;

7 7. Forty-four-hundredths of one percent (0.44%) shall be placed
8 to the credit of the Belle Maxine Hilliard Breast and Cervical
9 Cancer Treatment Revolving Fund created in Section 1-559 of Title 63
10 of the Oklahoma Statutes;

11 8. One percent (1%) shall be placed to the credit of the
12 Teachers' Retirement System Revolving Fund created in Section 158 of
13 Title 62 of the Oklahoma Statutes;

14 9. Two and seven-hundredths percent (2.07%) shall be placed to
15 the credit of the Education Reform Revolving Fund created in Section
16 41.29b of Title 62 of the Oklahoma Statutes;

17 10. Sixty-six-hundredths percent (.66%) shall be placed to the
18 credit of the Tobacco Prevention and Cessation Revolving Fund
19 created in Section 1-105d of Title 63 of the Oklahoma Statutes;

20 11. Sixteen and eighty-three-hundredths percent (16.83%) shall
21 be placed to the credit of the General Revenue Fund; and

22 12. For fiscal years beginning July 1, 2004, and ending June
23 30, 2006, fourteen and twenty-three-hundredths percent (14.23%)
24 shall be apportioned to municipalities and counties that levy a

1 sales tax, in the proportions which total municipal and county sales
2 tax revenue was apportioned by the Tax Commission in the preceding
3 month.

4 For fiscal years beginning July 1, 2006, and thereafter, the
5 apportionment percentage specified in paragraph 12 of this
6 subsection will be adjusted by dividing the total municipal and
7 county sales tax revenue collected in the calendar year immediately
8 preceding the commencement of the fiscal year by the sum of the
9 state sales tax revenue and total municipal and county sales tax
10 revenue collected in the same year. This ratio shall be divided by
11 the ratio of the total municipal and county sales tax revenue
12 collected in the calendar year beginning January 1, 2004, and ending
13 December 31, 2004, divided by the sum of the state sales tax revenue
14 and total municipal and county sales tax revenue collected in the
15 same year. The resulting quotient shall be multiplied by fourteen
16 and twenty-three-hundredths percent (14.23%) to determine the
17 apportionment percentage for the fiscal year.

18 For fiscal years beginning July 1, 2006, and thereafter, any
19 adjustment to the percentage of revenues apportioned to
20 municipalities and counties shall be reflected in the percent of
21 revenues apportioned to the General Revenue Fund.

22 C. ~~The~~ Except as otherwise provided in Section 1 of this act,
23 the net amount of any revenue resulting from a payment in lieu of
24 excise taxes on little cigars, cigars, smoking tobacco and chewing

1 tobacco levied by this section, pursuant to a compact with a
2 federally recognized Indian tribe or nation after deductions for
3 deposits into trust accounts pursuant to such compacts, shall be
4 apportioned by the Tax Commission and transmitted to the State
5 Treasurer as follows:

6 1. Thirty-three and forty-nine-hundredths percent (33.49%)
7 shall be placed to the credit of the Health Employee and Economy
8 Improvement Act Revolving Fund created in Section 1010.1 of Title 56
9 of the Oklahoma Statutes;

10 2. Four and sixty-nine-hundredths percent (4.69%) shall be
11 placed to the credit of the Comprehensive Cancer Center Debt Service
12 Revolving Fund created in Section 160.1 of Title 62 of the Oklahoma
13 Statutes;

14 3. Before July 1, 2008, eleven and thirty-nine-hundredths
15 percent (11.39%) shall be placed to the credit of the Trauma Care
16 Assistance Revolving Fund created in Section 1-2522 of Title 63 of
17 the Oklahoma Statutes. On and after July 1, 2008, eleven and
18 thirty-nine-hundredths percent (11.39%) shall be allocated as
19 follows:

20 a. every month, an amount equal to the actual amount
21 placed to the credit of the Trauma Care Assistance
22 Revolving Fund pursuant to this paragraph for the same
23 month of the 2008 fiscal year shall be credited to the
24 Trauma Care Assistance Revolving Fund,

- b. every month, any amount over and above the amount placed to the credit of the Trauma Care Assistance Revolving Fund pursuant to subparagraph a of this paragraph shall be credited to the Oklahoma Emergency Response Systems Stabilization and Improvement Revolving Fund as created in Section ~~8 of this act~~ 1-2512.1 of Title 63 of the Oklahoma Statutes until the combined amount credited to the Oklahoma Emergency Response Systems Stabilization and Improvement Revolving Fund pursuant to this section and Section 302-5 of this title is equal to Two Million Five Hundred Thousand Dollars (\$2,500,000.00) each year, and
- c. any additional revenue allocated pursuant to this paragraph shall be placed to the credit of the Trauma Care Assistance Revolving Fund;

4. Four and sixty-nine-hundredths percent (4.69%) shall be placed to the credit of the Oklahoma State University College of Osteopathic Medicine Revolving Fund created in Section 160.2 of Title 62 of the Oklahoma Statutes;

5. Forty and six-hundredths percent (40.06%) shall be placed to the credit of the Oklahoma Health Care Authority Medicaid Program Fund created in Section 5020 of Title 63 of the Oklahoma Statutes for the purposes of maintaining programs and services funded under

1 the federal "Jobs and Growth Tax Relief Reconciliation Act of 2003",
2 reimbursing city/county-owned hospitals, increasing emergency room
3 physician rates, and providing TEFRA 134, also known as "Katie
4 Beckett" services;

5 6. Four and one-hundredths percent (4.01%) shall be placed to
6 the credit of the Department of Mental Health and Substance Abuse
7 Services Revolving Fund created in Section 2-303 of Title 43A of the
8 Oklahoma Statutes;

9 7. Sixty-seven-hundredths percent (0.67%) shall be placed to
10 the credit of the Belle Maxine Hilliard Breast and Cervical Cancer
11 Treatment Revolving Fund created in Section 1-559 of Title 63 of the
12 Oklahoma Statutes; and

13 8. One percent (1%) shall be placed to the credit of the
14 Tobacco Prevention and Cessation Revolving Fund created in Section
15 1-105d of Title 63 of the Oklahoma Statutes.

16 D. It shall not be permissible for a retailer to advertise that
17 the retailer will absorb the tax due on the taxable merchandise
18 described herein. Such tax shall be paid by the consumer.

19 SECTION 5. AMENDATORY 68 O.S. 2011, Section 500.6, as
20 amended by Section 4, Chapter 375, O.S.L. 2013 (68 O.S. Supp. 2017,
21 Section 500.6), is amended to read as follows:

22 Section 500.6. A. The Except as otherwise provided in Section
23 1 of this act, the tax of sixteen cents (\$0.16) per gallon of
24 gasoline that is levied by paragraph 1 of subsection A of Section

1 500.4 of this title, the tax upon compressed natural gas levied by
2 paragraph 3 of subsection A of Section 500.4 of this title, the tax
3 upon liquefied natural gas levied by paragraph 4 of subsection A of
4 Section 500.4 of this title and the tax of two and eight one-
5 hundredths cents (\$.0208) per gallon of gasoline that is levied by
6 subsection C of Section 500.4 of this title, and penalties and
7 interest thereon, collected by the Oklahoma Tax Commission under the
8 levy shall be apportioned and distributed monthly as follows:

9 1. The first Two Hundred Fifty Thousand Dollars (\$250,000.00)
10 of the levy collected each month shall be deposited in the State
11 Treasury to the credit of the State Transportation Fund;

12 2. One and six hundred twenty-five one-thousandths percent
13 (1.625%) of the levy shall be remitted to the State Treasurer to the
14 credit of the High Priority State Bridge Revolving Fund as created
15 in Section 506 of Title 69 of the Oklahoma Statutes;

16 3. Sixty-three and seventy-five one-hundredths percent (63.75%)
17 of the levy shall be deposited in the State Treasury to the credit
18 of the State Transportation Fund to be apportioned as follows:

19 a. the first Eight Hundred Fifty Thousand Dollars
20 (\$850,000.00) collected each fiscal year shall be
21 transferred to the Public Transit Revolving Fund,
22 created in Section 4031 of Title 69 of the Oklahoma
23 Statutes, and
24

1 b. the second Eight Hundred Fifty Thousand Dollars
2 (\$850,000.00) collected each fiscal year shall be
3 transferred to the Oklahoma Tourism and Passenger Rail
4 Revolving Fund and shall be used by the Department of
5 Transportation:

6 (1) to contract railroad passenger services,
7 including but not limited to a route linking
8 stations in Oklahoma and Tulsa Counties with
9 other primary points in the national railroad
10 passenger system and passenger rail service
11 within the state, and a route beginning at a
12 station in Oklahoma County and extending north to
13 the Kansas state line in Kay County, and

14 (2) to provide necessary facility, signaling, and
15 track improvements for those contracted services,

16 c. forty-one and two-tenths percent (41.2%) of the monies
17 apportioned to the State Transportation Fund shall be
18 used for any purpose provided for in Section 1502 of
19 Title 69 of the Oklahoma Statutes,

20 d. nine and eight-tenths percent (9.8%) of the monies
21 apportioned to the State Transportation Fund shall be
22 used to provide funds for the construction and
23 maintenance of farm-to-market roads on the state
24

1 highway system, and other rural farm-to-market roads
2 and bridges, and

3 e. any remaining amount of the apportionment shall be
4 deposited into the State Transportation Fund;

5 4. Twenty-seven percent (27%) of the levy shall be transmitted
6 by the Tax Commission to the various counties of the state, to be
7 apportioned and used as follows:

8 a. sixty-five and three-tenths percent (65.3%) of the
9 monies apportioned under this paragraph shall be used
10 on the following basis:

11 (1) forty percent (40%) of such sum shall be
12 distributed to the various counties in the
13 proportion which the county road mileage of each
14 county bears to the entire state road mileage as
15 certified by the Transportation Commission, and

16 (2) the remaining sixty percent (60%) of such sum
17 shall be distributed to the various counties on
18 the basis which the population and area of each
19 county bears to the total population and area of
20 the state. The population shall be as shown by
21 the last Federal Decennial Census or the most
22 recent annual estimate provided by the U.S.
23 Bureau of the Census,
24

- b. twenty-three and one-tenth percent (23.1%) of the monies apportioned under this paragraph shall be distributed to the counties in the following manner: One-third (1/3) on area; one-third (1/3) on rural population, defined as including the population of all municipalities with a population of less than five thousand (5,000) according to the latest Federal Decennial Census; and one-third (1/3) on county road mileage, as last certified by the Department of Transportation, as each county bears to the entire area, rural population and road mileage of the state, and
- c. eleven and six-tenths percent (11.6%) of the monies apportioned under this paragraph shall be distributed to the various counties of the state based on a formula developed by the Department of Transportation and approved by the Department of Transportation County Advisory Board created pursuant to Section 302.1 of Title 69 of the Oklahoma Statutes. The formula shall be similar to the formula currently used for the distribution of monies in the County Bridge Program funds, but shall also take into consideration the effect of the terrain and traffic volume as

1 related to county road improvement and maintenance
2 costs;

3 5. Three and one hundred twenty-five one-thousandths percent
4 (3.125%) of the levy shall be distributed to the various counties of
5 the state based on a formula developed by the Department of
6 Transportation and approved by the Department of Transportation
7 County Advisory Board created pursuant to Section 302.1 of Title 69
8 of the Oklahoma Statutes. The formula shall be similar to the
9 formula currently used for the distribution of monies in the County
10 Bridge Program funds, but shall also take into consideration the
11 effect of the terrain and traffic volume as related to county road
12 improvement and maintenance costs;

13 6. Two and two hundred ninety-seven one-thousandths percent
14 (2.297%) of the levy shall be distributed to the various counties of
15 the state for deposit into the County Bridge and Road Improvement
16 Fund of each county based on a formula developed by the Department
17 of Transportation and approved by the Department of Transportation
18 County Advisory Board created pursuant to Section 302.1 of Title 69
19 of the Oklahoma Statutes to be used for the purposes set forth in
20 the County Bridge and Road Improvement Act. The formula shall be
21 similar to the formula currently used for the distribution of monies
22 in the County Bridge Program funds, but shall also take into
23 consideration the effect of the terrain and traffic volume as
24 related to county road improvement and maintenance costs;

1 7. One and eight hundred seventy-five one-thousandths percent
2 (1.875%) of the levy shall be transmitted by the Tax Commission to
3 the treasurers of the various incorporated cities and towns of the
4 state in the percentage which the population, as shown by the last
5 Federal Decennial Census or the most recent annual estimate provided
6 by the U.S. Bureau of the Census, bears to the total population of
7 all the incorporated cities and towns in this state. The funds
8 shall be expended for the construction, repair and maintenance of
9 the streets and alleys of the incorporated cities and towns of this
10 state; and

11 8. Three hundred twenty-eight one-thousandths percent (0.328%)
12 of the levy shall be transmitted by the Tax Commission to the
13 Statewide Circuit Engineering District Revolving Fund as created in
14 Section 687.2 of Title 69 of the Oklahoma Statutes.

15 B. 1. The funds apportioned or transmitted pursuant to
16 subparagraphs a, b, and c of paragraph 4 of subsection A of this
17 section, subsection B of Section 500.7 of this title, subsection B
18 of Section 704 of this title, Section 706 of this title, and
19 paragraph 2 of subsection D of Section 707.3 of this title shall be
20 sent to the respective county treasurers and deposited in the county
21 highway fund to be used by the county commissioners for the purpose
22 of constructing and maintaining county highways and bridges.

23 2. The funds received by any county shall not be diverted to
24 any other county of the state, and shall only be expended under the

1 direction and control of the board of county commissioners in the
2 county to which the funds are appropriated. If any part of the
3 funds is diverted for any other purpose, the county commissioners
4 shall be liable on their bond for double the amount of the money so
5 diverted. This paragraph shall not prohibit counties from entering
6 into cooperative agreements pertaining to the maintenance and
7 construction of roads and bridges.

8 3. Where any county highway has been laid out over a road
9 already constructed in any county by the use of money raised from
10 county bond issues for that purpose, either alone or by the use of
11 federal or state aid, or both, the county commissioners may set
12 aside out of the funds apportioned to that county, as provided in
13 this section, an amount of money equal to the value of any part
14 thereof, of the interest of such county in such highway or bridge,
15 which amount of money shall be considered by the excise board in
16 reducing the levy for the purpose of retiring the bonded
17 indebtedness and interest thereon of the county, and shall be used
18 for investment or deposit in the same manner as provided by law for
19 the disposition of other sinking fund money.

20 4. In all counties where the county excise board may find it
21 necessary, because of insufficient revenue, to maintain county
22 government out of the general fund, after a levy of ten (10) mills
23 has been made for any fiscal year, the county excise board may
24 appropriate out of any such funds apportioned to the county an

1 amount sufficient to pay the salaries of the county commissioners of
2 the county for the fiscal year.

3 5. Counties may use funds deposited in the county highway fund
4 for the purpose of matching federal or state funds, provided such
5 funds are available, as necessary to secure assistance in the
6 construction or improvement of the county road system.

7 C. With regards to the apportionment of the levy as set forth
8 in paragraph 5 of subsection A of this section, paragraph 5 of
9 subsection A of Section 500.7 of this title, and subsection C of
10 Section 707.2 of this title:

11 1. If any county has an accrued balance of funds which were
12 appropriated to or otherwise accrued in a restricted road
13 maintenance fund, such funds shall be deposited directly to the
14 county highway fund of the county;

15 2. If any county has an accrued balance of funds which were
16 appropriated to or otherwise accrued in the County Road Improvement
17 Fund, or the County Bridge Improvement Fund, such funds shall, by
18 resolution approved by a majority of the board of county
19 commissioners and filed with the Department of Transportation, be
20 deposited in the county highway fund of the county;

21 3. If any county has an accrued balance of funds which were
22 appropriated to or otherwise accrued in the County Bridge and Road
23 Improvement Fund, ninety-nine percent (99%) of such funds shall be
24 remitted to the respective county treasurer for deposit in the

1 appropriate County Bridge and Road Improvement Fund to be used for
2 the purpose set forth in the County Bridge and Road Improvement Act.
3 The remaining one percent (1%) of such funds will be remitted to the
4 Statewide Circuit Engineering District Revolving Fund; and

5 4. If any county has an advanced funding agreement with the
6 Department of Transportation, the Department of Transportation shall
7 notify the Tax Commission as to the amount the county is obligated
8 to pay according to the terms of the advanced funding agreement.
9 The obligated amount shall be transferred each month by the Tax
10 Commission to the Department of Transportation to the credit of the
11 County Bridge and Road Improvement Fund from the funds apportioned
12 to the county pursuant to paragraph 5 of subsection A of this
13 section. A county may elect to increase the monthly amount to be
14 repaid pursuant to the advanced funding agreement from the funds
15 apportioned to the county, but a county shall not be permitted to
16 reduce the amount agreed to pursuant to the advanced funding
17 agreement.

18 D. The tax levied on gasoline pursuant to Section 500.4A of
19 this title, and the penalties and interest thereon, collected by the
20 Tax Commission under the levy shall be apportioned and distributed
21 on a monthly basis to the State Highway Construction and Maintenance
22 Fund for the purposes authorized by Section 1502 of Title 69 of the
23 Oklahoma Statutes.

1 SECTION 6. AMENDATORY 68 O.S. 2011, Section 500.7, is
2 amended to read as follows:

3 Section 500.7. A. ~~The~~ Except as otherwise provided in Section
4 1 of this act, the tax of thirteen cents (\$0.13) per gallon of
5 diesel fuel that is levied by Section 500.4 of this title, and all
6 penalties and interest thereon, collected by the Oklahoma Tax
7 Commission under the levy shall be apportioned and distributed
8 monthly as follows:

9 1. The first Eighty-three Thousand Three Hundred Thirty-three
10 Dollars and thirty-three cents (\$83,333.33) of the levy collected
11 each month shall be deposited in the State Treasury to the credit of
12 the State Transportation Fund;

13 2. One and thirty-nine one-hundredths percent (1.39%) of the
14 levy shall be paid by the Commission to the State Treasurer to the
15 credit of the High Priority State Bridge Revolving Fund as created
16 in Section 506 of Title 69 of the Oklahoma Statutes;

17 3. Sixty-four and thirty-four one-hundredths percent (64.34%)
18 of the levy shall be deposited in the State Treasury to the credit
19 of the State Transportation Fund;

20 4. Twenty-six and fifty-eight one-hundredths percent (26.58%)
21 of the levy shall be transmitted by the Commission to various
22 counties of the state, to be apportioned as follows:

23 a. forty-two and one-tenth percent (42.1%) of the monies
24 apportioned under this paragraph shall be transmitted

1 to the various counties in the percentage which the
2 population and area of each county bears to the
3 population and area of the entire state. The
4 population shall be as shown by the last Federal
5 Decennial Census or the most recent annual estimate
6 provided by the U.S. Bureau of the Census,

7 b. fourteen and five-tenths percent (14.5%) of the monies
8 apportioned under this paragraph shall be distributed
9 as follows:

10 Forty percent (40%) of such sum shall be distributed
11 to the various counties in that proportion which the
12 county road mileage of each county bears to the entire
13 state road mileage as certified by the Transportation
14 Commission, and the remaining sixty percent (60%) of
15 such sum shall be distributed to the various counties
16 on the basis which the population and area of each
17 county bears to the total population and area of the
18 state. The population shall be as shown by the last
19 Federal Decennial Census or the most recent annual
20 estimate provided by the U.S. Bureau of the Census,

21 c. twenty-eight and nine-tenths percent (28.9%) of the
22 monies apportioned under this paragraph shall be
23 distributed to the several counties in the following
24 manner: one-third (1/3) on area, one-third (1/3) on

1 rural population (defined as including the population
2 of all municipalities with a population of less than
3 five thousand (5,000) according to the latest Federal
4 Decennial Census), and one-third (1/3) on county road
5 mileage, as last certified by the Department of
6 Transportation, as each county bears to the entire
7 area, rural population and road mileage of the state,
8 and

9 d. fourteen and five-tenths percent (14.5%) of the monies
10 apportioned under this paragraph shall be distributed
11 to the various counties of the state based on a
12 formula developed by the Department of Transportation
13 and approved by the Department of Transportation
14 County Advisory Board created pursuant to Section
15 302.1 of Title 69 of the Oklahoma Statutes. The
16 formula shall be similar to the formula currently used
17 for the distribution of the County Bridge Program
18 funds, but shall also take into consideration the
19 effect of the terrain and traffic volume as related to
20 the county road improvement and maintenance costs;

21 5. Three and eighty-five one-hundredths percent (3.85%) of the
22 levy shall be distributed based on a formula developed by the
23 Department of Transportation and approved by the Department of
24 Transportation County Advisory Board created pursuant to Section

1 302.1 of Title 69 of the Oklahoma Statutes. The formula shall be
2 similar to the formula currently used for the distribution of the
3 County Bridge Program funds, but shall also take into consideration
4 the effect of the terrain and traffic volume as related to the
5 county road improvement and maintenance costs. The apportionment of
6 the levy as set forth in this paragraph shall be subject to the
7 provisions of subsection C of Section 500.6 of this title; and

8 6. Three and thirty-six one-hundredths percent (3.36%) of the
9 levy shall be distributed to the various counties of the state for
10 deposit into the County Bridge and Road Improvement Fund of each
11 county based on a formula developed by the Department of
12 Transportation and approved by the Department of Transportation
13 County Advisory Board created pursuant to Section 302.1 of Title 69
14 of the Oklahoma Statutes to be used for the purposes set forth in
15 the County Bridge and Road Improvement Act. The formula shall be
16 similar to the formula currently used for the distribution of monies
17 in the County Bridge Program funds, but shall also take into
18 consideration the effect of the terrain and traffic volume as
19 related to county road improvement and maintenance costs; and

20 7. Forty-eight one-hundredths percent (0.48%) of the levy shall
21 be transmitted by the Tax Commission to the Statewide Circuit
22 Engineering District Revolving Fund as created in Section 687.2 of
23 Title 69 of the Oklahoma Statutes.
24

1 B. The funds apportioned or transmitted pursuant to the
2 provisions of subparagraphs a, b, and c of paragraph 4 of subsection
3 A of this section shall be used in accordance with and subject to
4 the provisions of subsection B of Section 500.6 of this title.

5 C. The tax levied on diesel fuel pursuant to Section 500.4A of
6 this title, and all penalties and interest thereon, collected by the
7 Commission under the levy shall be apportioned and distributed on a
8 monthly basis to the State Highway Construction and Maintenance Fund
9 for the purposes authorized by Section 1502 of Title 69 of the
10 Oklahoma Statutes.

11 SECTION 7. AMENDATORY 68 O.S. 2011, Section 1004, as
12 last amended by Section 2, Chapter 355, O.S.L. 2017 (68 O.S. Supp.
13 2017, Section 1004), is amended to read as follows:

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

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

21 2. "Moving five-year average amount for oil" means, for
22 purposes of the apportionments prescribed by this section, the
23 amount of gross production tax on oil collected for each of the five
24 (5) complete fiscal years, as computed by the State Board of

1 Equalization pursuant to Section 34.103 of Title 62 of the Oklahoma
2 Statutes.

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

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

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

15 b. seven and fourteen one-hundredths percent (7.14%) of
16 the sum collected from natural gas and/or casinghead
17 gas or asphalt or ores bearing uranium, lead, zinc,
18 jack, gold, silver or copper shall be paid to the
19 various county treasurers to be credited to the County
20 Highway Fund as follows: Each county shall receive a
21 proportionate share of the funds available based upon
22 the proportion of the total value of production from
23 such county in the corresponding month of the
24 preceding year, and

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

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

15 a. after the total revenue apportioned to the General
16 Revenue Fund as prescribed by subparagraph b 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 by
23 Section 34.102 of Title 62 of the Oklahoma Statutes,
24 the amount of revenue, if any, which exceeds the

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

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

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

23 d. before any other apportionment of revenue has been
24 made pursuant to this paragraph, seven and fourteen

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

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

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

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

- 7 c. before any other apportionment of revenue has been
8 made pursuant to this paragraph, twenty-five percent
9 (25%) of the sum collected from natural gas and/or
10 casinghead gas shall be paid to the various county
11 treasurers to be credited to the County Highway Fund
12 as follows: Each county shall receive a proportionate
13 share of the funds available based upon the proportion
14 of the total value of production from such county in
15 the corresponding month of the preceding year, and
16 d. before any other apportionment of revenue has been
17 made pursuant to this paragraph, twenty-five percent
18 (25%) shall be allocated to each county as provided
19 for in subparagraph c of this paragraph and shall be
20 apportioned on an average daily attendance per capita
21 distribution basis, as certified by the State
22 Superintendent of Public Instruction, to the school
23 districts of the county where such pupils attend
24 school regardless of residence of such pupil, provided

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

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

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

19 b. before any other apportionment of revenue has been
20 made pursuant to this paragraph, twenty-five and
21 seventy-two one-hundredths percent (25.72%) shall be
22 paid to the State Treasurer to be placed in the Common
23 Education Technology Revolving Fund created in Section
24 34.90 of Title 62 of the Oklahoma Statutes,

- 1 c. before any other apportionment of revenue has been
2 made pursuant to this paragraph, twenty-five and
3 seventy-two one-hundredths percent (25.72%) shall be
4 paid to the State Treasurer to be placed in the Higher
5 Education Capital Revolving Fund created in Section
6 34.91 of Title 62 of the Oklahoma Statutes,
- 7 d. before any other apportionment of revenue has been
8 made pursuant to this paragraph, twenty-five and
9 seventy-two one-hundredths percent (25.72%) shall be
10 paid to the State Treasurer to be placed in the
11 Oklahoma Student Aid Revolving Fund created in Section
12 34.92 of Title 62 of the Oklahoma Statutes,
- 13 e. before any other apportionment of revenue has been
14 made pursuant to this paragraph, three and seven
15 hundred forty-five one-thousandths percent (3.745%)
16 shall be distributed to the various counties of the
17 state for deposit into the County Bridge and Road
18 Improvement Fund of each county based on a formula
19 developed by the Department of Transportation and
20 approved by the Department of Transportation County
21 Advisory Board created pursuant to Section 302.1 of
22 Title 69 of the Oklahoma Statutes to be used for the
23 purposes set forth in the County Bridge and Road
24 Improvement Act. The formula shall be similar to the

1 formula currently used for the distribution of monies
2 in the County Bridge Program funds, but shall also
3 take into consideration the effect of the terrain and
4 traffic volume as related to county road improvement
5 and maintenance costs,

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

10 (1) the following sources and in the following
11 amounts through the fiscal year ending June 30,
12 2019:

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

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

23 (c) thirty-three and one-third percent (33 1/3%)
24 to the Community Water Infrastructure

1 Development Revolving Fund created pursuant
2 to Section 1085.7A of Title 82 of the
3 Oklahoma Statutes, and

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

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

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

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

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

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

- 16 a. there shall be apportioned from the gross production
17 tax levy imposed pursuant to Section 1001 of this
18 title on oil to the Revenue Stabilization Fund created
19 by Section 34.102 of Title 62 of the Oklahoma
20 Statutes, after the applicable maximum amount
21 prescribed by subsection C of this section has been
22 deposited to the funds therein specified, the amount
23 of revenue, if any, which would otherwise be
24 apportioned to the General Revenue Fund and which

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

4 b. before any other apportionment of revenue has been
5 made pursuant to this paragraph, twenty-two and one-
6 half percent (22.5%) shall be paid to the State
7 Treasurer to be placed in the Common Education
8 Technology Revolving Fund created in Section 34.90 of
9 Title 62 of the Oklahoma Statutes,

10 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 Higher Education Capital
14 Revolving Fund created in Section 34.91 of Title 62 of
15 the Oklahoma Statutes,

16 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 Oklahoma Student Aid
20 Revolving Fund created in Section 34.92 of Title 62 of
21 the Oklahoma Statutes,

22 e. before any other apportionment of revenue has been
23 made pursuant to this paragraph, three and twenty-
24 eight one-hundredths percent (3.28%) shall be

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

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

19 (1) the following sources and in the following
20 amounts through the fiscal year ending June 30,
21 2019:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 SECTION 8. AMENDATORY 68 O.S. 2011, Section 1353, as
2 last amended by Section 1, Chapter 349, O.S.L. 2015 (68 O.S. Supp.
3 2017, Section 1353), is amended to read as follows:

4 Section 1353. A. It is hereby declared to be the purpose of
5 the Oklahoma Sales Tax Code to provide funds for the financing of
6 the program provided for by the Oklahoma Social Security Act and to
7 provide revenues for the support of the functions of the state
8 government of Oklahoma, and for this purpose and except as provided
9 in Section 1 of this act, it is hereby expressly provided that,
10 revenues derived pursuant to the provisions of the Oklahoma Sales
11 Tax Code, subject to the apportionment requirements for the Oklahoma
12 Tax Commission and Office of Management and Enterprise Services
13 Joint Computer Enhancement Fund provided by Section 265 of this
14 title, shall be apportioned as follows:

15 1. a. the following amounts shall be paid to the State
16 Treasurer to be placed to the credit of the General
17 Revenue Fund to be paid out pursuant to direct
18 appropriation by the Legislature:

Fiscal Year	Amount
FY 2003 and FY 2004	86.04%
FY 2005	85.83%
FY 2006	85.54%
FY 2007	85.04%

FY 2008 and each fiscal

year thereafter 83.61%

b. in the event that additional monies are necessary pursuant to paragraph 6 of this subsection, such additional monies shall be deducted in the proportion determined by the State Board of Equalization pursuant to paragraph 3 of Section 2355.1B of this title from the monies apportioned to the General Revenue Fund;

2. For FY 2003, FY 2004 and FY 2005, ten and forty-two one-hundredths percent (10.42%), shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education and for FY 2006 and each fiscal year thereafter, ten and forty-six one-hundredths percent (10.46%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education;

3. The following amounts shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%

1 FY 2008 and each fiscal

2 year thereafter 5.0%

3 4. a. except as otherwise provided in subparagraph b of this
4 paragraph, for the fiscal year beginning July 1, 2015,
5 and for each fiscal year thereafter, eighty-seven one-
6 hundredths percent (0.87%) shall be paid to the State
7 Treasurer to be further apportioned as follows:

8 (1) thirty-six percent (36%) shall be placed to the
9 credit of the Oklahoma Tourism Promotion
10 Revolving Fund, but in no event shall such
11 apportionment exceed Five Million Dollars
12 (\$5,000,000.00) in any fiscal year, and

13 (2) sixty-four percent (64%) shall be placed to the
14 credit of the Oklahoma Tourism Capital
15 Improvement Revolving Fund, but in no event shall
16 such apportionment exceed Nine Million Dollars
17 (\$9,000,000.00) in any fiscal year, and

18 b. any amounts which exceed the limitations of
19 subparagraph a of this paragraph shall be placed to
20 the credit of the General Revenue Fund;

21 5. For the fiscal year beginning July 1, 2015, and for each
22 fiscal year thereafter, six one-hundredths percent (0.06%) shall be
23 placed to the credit of the Oklahoma Historical Society Capital
24 Improvement and Operations Revolving Fund, but in no event shall

1 such apportionment exceed the total amount apportioned pursuant to
2 this paragraph for the fiscal year ending on June 30, 2015. Any
3 amounts which exceed the limitations of this paragraph shall be
4 placed to the credit of the General Revenue Fund; and

5 6. During the first fiscal year after the State Board of
6 Equalization has made a determination as provided in Section 2355.1B
7 of this title, regarding a baseline amount of revenue apportioned
8 pursuant to paragraph 3 of this subsection, and for each fiscal year
9 thereafter, in no event shall monies apportioned pursuant to
10 paragraph 3 of this subsection, paragraph 3 of Section 1403 of this
11 title and subparagraph c of paragraph 1 of Section 2352 of this
12 title be less than such baseline amount.

13 B. Provided, for the fiscal year beginning July 1, 2007, and
14 every fiscal year thereafter, an amount of revenue shall be
15 apportioned to each municipality or county which levies a sales tax
16 subject to the provisions of Section 1357.10 of this title and
17 subsection F of Section 2701 of this title equal to the amount of
18 sales tax revenue of such municipality or county exempted by the
19 provisions of Section 1357.10 of this title and subsection F of
20 Section 2701 of this title. The Oklahoma Tax Commission shall
21 promulgate and adopt rules necessary to implement the provisions of
22 this subsection.

1 SECTION 9. AMENDATORY 68 O.S. 2011, Section 1403, as
2 last amended by Section 2, Chapter 349, O.S.L. 2015 (68 O.S. Supp.
3 2017, Section 1403), is amended to read as follows:

4 Section 1403. It is hereby declared to be the purpose of
5 Section 1401 et seq. of this title to provide for the support of the
6 functions of the state and local government of Oklahoma; and for
7 this purpose and to this end and except as provided in Section 1 of
8 this act, it is hereby expressly provided that the revenues derived
9 hereunder, subject to the apportionment requirements for the
10 Oklahoma Tax Commission and Office of Management and Enterprise
11 Services Joint Computer Enhancement Fund provided by Section 265 of
12 this title, are hereby apportioned as follows:

13 1. a. the following amounts shall be paid by the Tax
14 Commission to the State Treasurer and placed to the
15 credit of the General Revenue Fund to be paid out
16 pursuant to direct appropriation by the Legislature:

Fiscal Year	Amount
FY 2004	85.35%
FY 2005	85.14%
FY 2006	85.54%
FY 2007	85.04%
FY 2008 and each fiscal year thereafter	83.61%

b. in the event that additional monies are necessary pursuant to paragraph 6 of this section, such additional monies shall be deducted in the proportion determined by the State Board of Equalization pursuant to paragraph 3 of Section 2355.1B of this title from the monies apportioned to the General Revenue Fund;

2. Ten and forty-six one-hundredths percent (10.46%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education;

3. The following amounts shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 and each fiscal year thereafter	5.0%

4. a. except as otherwise provided in subparagraph b of this paragraph, for the fiscal year beginning July 1, 2015, and for each fiscal year thereafter, eighty-seven one-

1 hundredths percent (0.87%) shall be paid to the State
2 Treasurer to be further apportioned as follows:

3 (1) thirty-six percent (36%) shall be placed to the
4 credit of the Oklahoma Tourism Promotion
5 Revolving Fund, but in no event shall such
6 apportionment exceed the total amount apportioned
7 pursuant to this division for the fiscal year
8 ending on June 30, 2015, and

9 (2) sixty-four percent (64%) shall be placed to the
10 credit of the Oklahoma Tourism Capital
11 Improvement Revolving Fund, but in no event shall
12 such apportionment exceed the total amount
13 apportioned pursuant to this division for the
14 fiscal year ending on June 30, 2015, and

15 b. any amounts which exceed the limitations of
16 subparagraph a of this paragraph shall be placed to
17 the credit of the General Revenue Fund;

18 5. For the fiscal year beginning July 1, 2015, and for each
19 fiscal year thereafter, six one-hundredths percent (0.06%) shall be
20 placed to the credit of the Oklahoma Historical Society Capital
21 Improvement and Operations Revolving Fund, but in no event shall
22 such apportionment exceed the total amount apportioned pursuant to
23 this paragraph for the fiscal year ending on June 30, 2015. Any
24

1 amounts which exceed the limitations of this paragraph shall be
2 placed to the credit of the General Revenue Fund; and

3 6. During the first fiscal year after the State Board of
4 Equalization has made a determination as provided in Section 2355.1B
5 of this title, regarding a baseline amount of revenue apportioned
6 pursuant to paragraph 3 of this section, and for each fiscal year
7 thereafter, in no event shall monies apportioned pursuant to
8 paragraph 3 of this section, paragraph 3 of Section 1353 of this
9 title and subparagraph c of paragraph 1 of Section 2352 of this
10 title be less than such baseline amount.

11 SECTION 10. AMENDATORY 68 O.S. 2011, Section 2352, as
12 last amended by Section 5, Chapter 337, O.S.L. 2016 (68 O.S. Supp.
13 2017, Section 2352), is amended to read as follows:

14 Section 2352. It is hereby declared to be the purpose of
15 Section 2351 et seq. of this title to provide revenue for general
16 governmental functions of state government; and, for that purpose
17 and to that end and except as provided in Section 1 of this act, it
18 is expressly declared that the revenue derived herefrom and
19 penalties and interest thereon, subject to the apportionment
20 requirements for the Rebuilding Oklahoma Access and Driver Safety
21 Fund, the Oklahoma Tourism and Passenger Rail Revolving Fund and the
22 Public Transit Revolving Fund to be derived from income tax revenue
23 that would otherwise be apportioned to the General Revenue Fund as
24 provided by Section 1521 of Title 69 of the Oklahoma Statutes,

subject to the apportionment requirements for the Oklahoma Tax Commission and Office of Management and Enterprise Services Joint Computer Enhancement Fund provided by Section 265 of this title, and subject to the apportionment requirements for the Oklahoma State Capitol Building Repair and Restoration Fund provided by Section 19 of Title 73 of the Oklahoma Statutes, shall be distributed as follows:

1. For the fiscal year beginning July 1, 2002, the first Five Million Eight Hundred Thousand Dollars (\$5,800,000.00) of revenue derived pursuant to the provisions of subsections A, B and E of Section 2355 of this title shall be apportioned to the Education Reform Revolving Fund. The remainder of such revenue for the fiscal year beginning July 1, 2002, and all such revenue for each fiscal year thereafter shall be apportioned monthly as follows:

a. (1) the following amounts shall be paid to the State Treasurer to be placed to the credit of the General Revenue Fund of the state for such fiscal year for the support of the state government to be paid out only pursuant to appropriation by the Legislature:

Fiscal Year	Amount
FY 2003 and FY 2004	87.12%
FY 2005	86.91%
FY 2006	86.66%

FY 2007 86.16%

FY 2008 and each fiscal

year thereafter 85.66%

(2) in the event that additional monies are necessary pursuant to paragraph 3 of this section, such additional monies shall be deducted in the proportion determined by the State Board of Equalization pursuant to paragraph 3 of Section 2355.1B of this title from the monies apportioned to the General Revenue Fund,

b. for FY 2003 and each fiscal year thereafter, eight and thirty-four one-hundredths percent (8.34%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund,

c. the following amounts shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 and each fiscal	
year thereafter	5.0%

1 d. for FY 2003 and each fiscal year thereafter, one
2 percent (1%) shall be placed to the credit of the Ad
3 Valorem Reimbursement Fund;

4 2. Beginning July 1, 2003, for any period of time as certified
5 by the Oklahoma Development Finance Authority and the Oklahoma
6 Department of Commerce to be necessary for the repayment of
7 obligations issued by the Oklahoma Development Finance Authority
8 pursuant to Section 3654 of this title if the other sources of
9 revenue paid to or apportioned to the Quality Jobs Program Incentive
10 Leverage Fund are not adequate, including the proceeds from payment
11 pursuant to the guaranty required by subsection M of Section 3654 of
12 this title, an amount certified by the Oklahoma Development Finance
13 Authority to the Oklahoma Tax Commission shall be apportioned to the
14 Quality Jobs Program Incentive Leverage Fund before any other
15 apportionments are made as otherwise authorized by this paragraph.
16 The Oklahoma Development Finance Authority shall certify to the
17 Oklahoma Tax Commission the time as of which the revenue authorized
18 for apportionment pursuant to this paragraph is no longer required.
19 After the certification, the revenue derived from the income tax
20 shall be apportioned in the manner otherwise provided by this
21 section. Except as otherwise provided by this paragraph, for the
22 fiscal year beginning July 1, 2002, the first Forty-One Million One
23 Hundred Ninety Thousand Eight Hundred Dollars (\$41,190,800.00) of
24 revenue derived pursuant to the provisions of subsections D and E of

1 Section 2355 of this title shall be apportioned to the Education
2 Reform Revolving Fund. The remainder of such revenue for the fiscal
3 year beginning July 1, 2002, and all such revenue for each fiscal
4 year thereafter, subject to the apportionment requirements for the
5 Oklahoma Tax Commission and Office of Management and Enterprise
6 Services Joint Computer Enhancement Fund provided by Section 265 of
7 this title, shall be apportioned monthly as follows:

- 8 a. the following amounts shall be paid to the State
9 Treasurer to be placed to the credit of the General
10 Revenue Fund of the state for such fiscal year for the
11 support of the state government to be paid out only
12 pursuant to appropriation by the Legislature:

Fiscal Year	Amount
FY 2003 and FY 2004	78.96%
FY 2005	78.75%
FY 2006	78.50%
FY 2007	78.0%

- 18 (1) FY 2018 and each fiscal
19 year thereafter until the
20 apportionment to the
21 General Revenue Fund
22 equals the moving five-
23 year average amount for
24 corporate income tax as

prescribed by paragraph 4

of this section 77.50%

(2) there shall be apportioned from the tax levy imposed on corporate income tax to the Revenue Stabilization Fund created by Section ~~1 of this act~~ 34.102 of Title 62 of the Oklahoma Statutes, or to the Constitutional Reserve Fund, as provided by Section ~~1 of this act~~ 34.102 of Title 62 of the Oklahoma Statutes, the amount of revenue, if any, which exceeds the moving five-year average amount as defined pursuant to paragraph 4 of this section,

b. for FY 2003 and each fiscal year thereafter, sixteen and five-tenths percent (16.5%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education,

c. the following amounts shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%

1	FY 2005	3.75%
2	FY 2006	4.0%
3	FY 2007	4.5%
4	FY 2008 and each fiscal	
5	year thereafter	5.0%

d. for FY 2003 and each fiscal year thereafter, one percent (1%) shall be placed to the credit of the Ad Valorem Reimbursement Fund;

3. During the first fiscal year after the State Board of Equalization has made a determination as provided in Section 2355.1B of this title, regarding a baseline amount of revenue apportioned pursuant to subparagraph c of paragraph 1 of this section, and for each fiscal year thereafter, in no event shall monies apportioned pursuant to subparagraph c of paragraph 1 of this section, paragraph 3 of Section 1353 of this title and paragraph 3 of Section 1403 of this title be less than such baseline amount; and

4. "Moving five-year average for corporate income tax" means, for purposes of the apportionments prescribed by this section, the amount of income tax on corporations, as determined by the State Board of Equalization in the manner prescribed by Section ~~2 of this act~~ 34.103 of Title 62 of the Oklahoma Statutes.

SECTION 11. AMENDATORY 69 O.S. 2011, Section 1521, as last amended by Section 93, Chapter 15, O.S.L. 2013 (69 O.S. Supp. 2017, Section 1521), is amended to read as follows:

1 Section 1521. A. There is hereby created in the State Treasury
2 a fund to be known as the "Rebuilding Oklahoma Access and Driver
3 Safety Fund". The fund shall be a continuing fund, not subject to
4 fiscal year limitations, and shall consist of all appropriations and
5 transfers made by the Legislature. All monies accruing to the
6 credit of the fund are hereby appropriated and may be budgeted and
7 expended each fiscal year by the Department of Transportation for
8 the purposes authorized by subsection G of this section.

9 Expenditures from the fund shall be made upon warrants issued by the
10 State Treasurer against claims filed as prescribed by law with the
11 Director of the Office of Management and Enterprise Services for
12 approval and payment.

13 B. There shall be apportioned to the funds specified in this
14 subsection from the monies that would otherwise be apportioned to
15 the General Revenue Fund by Section 2352 of Title 68 of the Oklahoma
16 Statutes from the revenues derived pursuant to subsections A, B and
17 E of Section 2355 of Title 68 of the Oklahoma Statutes, except as
18 provided in Section 1 of this act, amounts as follows:

19 1. For each fiscal year, subject to the provisions of paragraph
20 3 of this subsection, and, except for the amount prescribed by
21 subparagraph a of this paragraph, subject to any reductions required
22 by subsection F of this section, there shall be apportioned to the
23 Rebuilding Oklahoma Access and Driver Safety Fund:

- a. for the fiscal year beginning July 1, 2011, the first Thirty-five Million Seven Hundred Thousand Dollars (\$35,700,000.00), for the fiscal year beginning July 1, 2012, the first Forty-one Million Seven Hundred Thousand Dollars (\$41,700,000.00) and for the fiscal year beginning July 1, 2013, and for each fiscal year thereafter, Fifty-nine Million Seven Hundred Thousand Dollars (\$59,700,000.00), which shall be allocated and used by the Department of Transportation first for the purpose of making any required payments for principal, interest or other costs of borrowing with respect to the obligations issued pursuant to Section 341 of Title 73 of the Oklahoma Statutes and after any such required payment has been made then for the purposes otherwise authorized by this section, plus
- b. the total amount apportioned to the Rebuilding Oklahoma Access and Driver Safety Fund for the preceding fiscal year which, except for the amount prescribed by subparagraph a of this paragraph, shall be apportioned before any other amount is apportioned pursuant to Section 2352 of Title 68 of the Oklahoma Statutes, plus
- c. an additional incremental amount which shall not be in excess of the amount prescribed by subparagraph a of

1 this paragraph and that is required in order for the
2 total apportionment for such fiscal year to equal Five
3 Hundred Seventy-five Million Dollars
4 (\$575,000,000.00) .

5 All amounts apportioned pursuant to this paragraph shall be
6 divided into twelve equal amounts to be apportioned each month
7 during the fiscal year except the amount specified in subparagraph a
8 of this paragraph which amount shall be allocated in its full amount
9 in cash not later than July 30 each year or such later date as may
10 be required in order for the amount to be allocated in cash;

11 2. For each fiscal year after the apportionments required by
12 paragraph 1 of this subsection have been made:

13 a. the next Two Million Dollars (\$2,000,000.00) shall be
14 apportioned to the Oklahoma Tourism and Passenger Rail
15 Revolving Fund created pursuant to Section 325 of
16 Title 66 of the Oklahoma Statutes to be used for
17 capital and operating costs for the "Heartland Flyer"
18 rail project, and

19 b. the next Three Million Dollars (\$3,000,000.00) shall
20 be apportioned to the Public Transit Revolving Fund
21 created pursuant to Section 4031 of this title to be
22 used for purposes authorized by law other than the
23 purpose described by subparagraph a of this paragraph.

1 All amounts apportioned pursuant to this paragraph shall be
2 divided into twelve equal amounts to be apportioned each month
3 during the fiscal year; and

4 3. For each fiscal year after the first fiscal year in which
5 the total apportionment to the Rebuilding Oklahoma Access and Driver
6 Safety Fund as provided by paragraph 1 of this subsection equals
7 Five Hundred Seventy-five Million Dollars (\$575,000,000.00), the
8 first Five Hundred Seventy-five Million Dollars (\$575,000,000.00)
9 collected pursuant to subsections A, B and E of Section 2355 of
10 Title 68 of the Oklahoma Statutes and apportioned pursuant to
11 Section 2352 of Title 68 of the Oklahoma Statutes that would
12 otherwise be apportioned to the General Revenue Fund shall be
13 apportioned to the Rebuilding Oklahoma Access and Driver Safety
14 Fund. With the exception of the amount prescribed by subparagraph a
15 of paragraph 1 of this subsection, all amounts apportioned pursuant
16 to this paragraph shall be divided into twelve equal amounts to be
17 apportioned each month during the fiscal year.

18 C. The apportionments of revenues required by subparagraphs a,
19 b and c of paragraph 1 of subsection B of this section shall be made
20 until the total annual apportionment to the Rebuilding Oklahoma
21 Access and Driver Safety Fund equals Five Hundred Seventy-five
22 Million Dollars (\$575,000,000.00). After such annual apportionment
23 level is reached, the apportionment to the fund shall be governed by
24 the provisions of paragraph 3 of subsection B of this section.

1 D. The monies apportioned to the Rebuilding Oklahoma Access and
2 Driver Safety Fund shall not be used to supplant or replace existing
3 state funds used for transportation purposes.

4 E. In order to ensure that the funds from the ROADS Fund are
5 used to enhance and not supplant state funding for the Department of
6 Transportation, the State Board of Equalization shall examine and
7 investigate expenditures from the fund each year. For purposes of
8 this examination, monies used to retire outstanding debt obligations
9 for which the Department of Transportation is responsible shall be
10 excluded. At the meeting of the State Board of Equalization held
11 within five (5) days after the monthly apportionment in February of
12 each year, the State Board of Equalization shall issue a finding and
13 report which shall state whether expenditures from the ROADS Fund
14 were used to enhance or supplant state funding for the Department of
15 Transportation. If the State Board of Equalization finds that state
16 funding for the Department of Transportation was supplanted by funds
17 from the ROADS Fund, the Board shall specify the amount by which
18 such funding was supplanted. In this event, the Legislature shall
19 not make any appropriations for the ensuing fiscal year until an
20 appropriation in that amount is made to replenish state funding for
21 the Department of Transportation.

22 F. In the event that the Director of the Office of Management
23 and Enterprise Services declares a General Revenue Fund revenue
24 failure pursuant to Section 34.49 of Title 62 of the Oklahoma

1 Statutes, and agency allocations are reduced pursuant to the
2 provisions of Section 34.49 of Title 62 of the Oklahoma Statutes,
3 the amounts that would otherwise be apportioned to the ROADS Fund
4 by:

5 1. Subparagraph a of paragraph 1 of subsection B of this
6 section, only to the extent that the amount is not required for debt
7 service related to the obligations authorized pursuant to Section
8 341 of Title 73 of the Oklahoma Statutes;

9 2. Subparagraphs b and c of paragraph 1 of subsection B of this
10 section; and

11 3. Subparagraphs a and b of paragraph 2 of subsection B of this
12 section,
13 shall be reduced by a percentage equal to that required of the
14 General Revenue Fund appropriations to state agencies and such
15 reductions shall occur during the entire fiscal year and for any
16 month during which such reductions are required by the Office of
17 Management and Enterprise Services and by the same percentage as
18 that required of the agencies for such General Revenue Fund
19 appropriations.

20 G. The Department of Transportation shall use the monies in the
21 Rebuilding Oklahoma Access and Driver Safety Fund for:

22 1. The construction and maintenance of state roads, bridges and
23 highways;

1 2. The direct expenses of operating and maintaining the state
2 highway system, including bridges;

3 3. Direct expenses incurred in constructing, repairing, and
4 maintaining state highways, farm-to-market roads, county highways
5 and bridges as authorized by law;

6 4. Matching federal funds;

7 5. The purchase of materials, tools, machinery, motor vehicles,
8 and equipment necessary or convenient for the construction and
9 maintenance of the state highway system and bridges;

10 6. Debt service incurred prior to January 1, 2006, for Capital
11 Improvement Program bonds sold pursuant to Section 2001 of this
12 title; and

13 7. Debt service incurred on or after July 1, 2009, with respect
14 to obligations authorized to be issued pursuant to Section 341 of
15 Title 73 of the Oklahoma Statutes.

16 H. From the monies allocated pursuant to the provisions of
17 subparagraph a of paragraph 1 of subsection B of this section each
18 fiscal year, the Department of Transportation shall make payments
19 required for the payment of principal, interest and other costs
20 related to the obligations issued by the Oklahoma Capitol
21 Improvement Authority as authorized by Section 341 of Title 73 of
22 the Oklahoma Statutes and such payments shall be made by the
23 Department each fiscal year before such monies are used for any
24 other purpose.

1 ~~SECTION 12. This act shall become effective July 1, 2018.~~

2 ~~SECTION 13. It being immediately necessary for the preservation~~
3 ~~of the public peace, health or safety, an emergency is hereby~~
4 ~~declared to exist, by reason whereof this act shall take effect and~~
5 ~~be in full force from and after its passage and approval.~~

6 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
7 February 28, 2018 - DO PASS AS AMENDED
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