

**OKLAHOMA STATE SENATE
JOINT
COMMITTEE REPORT**

May 4, 2020

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

SB 1935

By: Thompson of the Senate and Wallace of the House

Title: Appropriations; making an appropriation to the Oklahoma Health Care Authority. Emergency.

Recommendation: **DO PASS AS AMENDED**

Aye: Bice, Brooks, Dossett, Dugger, Floyd, Hall, Ikley-Freeman, Jech, Kidd, Matthews, Pemberton, Rosino, Shaw, Simpson, Rader, Thompson

Nay: Daniels, Montgomery, Pugh, Scott, Stanislawski

Constitutional Privilege:

Senator Roger Thompson, Chair

Committee Substitute, motion by Senator BICE - Adopted (Request No: 4091)

OKLAHOMA HOUSE OF REPRESENTATIVES
COMMITTEE REPORT

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET COMMITTEE

SB1935

By: Wallace et al of the House

Thompson et al of the Senate

Title: Appropriations; making an appropriation to the Oklahoma Health
Care Authority. Emergency.

Coauthored By:

Recommendation: **DO PASS AS AMENDED BY CS**

Amendments:

1. Committee Substitute Attached

 Chr.
Representative Kevin Wallace

YEAS: 23

Baker, Bennett, Echols, Fetgatter, Ford, Hilbert, McBride, McEntire, Meredith, Munson, Nichols,
O'Donnell, Ortega, Osburn, Pfeiffer, Roberts (D), Russ, Sanders, Virgin, Walke, Wallace, West (J),
Worthen

NAYS: 5

Lepak, Martinez, Newton, Taylor, West (K)

CONSTITUTIONAL PRIVILEGE: 0

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1935

By: Thompson and Rader of the
Senate

6 and

7 Wallace and Hilbert of the
House

8
9
10 COMMITTEE SUBSTITUTE

11 An Act relating to public finance; amending Section
12 1, Chapter 337, O.S.L. 2016, as last amended by
13 Section 1 of Enrolled Senate Bill No. 617 of the 2nd
14 Session of the 57th Oklahoma Legislature (62 O.S.
15 Supp. 2019, Section 34.102), which relates to the
16 Revenue Stabilization Fund; authorizing certain
17 transfer for specified purpose; providing a
18 definition; providing a conditional effective date;
19 providing an effective date; and declaring an
20 emergency.

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

22 SECTION 1. AMENDATORY Section 1, Chapter 337, O.S.L.
23 2016, as last amended by Section 1 of Enrolled Senate Bill No. 617
24 of the 2nd Session of the 57th Oklahoma Legislature (62 O.S. Supp.
2019, Section 34.102), is amended to read as follows:

25 Section 34.102. A. There is hereby created in the State
26 Treasury a revolving fund to be known and designated as the "Revenue

1 Stabilization Fund". The fund shall be a continuing fund, not
2 subject to fiscal year limitations.

3 B. For determinations made regarding deposits for fiscal years
4 beginning on or after July 1, 2019, no monies shall be deposited to
5 the credit of the Revenue Stabilization Fund until such time as the
6 amount of actual revenue certified by the State Board of
7 Equalization as having been deposited into the General Revenue Fund
8 for the first fiscal year prior to the beginning of the fiscal year
9 that deposits to the Revenue Stabilization Fund are first made
10 equals or exceeds Six Billion Six Hundred Million Dollars
11 (\$6,600,000,000.00).

12 C. Once the provisions prescribed by subsection B of this
13 section have been met, deposits to the Revenue Stabilization Fund as
14 prescribed by this section may be made during any subsequent fiscal
15 year according to the requirements and limitations imposed by this
16 act; provided that no deposits shall be made during a fiscal year
17 where the State Board of Equalization General Revenue Fund
18 certification for said fiscal year is less than the State Board of
19 Equalization General Revenue Fund certification for the previous
20 fiscal year plus an increment equal to the amount otherwise
21 calculated for deposit pursuant to subsection E of this section.

22 D. Notwithstanding any other provisions of this section, unless
23 such deposits are the result of a direct appropriation to the
24

1 Revenue Stabilization Fund by the Legislature, no monies shall be
2 deposited to the credit of the Revenue Stabilization Fund:

3 1. For any month during a fiscal year after the month during
4 which the declaration of a revenue failure pursuant to the
5 provisions of Section 34.49 of this title has been made. For
6 purposes of this subsection, the limitation on deposits to the
7 Revenue Stabilization Fund shall be imposed for the remaining months
8 of the fiscal year during which the revenue failure was declared,
9 but shall not operate as a limitation upon deposits for any
10 subsequent fiscal year unless a revenue failure is declared at some
11 time during such fiscal year; or

12 2. That would cause deposits to the Revenue Stabilization Fund
13 for the fiscal year to exceed three percent (3%) of the State Board
14 of Equalization General Revenue Fund certification for that fiscal
15 year.

16 E. Except as provided in subsection I of this section, the
17 Revenue Stabilization Fund shall consist of:

18 1. One hundred percent (100%) of the revenue derived from the
19 gross production tax on oil levied pursuant to Section 1001 of Title
20 68 of the Oklahoma Statutes which is in excess of the five-year
21 average computed as prescribed by Section 34.103 of this title;

22 2. One hundred percent (100%) of the revenue derived from the
23 gross production tax on natural gas levied pursuant to Section 1001
24

1 of Title 68 of the Oklahoma Statutes which is in excess of the five-
2 year average computed as prescribed by Section 34.103 of this title;

3 3. Seventy-five percent (75%) of the revenue derived from
4 corporate income tax levied pursuant to Section 2355 of Title 68 of
5 the Oklahoma Statutes which is in excess of the five-year average
6 computed as prescribed by Section 34.103 of this title; and

7 4. Any amounts appropriated by the Legislature.

8 F. 1. Except as provided in paragraph 2 of this subsection, in
9 the event that a revenue failure is declared with respect to the
10 General Revenue Fund pursuant to Section 34.49 of this title, the
11 Director of the Office of Management and Enterprise Services may
12 withdraw up to one-quarter (1/4) of the balance of the Revenue
13 Stabilization Fund available at the beginning of the fiscal year,
14 provided the total amount withdrawn shall not exceed the amount of
15 the declared revenue failure, to in equal proportions reduce or
16 avoid reductions to agencies for the current fiscal year and to
17 mitigate potential reductions of funds to be expended by common
18 school districts which were appropriated or authorized by the
19 Legislature, but excluding any funds which are apportioned directly
20 to common school districts.

21 2. For the fiscal year ending June 30, 2020, in the event that
22 a revenue failure is declared with respect to the General Revenue
23 Fund pursuant to Section 34.49 of this title, the Director of the
24 Office of Management and Enterprise Services may withdraw amounts up

1 to a total of one-half (1/2) of the highest balance during the
2 fiscal year ending June 30, 2020, of the Revenue Stabilization Fund;
3 provided, the total amount withdrawn shall not exceed the amount of
4 the declared revenue failure less any appropriations made by the
5 Legislature to offset such revenue failure, to in equal proportions
6 reduce or avoid reductions to agencies for the fiscal year and to
7 mitigate potential reductions of funds to be expended by common
8 school districts which were appropriated or authorized by the
9 Legislature for the fiscal year ending June 30, 2020, but excluding
10 any funds which are apportioned directly to common school districts.
11 No monies shall be withdrawn under the provisions of this subsection
12 for the purpose of reducing or avoiding reductions of appropriations
13 made pursuant to Section 129 of Enrolled House Bill No. 2765 of the
14 1st Session of the 57th Oklahoma Legislature or Section 1 of
15 Enrolled Senate Bill No. 1076 of the 1st Session of the 57th
16 Oklahoma Legislature.

17 G. In the event that a revenue failure is declared with respect
18 to the General Revenue Fund pursuant to Section 34.49 of this title,
19 the Legislature may appropriate up to one-quarter (1/4) of the
20 balance of the Revenue Stabilization Fund available at the beginning
21 of the fiscal year, not to exceed the amount of the revenue failure
22 as declared with respect to the General Revenue Fund pursuant to
23 Section 34.49 of this title.

1 H. If the amount of revenue certified by the State Board of
2 Equalization at its February meeting in any year to be collected in
3 the General Revenue Fund for the upcoming fiscal year is less than
4 the amount of revenue certified by the State Board of Equalization
5 to be collected in the General Revenue Fund for the current fiscal
6 year as determined at its February meeting conducted in the
7 preceding calendar year, the Legislature may appropriate up to one-
8 half (1/2) of the balance of the Revenue Stabilization Fund
9 available at the beginning of the fiscal year; provided, that the
10 amount withdrawn shall not exceed the amount of the decline in
11 revenue certified.

12 I. For the fiscal year ending June 30, 2021, the Director of
13 the Office of Management and Enterprise Services may transfer from
14 the Revenue Stabilization Fund an amount necessary to fund the newly
15 eligible Medicaid population, less the funding provided by Enrolled
16 Senate Bill No. 1046 of the 2nd Session of the 57th Oklahoma
17 Legislature, for the newly eligible Medicaid population. As used in
18 this subsection, "newly eligible Medicaid population" shall have the
19 same meaning as provided by Section 1 of Enrolled Senate Bill No.
20 1046 of the 2nd Session of the 57th Oklahoma Legislature.

21 J. If during the Board of Equalization certification process,
22 one or more of the revenue sources identified in paragraphs 1, 2 and
23 3 of subsection E of this section are forecasted to experience a
24 revenue decrease, then the total deposits to the Revenue

1 Stabilization Fund as otherwise calculated under subsection E of
2 this section shall be reduced in an amount equal to such revenue
3 decreases. For purposes of this subsection, "revenue decrease"
4 means an identified revenue source derived in an amount less than
5 the five-year average for such revenue source.

6 SECTION 2. The provisions of this act shall not become
7 effective as law unless Enrolled Senate Bill No. 1046 of the 2nd
8 Session of the 57th Oklahoma Legislature becomes effective as law.

9 SECTION 3. This act shall become effective July 1, 2020.

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

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