

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

HOUSE BILL 1250

By: Sanders

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2011, Section 500.6, as last amended by Section 4, Chapter 375, O.S.L. 2013 (68 O.S. Supp. 2016, Section 500.6), which relates to apportionment of gasoline and compressed natural gas taxes; clarifying reference; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 500.6, as last amended by Section 4, Chapter 375, O.S.L. 2013 (68 O.S. Supp. 2016, Section 500.6), is amended to read as follows:

Section 500.6 A. 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

1 interest thereon, collected by the Oklahoma Tax Commission under the
2 levy shall be apportioned and distributed monthly as follows:

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

6 2. One and six hundred twenty-five one-thousandths percent
7 (1.625%) of the levy shall be remitted to the State Treasurer to the
8 credit of the High Priority State Bridge Revolving Fund as created
9 in Section 506 of Title 69 of the Oklahoma Statutes;

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

13 a. the first Eight Hundred Fifty Thousand Dollars
14 (\$850,000.00) collected each fiscal year shall be
15 transferred to the Public Transit Revolving Fund,
16 created in Section 4031 of Title 69 of the Oklahoma
17 Statutes, and

18 b. the second Eight Hundred Fifty Thousand Dollars
19 (\$850,000.00) collected each fiscal year shall be
20 transferred to the Oklahoma Tourism and Passenger Rail
21 Revolving Fund and shall be used by the Department of
22 Transportation:

23 (1) to contract railroad passenger services,
24 including but not limited to a route linking

1 stations in Oklahoma and Tulsa Counties with
2 other primary points in the national railroad
3 passenger system and passenger rail service
4 within the state, and a route beginning at a
5 station in Oklahoma County and extending north to
6 the Kansas state line in Kay County, and

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

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

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

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

21 4. Twenty-seven percent (27%) of the levy shall be transmitted
22 by the Tax Commission to the various counties of the state, to be
23 apportioned and used as follows:
24

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

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

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

16 United States Bureau of the Census,

17 b. twenty-three and one-tenth percent (23.1%) of the
18 monies apportioned under this paragraph shall be
19 distributed to the counties in the following manner:
20 One-third (1/3) on area; one-third (1/3) on rural
21 population, defined as including the population of all
22 municipalities with a population of less than five
23 thousand (5,000) according to the latest Federal
24 Decennial Census; and one-third (1/3) on county road

1 mileage, as last certified by the Department of
2 Transportation, as each county bears to the entire
3 area, rural population and road mileage of the state,
4 and

5 c. eleven and six-tenths percent (11.6%) of the monies
6 apportioned under this paragraph shall be distributed
7 to the various counties of the state based on a
8 formula developed by the Department of Transportation
9 and approved by the Department of Transportation
10 County Advisory Board created pursuant to Section
11 302.1 of Title 69 of the Oklahoma Statutes. The
12 formula shall be similar to the formula currently used
13 for the distribution of monies in the County Bridge
14 Program funds, but shall also take into consideration
15 the effect of the terrain and traffic volume as
16 related to county road improvement and maintenance
17 costs;

18 5. Three and one hundred twenty-five one-thousandths percent
19 (3.125%) of the levy shall be distributed to the various counties of
20 the state based on a formula developed by the Department of
21 Transportation and approved by the Department of Transportation
22 County Advisory Board created pursuant to Section 302.1 of Title 69
23 of the Oklahoma Statutes. The formula shall be similar to the
24 formula currently used for the distribution of monies in the County

1 Bridge Program funds, but shall also take into consideration the
2 effect of the terrain and traffic volume as related to county road
3 improvement and maintenance costs;

4 6. Two and two hundred ninety-seven one-thousandths percent
5 (2.297%) of the levy shall be distributed to the various counties of
6 the state for deposit into the County Bridge and Road Improvement
7 Fund of each county based on a formula developed by the Department
8 of Transportation and approved by the Department of Transportation
9 County Advisory Board created pursuant to Section 302.1 of Title 69
10 of the Oklahoma Statutes to be used for the purposes set forth in
11 the County Bridge and Road Improvement Act. The formula shall be
12 similar to the formula currently used for the distribution of monies
13 in the County Bridge Program funds, but shall also take into
14 consideration the effect of the terrain and traffic volume as
15 related to county road improvement and maintenance costs;

16 7. One and eight hundred seventy-five one-thousandths percent
17 (1.875%) of the levy shall be transmitted by the Tax Commission to
18 the treasurers of the various incorporated cities and towns of the
19 state in the percentage which the population, as shown by the last
20 Federal Decennial Census or the most recent annual estimate provided
21 by the U.S. Bureau of the Census, bears to the total population of
22 all the incorporated cities and towns in this state. The funds
23 shall be expended for the construction, repair and maintenance of
24

1 the streets and alleys of the incorporated cities and towns of this
2 state; and

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

7 B. 1. The funds apportioned or transmitted pursuant to
8 subparagraphs a, b, ~~7~~ and c of paragraph 4 of subsection A of this
9 section, subsection B of Section 500.7 of this title, subsection B
10 of Section 704 of this title, Section 706 of this title, and
11 paragraph 2 of subsection D of Section 707.3 of this title shall be
12 sent to the respective county treasurers and deposited in the county
13 highway fund to be used by the county commissioners for the purpose
14 of constructing and maintaining county highways and bridges.

15 2. The funds received by any county shall not be diverted to
16 any other county of the state, and shall only be expended under the
17 direction and control of the board of county commissioners in the
18 county to which the funds are appropriated. If any part of the
19 funds is diverted for any other purpose, the county commissioners
20 shall be liable on their bond for double the amount of the money so
21 diverted. This paragraph shall not prohibit counties from entering
22 into cooperative agreements pertaining to the maintenance and
23 construction of roads and bridges.

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

13 4. In all counties where the county excise board may find it
14 necessary, because of insufficient revenue, to maintain county
15 government out of the general fund, after a levy of ten (10) mills
16 has been made for any fiscal year, the county excise board may
17 appropriate out of any such funds apportioned to the county an
18 amount sufficient to pay the salaries of the county commissioners of
19 the county for the fiscal year.

20 5. Counties may use funds deposited in the county highway fund
21 for the purpose of matching federal or state funds, provided such
22 funds are available, as necessary to secure assistance in the
23 construction or improvement of the county road system.
24

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

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

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

15 3. If any county has an accrued balance of funds which were
16 appropriated to or otherwise accrued in the County Bridge and Road
17 Improvement Fund, ninety-nine percent (99%) of such funds shall be
18 remitted to the respective county treasurer for deposit in the
19 appropriate County Bridge and Road Improvement Fund to be used for
20 the purpose set forth in the County Bridge and Road Improvement Act.
21 The remaining one percent (1%) of such funds will be remitted to the
22 Statewide Circuit Engineering District Revolving Fund; and

23 4. If any county has an advanced funding agreement with the
24 Department of Transportation, the Department of Transportation shall

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

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

18 SECTION 2. This act shall become effective November 1, 2017.
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