

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               2nd Session of the 58th Legislature (2022)

4   HOUSE BILL 3037

By: Boles of the House

5   and

6   **Allen** of the Senate

7  
8  
9                               AS INTRODUCED

10           [ cities and towns - apportionment of sales tax

11               revenues - creating the Municipal Road Drilling

12               Activity Revolving Fund - prescribing procedures

13               for applications by certain municipalities -

14               effective date -

15   emergency ]

16  
17  
18   BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

19               SECTION 1.           AMENDATORY           68 O.S. 2021, Section 1353, is  
20   amended to read as follows:

21               Section 1353.   A.   It is hereby declared to be the purpose of  
22   the Oklahoma Sales Tax Code to provide funds for the financing of  
23   the program provided for by the Oklahoma Social Security Act and to  
24   provide revenues for the support of the functions of the state

1 government of Oklahoma, and for this purpose it is hereby expressly  
2 provided that, revenues derived pursuant to the provisions of the  
3 Oklahoma Sales Tax Code, subject to the apportionment requirements  
4 for the Oklahoma Tax Commission and Office of Management and  
5 Enterprise Services Joint Computer Enhancement Fund provided by  
6 Section 265 of this title, shall be apportioned as follows:

7 1. Except as provided in subsections C, ~~and D,~~ and E of this  
8 section, the following amounts shall be paid to the State Treasurer  
9 to be placed to the credit of the General Revenue Fund to be paid  
10 out pursuant to direct appropriation by the Legislature:

11 Fiscal Year	Amount
12 FY 2003 and FY 2004	86.04%
13 FY 2005	85.83%
14 FY 2006	85.54%
15 FY 2007	85.04%
16 FY 2008 through FY 2022	83.61%
17 FY 2023 through FY 2027	83.36%
18 FY 2028 and each fiscal year thereafter	83.61%;

19 2. The following amounts shall be paid to the State Treasurer  
20 to be placed to the credit of the Education Reform Revolving Fund of  
21 the State Department of Education:

22 a. for FY 2003, FY 2004 and FY 2005, ten and forty-two  
23 one-hundredths percent (10.42%),  
24

b. for FY 2006 through FY 2020, ten and forty-six one-hundredths percent (10.46%),

c. for FY 2021:

(1) for the month beginning July 1, 2020, through the month ending August 31, 2020, ten and forty-six one-hundredths percent (10.46%), and

(2) for the month beginning September 1, 2020, through the month ending June 30, 2021, eleven and ninety-six one-hundredths percent (11.96%),

d. for FY 2022 and each fiscal year thereafter, ten and forty-six one-hundredths percent (10.46%);

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 through FY 2020	5.0%
FY 2021:	
a. for the month beginning July 1, 2020, through the month ending August 31, 2020	5.0%

b. for the month beginning  
September 1, 2020, through  
the month ending June 30,  
2021

	3.5%
FY 2022	5.0%
FY 2023 through FY 2027	5.25%
FY 2028 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

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

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

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

22          C.   From the monies that would otherwise be apportioned to the  
23   General Revenue Fund pursuant to subsection A of this section, there  
24   shall be apportioned the following amounts:

1. For the month ending August 31, 2019:

- a. Nine Million Six Hundred Thousand Dollars (\$9,600,000.00) to the credit of the State Highway Construction and Maintenance Fund created in Section 1501 of Title 69 of the Oklahoma Statutes, and
- b. Two Million Dollars (\$2,000,000.00) to the credit of the Oklahoma Railroad Maintenance Revolving Fund created in Section 309 of Title 66 of the Oklahoma Statutes;

2. For the month ending September 30, 2019:

- a. Twenty Million Dollars (\$20,000,000.00) to the credit of the State Highway Construction and Maintenance Fund created in Section 1501 of Title 69 of the Oklahoma Statutes, and
- b. Two Million Dollars (\$2,000,000.00) to the credit of the Oklahoma Railroad Maintenance Revolving Fund created in Section 309 of Title 66 of the Oklahoma Statutes;

3. For the month ending October 31, 2019:

- a. Twenty Million Dollars (\$20,000,000.00) to the credit of the State Highway Construction and Maintenance Fund created in Section 1501 of Title 69 of the Oklahoma Statutes, and

1           b.    Two Million Dollars (\$2,000,000.00) to the credit of  
2                   the Oklahoma Railroad Maintenance Revolving Fund  
3                   created in Section 309 of Title 66 of the Oklahoma  
4                   Statutes;

5       4.   For the month ending November 30, 2019:

6           a.    Twenty Million Dollars (\$20,000,000.00) to the credit  
7                   of the State Highway Construction and Maintenance Fund  
8                   created in Section 1501 of Title 69 of the Oklahoma  
9                   Statutes, and

10          b.    Two Million Dollars (\$2,000,000.00) to the credit of  
11                   the Oklahoma Railroad Maintenance Revolving Fund  
12                   created in Section 309 of Title 66 of the Oklahoma  
13                   Statutes; and

14       5.   For the month ending December 31, 2019:

15           a.    Twenty Million Dollars (\$20,000,000.00) to the credit  
16                   of the State Highway Construction and Maintenance Fund  
17                   created in Section 1501 of Title 69 of the Oklahoma  
18                   Statutes, and

19          b.    Two Million Dollars (\$2,000,000.00) to the credit of  
20                   the Oklahoma Railroad Maintenance Revolving Fund  
21                   created in Section 309 of Title 66 of the Oklahoma  
22                   Statutes.

23       D.   For fiscal year 2023, and each subsequent fiscal year,  
24 before any other apportionment otherwise required by this section is

1 made to the General Revenue Fund, there shall be apportioned to the  
2 State Public Common School Building Equalization Fund an amount, if  
3 any, as required pursuant to Section 3-104 of Title 70 of the  
4 Oklahoma Statutes, not to exceed the state sales tax generated by  
5 medical marijuana sales in the preceding fiscal year as reported by  
6 the Oklahoma Tax Commission.

7 E. For the fiscal year ending June 30, 2023, and for each  
8 fiscal year thereafter, after the apportionment required by  
9 subsection D of this section, but before any other apportionment to  
10 the General Revenue Fund is made, there shall be apportioned to the  
11 Municipal Road Drilling Activity Revolving Fund created pursuant to  
12 Section 2 of this act the amount of Five Million Dollars  
13 (\$5,000,000.00) for use by municipalities to repair roads as  
14 prescribed pursuant to the requirements of Section 2 of this act.

15 SECTION 2. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 37-501 of Title 11, unless there  
17 is created a duplication in numbering, reads as follows:

18 There is hereby created in the State Treasury a revolving fund  
19 for the Oklahoma Department of Transportation to be designated the  
20 "Municipal Road Drilling Activity Revolving Fund". The fund shall  
21 be a continuing fund, not subject to fiscal year limitations, and  
22 shall consist of all monies received by the Oklahoma Department of  
23 Transportation from the apportionment of sales tax prescribed by  
24 subsection E of Section 1353 of Title 68 of the Oklahoma Statutes.



1 All monies accruing to the credit of said fund are hereby  
2 appropriated and may be budgeted and expended by the Oklahoma  
3 Department of Transportation for the purposes prescribed by and  
4 according to the requirements of Section 3 of this act.  
5 Expenditures from said fund shall be made upon warrants issued by  
6 the State Treasurer against claims filed as prescribed by law with  
7 the Director of the Office of Management and Enterprise Services for  
8 approval and payment.

9 SECTION 3. NEW LAW A new section of law to be codified  
10 in the Oklahoma Statutes as Section 37-502 of Title 11, unless there  
11 is created a duplication in numbering, reads as follows:

12 A. The monies in the Municipal Road Drilling Activity Revolving  
13 Fund shall be allocated by the Oklahoma Department of Transportation  
14 only to municipalities having a population of less than fifteen  
15 thousand (15,000) persons according to the Federal Decennial Census  
16 or most recent population estimate to repair damage to municipal  
17 roads caused by or reasonably caused by increased use of such roads  
18 resulting from oil or gas drilling activity. The damage may be  
19 attributable to traffic associated with exploration and drilling  
20 activity, completion of an oil or gas well, production from an oil  
21 or gas well, servicing during the period of production, repairs or  
22 other necessary activity associated with the drilling or production  
23 activity, and other actions necessary for the operation or cessation  
24 of drilling or production activities.

1 B. A municipality seeking funds for distribution pursuant to  
2 the provisions of Section 2 of this act and this section shall make  
3 application to the Department of Transportation on such forms as may  
4 be prescribed by the Department for such purpose. The initial  
5 application shall be filed not later than May 1, 2023.

6 C. A municipality shall be required to provide twenty-five  
7 percent (25%) of the total project costs in order to be eligible for  
8 distribution of funds from the Municipal Road Drilling Activity  
9 Revolving Fund.

10 D. The Department shall review applications in the order in  
11 which they are received and shall make distribution of funds based  
12 on analysis of considerations of public safety, volume of traffic  
13 which contributes to the need for repairs, and such other factors as  
14 the Department may determine to be relevant. The initial  
15 distribution of funds shall take place not later than October 1,  
16 2023.

17 E. If the Department determines that the damage to a road has  
18 been caused or reasonably has been caused by increased traffic  
19 related to oil and gas drilling or production activity as provided  
20 by Section 2 of this act, the Department shall transfer the eligible  
21 amount of funds to the municipality for deposit into the municipal  
22 general fund or such other public fund as the municipality shall  
23 specify in its application.

1 F. Funds distributed pursuant to the provisions of this section  
2 shall only be used by a municipality for the repair of roads  
3 according to the requirements of this act and shall not be used to  
4 construct a new road unless the damage to an existing road has  
5 become extensive enough to require such replacement.

6 SECTION 4. This act shall become effective July 1, 2022.

7 SECTION 5. It being immediately necessary for the preservation  
8 of the public peace, health or safety, an emergency is hereby  
9 declared to exist, by reason whereof this act shall take effect and  
10 be in full force from and after its passage and approval.

11  
12 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
13 03/02/2022 - DO PASS, As Amended and Coauthored.  
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