SENATE FLOOR VERSION
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 the amount available for appropriation by the Legislature for the upcoming fiscal year is less than such amount for the then-current fiscal year.

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

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

Section 113. A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Tax Commission to be known as the "Tax Commission Reimbursement Fund". ~~Said~~ The revolving fund shall consist of any funds received by the Tax Commission for data processing services or equipment rental and any funds received by the Tax Commission from any incorporated city, town, or county pursuant to a contractual agreement for the augmentation of the enforcement and collection of municipal or county taxes entered into pursuant to the provisions of Sections 1371 or 2702 of this title. The Tax Commission is authorized to hire full-time-equivalent employees as necessary to perform such duties as to fulfill contractual agreements authorized pursuant to Sections 1371 and 2702 of this title, however, such employees hired to perform such contractual duties shall be supported solely by funds in the Tax Commission Reimbursement Fund which are collected by the Tax Commission from incorporated cities, towns, and counties pursuant to such contractual agreements and such employees shall be terminated upon the discontinuation of such funds or inadequate funds to support such positions. Such full-time-equivalent employees shall be in the unclassified service and shall not be subject to any provisions of the Oklahoma Personnel Act or to the Merit Rules for Employment except leave regulations. All fees collected and apportioned to this fund under the Oklahoma Vehicle License and Registration Act, Section 1101 et seq. of Title 47 of the Oklahoma Statutes, may be used by the Motor Vehicle Division of the Oklahoma Tax Commission to pay all costs incurred in the issuance of certificates of title and inspection of vehicles, including, but not limited to, additional computer costs for the Tax Commission and motor license agents and the check verification system authorized pursuant to the provisions of paragraph 1 of subsection A of Section 1144 of Title 47 of the Oklahoma Statutes or be used for capital expenditures as authorized by the Oklahoma State Legislature. For the fiscal year beginning July 1, 2004, disbursements from the fund shall be exempt from all agency budget limits.

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

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

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

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

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

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

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

   a. every month, an amount equal to the actual amount placed to the credit of the Trauma Care Assistance Revolving Fund pursuant to this paragraph for the same month of the 2008 fiscal year shall be credited to the 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 402-3 of this title is equal to a total of 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. Three and nine-hundredths percent (3.09%) 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. Twenty-six and thirty-eight-hundredths percent (26.38%) 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 the federal "Jobs and Growth Tax Relief Reconciliation Act of 2003", reimbursing city/county-owned

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

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

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

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

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

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

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

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

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

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

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

C. The tax shall be evidenced by tax stamps as now provided for; however, as to cigarette packages of less than ten cigarettes for free distribution as samples, the tax herein levied shall be computed and paid as provided for other cigarette taxes without affixing stamps on each such package.

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

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

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

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

a. every month, an amount equal to the actual amount placed to the credit of the Trauma Care Assistance Revolving Fund pursuant to this paragraph for the same month of the 2008 fiscal year shall be credited to the 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 402-3 of this title is equal to a total of 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 the federal "Jobs and Growth Tax Relief Reconciliation Act of 2003", reimbursing city/county-owned hospitals, increasing emergency room physician rates, and providing TEFRA 134, also known as "Katie Beckett" services;

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

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

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

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

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

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

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

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

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

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

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

Section 402-3. A. In addition to the tax levied in Sections 402, 402-1 and 402-2 of this title, effective January 1, 2005, there shall be levied, assessed, collected, and paid in respect to the articles containing tobacco enumerated in Section 401 et seq. of this title, a tax in the following amounts:

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

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

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

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

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

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

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

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

a. every month, an amount equal to the actual amount placed to the credit of the Trauma Care Assistance Revolving Fund pursuant to this paragraph for the same month of the 2008 fiscal year shall be credited to the 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. Three and nine-hundredths percent (3.09%) 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. Twenty-six and thirty-eight-hundredths percent (26.38%) 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 the federal "Jobs and Growth Tax Relief Reconciliation Act of 2003", reimbursing city/county-owned

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

500.4 of this title, the tax upon compressed natural gas levied by paragraph 3 of subsection A of Section 500.4 of this title, the tax upon liquefied natural gas levied by paragraph 4 of subsection A of Section 500.4 of this title and the tax of two and eight one-hundredths cents ($0.0208) per gallon of gasoline that is levied by subsection C of Section 500.4 of this title, and penalties and interest thereon, collected by the Oklahoma Tax Commission under the levy shall be apportioned and distributed monthly as follows:

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

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

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

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

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

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

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

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

d. nine and eight-tenths percent (9.8%) of the monies apportioned to the State Transportation Fund shall be used to provide funds for the construction and maintenance of farm-to-market roads on the state highway system, and other rural farm-to-market roads and bridges, and

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

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

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

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

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

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 related to county road improvement and maintenance costs;

5. Three and one hundred twenty-five one-thousandths percent (3.125%) of the levy 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 related to county road improvement and maintenance costs;

6. Two and two hundred ninety-seven one-thousandths percent (2.297%) of the levy shall be distributed to the various counties of the state for deposit into the County Bridge and Road Improvement Fund of each county 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 to be used for the purposes set forth in the County Bridge and Road Improvement Act. 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 related to county road improvement and maintenance costs;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a. forty-two and one-tenth percent (42.1%) of the monies apportioned under this paragraph shall be transmitted to the various counties in the percentage which the population and area of each county bears to the population and area of the entire state. The population shall be as shown by the last Federal Decennial Census or the most recent annual estimate provided by the U.S. Bureau of the Census,

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

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

c. twenty-eight and nine-tenths percent (28.9%) of the monies apportioned under this paragraph shall be distributed to the several 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

d. fourteen and five-tenths percent (14.5%) 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 the County Bridge Program funds, but shall also take into consideration the effect of the terrain and traffic volume as related to the county road improvement and maintenance costs;

5. Three and eighty-five one-hundredths percent (3.85%) of the levy shall be distributed 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 the County Bridge Program funds, but shall also take into consideration the effect of the terrain and traffic volume as related to the county road improvement and maintenance costs. The apportionment of the levy as set forth in this paragraph shall be subject to the provisions of subsection C of Section 500.6 of this title; and

6. Three and thirty-six one-hundredths percent (3.36%) of the levy shall be distributed to the various counties of the state for deposit into the County Bridge and Road Improvement Fund of each county 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 to be used for the purposes set forth in the County Bridge and Road Improvement Act. 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 related to county road improvement and maintenance costs; and

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

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

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

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

Section 1004. A. As used in this section:

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

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

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

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

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

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

   b. seven and fourteen one-hundredths percent (7.14%) of the sum collected from natural gas and/or casinghead gas or asphalt or ores bearing uranium, lead, zinc, jack, gold, silver or copper 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 of production from such county in the corresponding month of the preceding year, and

c. seven and fourteen one-hundredths percent (7.14%) shall be allocated to each county as provided for in subparagraph b 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;

2. For all monies collected from the tax levied on natural gas and/or casinghead gas at a tax rate of seven percent (7%) pursuant to the provisions of subsection B 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 by Section 34.102 of Title 62 of the Oklahoma Statutes, the amount of revenue, if any, which exceeds the moving five-year average amount for gas as defined pursuant to paragraph 1 of subsection A of this section,

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

c. before any other apportionment of revenue has been made pursuant to this paragraph, seven and fourteen one-hundredths percent (7.14%) of the sum collected from natural gas and/or casinghead gas 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 of production from such county in the corresponding month of the preceding year, and

d. before any other apportionment of revenue has been 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 the moving five-year average amount for gas as defined pursuant to paragraph 1 of subsection A of this section,

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

c. 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 natural gas and/or casinghead gas 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 of production from such county in the corresponding month of the preceding year, and

d. before any other apportionment of revenue has been made pursuant to this paragraph, twelve and one-half percent (12.5%) 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;

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

a. fifty percent (50%) of the sum collected from natural gas and/or casinghead gas 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 of production from such county in the corresponding month of the preceding year, and

b. fifty percent (50%) shall be allocated to each county as provided for in subparagraph a 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;

5. For all monies collected from the tax levied on natural gas and/or casinghead gas at a tax rate of two percent (2%) pursuant to the provisions of subparagraph c of paragraph 3 of subsection B 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 gas to the Revenue Stabilization Fund created by Section 34.102 of Title 62 of the Oklahoma Statutes, the amount of revenue, if any, which exceeds the moving five-year average amount for natural gas and/or casinghead gas as defined pursuant to paragraph 1 of subsection A of this section,

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

c. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-five percent (25%) of the sum collected from natural gas and/or casinghead gas 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 of production from such county in the corresponding month of the preceding year, and

d. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-five percent (25%) 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;

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

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

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

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

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

e. before any other apportionment of revenue has been made pursuant to this paragraph, three and seven hundred forty-five one-thousandths percent (3.745%) shall be distributed to the various counties of the state for deposit into the County Bridge and Road Improvement Fund of each county 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 to be used for the purposes set forth in the County Bridge and Road Improvement Act. 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 related to county road improvement and maintenance costs,

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

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

(a) thirty-three and one-third percent (33 1/3%) to the Oklahoma Tourism and Recreation 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, seven and fourteen one-hundredths percent (7.14%) of the sum collected from oil shall be paid to the various county treasurers, to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year,

h. before any other apportionment of revenue has been made pursuant to this paragraph, seven and fourteen one-hundredths percent (7.14%) shall be allocated to each county as provided in subparagraph g 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, and

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

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

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

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

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

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

e. before any other apportionment of revenue has been made pursuant to this paragraph, three and twenty-eight one-hundredths percent (3.28%) shall be distributed to the various counties of the state for deposit into the County Bridge and Road Improvement Fund of each county 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 to be used for the purposes set forth in the County Bridge and Road Improvement Act. 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 related to county road improvement and maintenance costs,

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

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

(a) thirty-three and one-third percent (33 1/3%) to the Oklahoma Tourism and Recreation 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 of production from such county in the corresponding month of the preceding year,

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

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

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

a. fifty percent (50%) of the sum collected 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 of production from such county in the corresponding month of the preceding year, and

b. fifty percent (50%) shall be allocated to each county as provided for in subparagraph a 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;

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

a. there shall be apportioned from the gross production tax levy imposed pursuant to Section 1001 of this title on oil to the Revenue Stabilization Fund created by Section 34.102 of Title 62 of the Oklahoma

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

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

c. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-five percent (25%) 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 of production from such county in the corresponding month of the preceding year, and

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

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

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

Section 1353. A. It is hereby declared to be the purpose of the Oklahoma Sales Tax Code to provide funds for the financing of the program provided for by the Oklahoma Social Security Act and to provide revenues for the support of the functions of the state government of Oklahoma, and for this purpose and except as provided in Section 1 of this act, it is hereby expressly provided that, revenues derived pursuant to the provisions of the Oklahoma Sales Tax Code, 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, shall be apportioned as follows:

1. a. the following amounts shall be paid to the State Treasurer to be placed to the credit of the General Revenue Fund to be paid out pursuant to direct 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%

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

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

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

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

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

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

6. 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 paragraph 3 of this subsection, and for each fiscal year thereafter, in no event shall monies apportioned pursuant to paragraph 3 of this subsection, paragraph 3 of Section 1403 of this title and subparagraph c of paragraph 1 of Section 2352 of this title be less than such baseline amount.

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

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

Section 1403. It is hereby declared to be the purpose of Section 1401 et seq. of this title to provide for the support of the functions of the state and local government of Oklahoma; and for this purpose and to this end <u>and except as provided in Section 1 of this act</u>, it is hereby expressly provided that the revenues derived hereunder, 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, are hereby apportioned as follows:

1. a. the following amounts shall be paid by the Tax Commission to the State Treasurer and placed to the credit of the General Revenue Fund to be paid out 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-

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

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

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

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

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

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

6. 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 paragraph 3 of this section, and for each fiscal year thereafter, in no event shall monies apportioned pursuant to paragraph 3 of this section, paragraph 3 of Section 1353 of this title and subparagraph c of paragraph 1 of Section 2352 of this title be less than such baseline amount.

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

Section 2352. It is hereby declared to be the purpose of Section 2351 et seq. of this title to provide revenue for general governmental functions of state government; and, for that purpose and to that end and except as provided in Section 1 of this act, it is expressly declared that the revenue derived herefrom and penalties and interest thereon, subject to the apportionment requirements for the Rebuilding Oklahoma Access and Driver Safety Fund, the Oklahoma Tourism and Passenger Rail Revolving Fund and the Public Transit Revolving Fund to be derived from income tax revenue that would otherwise be apportioned to the General Revenue Fund as 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%

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

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

a. 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	78.96%
FY 2005	78.75%
FY 2006	78.50%
FY 2007	78.0%

(1) FY 2018 and each fiscal year thereafter until the apportionment to the General Revenue Fund equals the moving five-year average amount for 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%

FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 and each fiscal 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:

Section 1521. A. There is hereby created in the State Treasury a fund to be known as the "Rebuilding Oklahoma Access and Driver Safety Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all appropriations and transfers made by the Legislature. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended each fiscal year by the Department of Transportation for the purposes authorized by subsection G of this section. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

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

1. For each fiscal year, subject to the provisions of paragraph 3 of this subsection, and, except for the amount prescribed by subparagraph a of this paragraph, subject to any reductions required by subsection F of this section, there shall be apportioned to the 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 this paragraph and that is required in order for the total apportionment for such fiscal year to equal Five Hundred Seventy-five Million Dollars ($575,000,000.00).

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Subparagraphs a and b of paragraph 2 of subsection B of this section,

shall be reduced by a percentage equal to that required of the General Revenue Fund appropriations to state agencies and such reductions shall occur during the entire fiscal year and for any month during which such reductions are required by the Office of Management and Enterprise Services and by the same percentage as that required of the agencies for such General Revenue Fund appropriations.

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

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

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

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

4. Matching federal funds;

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

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

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

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

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

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

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