

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	HB 1846
Version:	INT
Request Number:	5573
Author:	Rep. Leslie Osborn
Date:	2/20/2017
Impact:	Modification of Apportionment

Research Analysis

HB1846, as introduced, creates the Gross Production Support for Education Fund and diverts any revenue currently apportioned from gross production tax collections for the benefit of common education to the newly created fund. Monies in the fund can only be expended for K-12 grade education, which may include compensation and benefits for public school teachers and support employees.

Prepared By: Quyen Do

Fiscal Analysis

The measure includes provisions to modify the apportionment of gross production revenue currently allocated to each county for apportionment, on an average daily attendance per capita distribution basis, to the school districts of the county where the pupils attend. The measure provides for those funds to be allocated to the newly created Gross Production Support of Education Fund.

Regarding the Gross Production Support for Education Fund, all accrued funds are to be appropriated by the Legislature to the State Board of Education for apportionment in a manner that:

Designates the total county amount for allocation to school districts using a proportional share of total funds based upon the proportion from each county in the corresponding month of the preceding year;

Makes allocation to each school district within each county a proportional share of the total county amount on an average daily attendance per capita basis.

The nature of the new fund and the requirement for Legislative appropriation may result in the fund being subject to certification by the State Board of Equalization, which would be subject to the ninety-five percent (95%) provision pursuant to Article X, Section 23 of the Oklahoma Constitution.

Prepared By: Mark Tygret

Other Considerations

From the Tax Commission:

The measure proposes to change the apportionment of funds currently allocated to each county based on a proportion of the total value of production from each county and distributed to school districts based on average daily attendance. The existing fund would be replaced with a new fund to be known as the Gross Production Support for Education Fund. The percentage allocation of revenue apportioned to the new fund would remain unchanged from the current apportionment to School Districts.

The estimated revenue impact associated with this measure is as follow:

FY 18: \$71,520,000 decrease in gross production tax apportioned to School Districts.

\$71,520,000 in gross production tax would be apportioned to the newly created Gross Production Support for Education Fund¹.