

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

HOUSE BILL 1846

By: Osborn (Leslie)

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2011, Section 1004, as last amended by Section 4, Chapter 337, O.S.L. 2016 (68 O.S. Supp. 2016, Section 1004), which relates to the apportionment of gross production tax collections; modifying destination of certain allocations; creating the Gross Production Support for Education Fund; identifying revenue source for fund; establishing purpose; limiting authority to appropriate from fund; prohibiting supplantation of other funding; requiring certain methodology for apportionment of funds appropriated from fund; defining term; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 1004, as last amended by Section 4, Chapter 337, O.S.L. 2016 (68 O.S. Supp. 2016, 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

1 of Equalization pursuant to Section 2 34.103 of ~~this act~~ Title 62 of
2 the Oklahoma Statutes; and

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

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

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

14 a. eighty-five and seventy-two one-hundredths percent
15 (85.72%) shall be paid to the State Treasurer of the
16 state to be placed in the General Revenue Fund of the
17 state and used for the general expense of state
18 government, to be paid out pursuant to direct
19 appropriation by the Legislature,

20 b. seven and fourteen one-hundredths percent (7.14%) of
21 the sum collected from natural gas and/or casinghead
22 gas or asphalt or ores bearing uranium, lead, zinc,
23 jack, gold, silver or copper shall be paid to the
24 various county treasurers to be credited to the County

1 Highway Fund as follows: Each county shall receive a
2 proportionate share of the funds available based upon
3 the proportion of the total value of production from
4 such county in the corresponding month of the
5 preceding year, and

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

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

- 22 a. after the total revenue apportioned to the General
23 Revenue Fund as prescribed by subparagraph b of this
24 paragraph equals the moving five-year average amount

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

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

20 c. before any other apportionment of revenue has been
21 made pursuant to this paragraph, seven and fourteen
22 one-hundredths percent (7.14%) of the sum collected
23 from natural gas and/or casinghead gas shall be paid
24 to the various county treasurers to be credited to the

1 County Highway Fund as follows: Each county shall
2 receive a proportionate share of the funds available
3 based upon the proportion of the total value of
4 production from such county in the corresponding month
5 of the preceding year, and

6 d. before any other apportionment of revenue has been
7 made pursuant to this paragraph, seven and fourteen
8 one-hundredths percent (7.14%) shall be allocated to
9 ~~each county as provided for in subparagraph c of this~~
10 ~~paragraph and shall be apportioned, on an average~~
11 ~~daily attendance per capita distribution basis, as~~
12 ~~certified by the State Superintendent of Public~~
13 ~~Instruction to the school districts of the county~~
14 ~~where such pupils attend school regardless of~~
15 ~~residence of such pupil, provided the school district~~
16 ~~makes an ad valorem tax levy of fifteen (15) mills for~~
17 ~~the current year and maintains twelve (12) years of~~
18 ~~instruction~~ the Gross Production Support for Education
19 Fund created in Section 2 of this act;

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

23 a. after the total revenue apportioned to the General
24 Revenue Fund as prescribed by subparagraph b of this

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

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

20 c. before any other apportionment of revenue has been
21 made pursuant to this paragraph, twelve and one-half
22 percent (12.5%) of the sum collected from natural gas
23 and/or casinghead gas shall be paid to the various
24 county treasurers to be credited to the County Highway

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

- 6 d. before any other apportionment of revenue has been
7 made pursuant to this paragraph, twelve and one-half
8 percent (12.5%) shall be allocated to ~~each county as~~
9 ~~provided for in subparagraph c of this paragraph and~~
10 ~~shall be apportioned, on an average daily attendance~~
11 ~~per capita distribution basis, as certified by the~~
12 ~~State Superintendent of Public Instruction to the~~
13 ~~school districts of the county where such pupils~~
14 ~~attend school regardless of residence of such pupil,~~
15 ~~provided the school district makes an ad valorem tax~~
16 ~~levy of fifteen (15) mills for the current year and~~
17 ~~maintains twelve (12) years of instruction~~ the Gross
18 Production Support for Education Fund created in
19 Section 2 of this act;

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

- 23 a. fifty percent (50%) of the sum collected from natural
24 gas and/or casinghead gas shall be paid to the various

1 county treasurers to be credited to the County Highway
2 Fund as follows: Each county shall receive a
3 proportionate share of the funds available based upon
4 the proportion of the total value of production from
5 such county in the corresponding month of the
6 preceding year, and

7 b. fifty percent (50%) shall be allocated to ~~each county~~
8 ~~as provided for in subparagraph a of this paragraph~~
9 ~~and shall be apportioned, on an average daily~~
10 ~~attendance per capita distribution basis, as certified~~
11 ~~by the State Superintendent of Public Instruction to~~
12 ~~the school districts of the county where such pupils~~
13 ~~attend school regardless of residence of such pupil,~~
14 ~~provided the school district makes an ad valorem tax~~
15 ~~levy of fifteen (15) mills for the current year and~~
16 ~~maintains twelve (12) years of instruction~~ the Gross
17 Production Support for Education Fund created in
18 Section 2 of this act;

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

23 a. after the total revenue apportioned to the General
24 Revenue Fund as prescribed by subparagraph b of this

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

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

20 c. before any other apportionment of revenue has been
21 made pursuant to this paragraph, twenty-five percent
22 (25%) of the sum collected from natural gas and/or
23 casinghead gas shall be paid to the various county
24 treasurers to be credited to the County Highway Fund

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

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

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

1 by Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the
2 Oklahoma Statutes, after the applicable maximum amount
3 prescribed by subsection C of this section has been
4 deposited to the funds therein specified, the amount
5 of revenue, if any, which would otherwise be
6 apportioned to the General Revenue Fund and which
7 exceeds the moving five-year average amount for oil as
8 defined pursuant to paragraph 2 of subsection A of
9 this section,

10 b. before any other apportionment of revenue has been
11 made pursuant to this paragraph, twenty-five and
12 seventy-two one-hundredths percent (25.72%) shall be
13 paid to the State Treasurer to be placed in the Common
14 Education Technology Revolving Fund created in Section
15 34.90 of Title 62 of the Oklahoma Statutes,

16 c. before any other apportionment of revenue has been
17 made pursuant to this paragraph, twenty-five and
18 seventy-two one-hundredths percent (25.72%) shall be
19 paid to the State Treasurer to be placed in the Higher
20 Education Capital Revolving Fund created in Section
21 34.91 of Title 62 of the Oklahoma Statutes,

22 d. before any other apportionment of revenue has been
23 made pursuant to this paragraph, twenty-five and
24 seventy-two one-hundredths percent (25.72%) shall be

1 paid to the State Treasurer to be placed in the
2 Oklahoma Student Aid Revolving Fund created in Section
3 34.92 of Title 62 of the Oklahoma Statutes,
4 e. before any other apportionment of revenue has been
5 made pursuant to this paragraph, three and seven
6 hundred forty-five one-thousandths percent (3.745%)
7 shall be distributed to the various counties of the
8 state for deposit into the County Bridge and Road
9 Improvement Fund of each county based on a formula
10 developed by the Department of Transportation and
11 approved by the Department of Transportation County
12 Advisory Board created pursuant to Section 302.1 of
13 Title 69 of the Oklahoma Statutes to be used for the
14 purposes set forth in the County Bridge and Road
15 Improvement Act. The formula shall be similar to the
16 formula currently used for the distribution of monies
17 in the County Bridge Program funds, but shall also
18 take into consideration the effect of the terrain and
19 traffic volume as related to county road improvement
20 and maintenance costs,
21 f. before any other apportionment of revenue has been
22 made pursuant to this paragraph, four and twenty-eight
23 one-hundredths percent (4.28%) shall be paid to the
24 State Treasurer to be apportioned to:

1 (1) the following sources and in the following
2 amounts through the fiscal year ending June 30,
3 2019:

4 (a) thirty-three and one-third percent (33 1/3%)
5 to the Oklahoma Tourism and Recreation
6 Department Capital Expenditure Revolving
7 Fund created pursuant to Section 2254.1 of
8 Title 74 of the Oklahoma Statutes,

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

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

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

23 g. before any other apportionment of revenue has been
24 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~~ the Gross Production Support for Education Fund created in Section 2 of this act, 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

1 shall be transmitted by the Oklahoma Tax Commission to
2 the Statewide Circuit Engineering District Revolving
3 Fund as created in Section 687.2 of Title 69 of the
4 Oklahoma Statutes;

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

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

20 b. before any other apportionment of revenue has been
21 made pursuant to this paragraph, twenty-two and one-
22 half percent (22.5%) shall be paid to the State
23 Treasurer to be placed in the Common Education
24

1 Technology Revolving Fund created in Section 34.90 of
2 Title 62 of the Oklahoma Statutes,

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

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

15 e. before any other apportionment of revenue has been
16 made pursuant to this paragraph, three and twenty-
17 eight one-hundredths percent (3.28%) shall be
18 distributed to the various counties of the state for
19 deposit into the County Bridge and Road Improvement
20 Fund of each county based on a formula developed by
21 the Department of Transportation and approved by the
22 Department of Transportation County Advisory Board
23 created pursuant to Section 302.1 of Title 69 of the
24 Oklahoma Statutes to be used for the purposes set

1 forth in the County Bridge and Road Improvement Act.

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

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

12 (1) the following sources and in the following
13 amounts through the fiscal year ending June 30,
14 2019:

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

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

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

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

10 g. before any other apportionment of revenue has been
11 made pursuant to this paragraph, twelve and one-half
12 percent (12.5%) of the sum collected from oil shall be
13 paid to the various county treasurers, to be credited
14 to the County Highway Fund as follows: Each county
15 shall receive a proportionate share of the funds
16 available based upon the proportion of the total value
17 of production from such county in the corresponding
18 month of the preceding year,

19 h. before any other apportionment of revenue has been
20 made pursuant to this paragraph, twelve and one-half
21 percent (12.5%) shall be allocated to ~~each county as~~
22 ~~provided in subparagraph g of this paragraph and shall~~
23 ~~be apportioned on an average daily attendance per~~
24 ~~capita distribution basis, as certified by the State~~

1 ~~Superintendent of Public Instruction, to the school~~
2 ~~districts of the county where such pupils attend~~
3 ~~school regardless of residence of such pupil, provided~~
4 ~~the school district makes an ad valorem tax levy of~~
5 ~~fifteen (15) mills for the current year and maintains~~
6 ~~twelve (12) years of instruction~~ the Gross Production
7 Support for Education Fund created in Section 2 of
8 this act, and

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

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

- 18 a. fifty percent (50%) of the sum collected shall be paid
19 to the various county treasurers, to be credited to
20 the County Highway Fund as follows: Each county shall
21 receive a proportionate share of the funds available
22 based upon the proportion of the total value of
23 production from such county in the corresponding month
24 of the preceding year, and

1 b. fifty percent (50%) shall be allocated to ~~each county~~
2 ~~as provided for in subparagraph a of this paragraph~~
3 ~~and shall be apportioned on an average daily~~
4 ~~attendance per capita distribution basis, as certified~~
5 ~~by the State Superintendent of Public Instruction, to~~
6 ~~the school districts of the county where such pupils~~
7 ~~attend school regardless of residence of such pupil,~~
8 ~~provided the school district makes an ad valorem tax~~
9 ~~levy of fifteen (15) mills for the current year and~~
10 ~~maintains twelve (12) years of instruction~~ the Gross
11 Production Support for Education Fund created in
12 Section 2 of this act;

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

16 a. there shall be apportioned from the gross production
17 tax levy imposed pursuant to Section 1001 of this
18 title on oil to the Revenue Stabilization Fund created
19 by Section ~~4~~ 34.102 of ~~this act~~ Title 62 of the
20 Oklahoma Statutes, the amount of revenue, if any,
21 which exceeds the moving five-year average amount for
22 oil as defined pursuant to paragraph 2 of subsection A
23 of this section,

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

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

18 d. before any other apportionment of revenue has been
19 made pursuant to this paragraph, twenty-five percent
20 (25%) shall be allocated to ~~each county as provided in~~
21 ~~subparagraph c of this paragraph and shall be~~
22 ~~apportioned on an average daily attendance per capita~~
23 ~~distribution basis, as certified by the State~~
24 ~~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~~ the Gross Production
Support for Education Fund created in Section 2 of
this act.

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 2. NEW LAW A new section of law to be codified

in the Oklahoma Statutes as Section 34.97 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created a fund to be known as the "Gross Production Support for Education Fund". The fund shall consist of the funds apportioned to the fund by Section 1004 of Title 68 of the Oklahoma Statutes.

B. Monies in the Gross Production Support for Education Fund shall only be expended for kindergarten through twelfth grade public education, including but not limited to compensation and benefits for public school teachers and support employees.

C. The Legislature shall appropriate funds from the Gross Production Support for Education Fund only for the purposes specified in subsection B of this section. Even when the funds from the fund are used for these purposes, the Legislature shall not use funds from the fund to supplant or replace other state funds supporting common education.

D. All funds appropriated to the State Board of Education by the Legislature from the Gross Production Support for Education Fund shall be apportioned by the State Board of Education in a manner that:

1. Designates a total county amount for allocation to qualifying school districts within each county a proportional share of the funds apportioned to the Gross Production Support for Education Fund

1 by Section 1004 of Title 68 of the Oklahoma Statutes, based upon the
2 proportion of the total value of production subject to the gross
3 production tax provided for in Section 1001 of Title 68 of the
4 Oklahoma Statutes from such county in the corresponding month of the
5 preceding year; and

6 2. Allocates to each qualifying school district within each
7 county a proportional share of the applicable total county amount,
8 designated pursuant to paragraph 1 of this subsection, on an average
9 daily attendance per capita basis of each qualifying school district
10 within the county where such pupils attend school regardless of
11 residence of such pupil, as certified by the State Superintendent of
12 Public Instruction.

13 E. For purposes of this section, the term "qualifying school
14 district" means a school district that makes an ad valorem tax levy
15 of fifteen (15) mills for the current year and maintains twelve (12)
16 years of instruction.

17 SECTION 3. This act shall become effective July 1, 2017.

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

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23 56-1-5573 JM 01/17/17
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