

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

SENATE BILL 1488

By: Dahm

AS INTRODUCED

An Act relating to transportation funding; amending 68 O.S. 2021, Section 500.6, which relates to apportionment and distribution of compressed natural gas and gasoline tax; eliminating apportionment to the Oklahoma Tourism and Passenger Rail Revolving Fund; amending 69 O.S. 2021, Section 1521, which relates to the Rebuilding Oklahoma Access and Driver Safety Fund; eliminating apportionment to the Oklahoma Tourism and Passenger Rail Revolving Fund; 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. 2021, 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. for fiscal years ending on or before June 30, 2022,
19 the second Eight Hundred Fifty Thousand Dollars
20 (\$850,000.00) collected each fiscal year shall be
21 transferred to the Oklahoma Tourism and Passenger Rail
22 Revolving Fund and shall be used by the Department of
23 Transportation:
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- 1 (1) to contract railroad passenger services,
2 including but not limited to a route linking
3 stations in Oklahoma and Tulsa Counties with
4 other primary points in the national railroad
5 passenger system and passenger rail service
6 within the state, and a route beginning at a
7 station in Oklahoma County and extending north to
8 the Kansas state line in Kay County, and
9 (2) to provide necessary facility, signaling, and
10 track improvements for those contracted services,
11 c. forty-one and two-tenths percent (41.2%) of the monies
12 apportioned to the State Transportation Fund shall be
13 used for any purpose provided for in Section 1502 of
14 Title 69 of the Oklahoma Statutes,
15 d. nine and eight-tenths percent (9.8%) of the monies
16 apportioned to the State Transportation Fund shall be
17 used to provide funds for the construction and
18 maintenance of farm-to-market roads on the state
19 highway system, and other rural farm-to-market roads
20 and bridges, and
21 e. any remaining amount of the apportionment shall be
22 deposited into the State Transportation Fund;
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1 4. Twenty-seven percent (27%) of the levy shall be transmitted
2 by the Tax Commission to the various counties of the state, to be
3 apportioned and used as follows:

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

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

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

19 Bureau of the Census,

20 b. twenty-three and one-tenth percent (23.1%) of the
21 monies apportioned under this paragraph shall be
22 distributed to the counties in the following manner:
23 One-third (1/3) on area; one-third (1/3) on rural
24 population, defined as including the population of all

1 municipalities with a population of less than five
2 thousand (5,000) according to the latest Federal
3 Decennial Census; and one-third (1/3) on county road
4 mileage, as last certified by the Department of
5 Transportation, as each county bears to the entire
6 area, rural population and road mileage of the state,
7 and

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

21 5. Three and one hundred twenty-five one-thousandths percent
22 (3.125%) of the levy shall be distributed to the various counties of
23 the state based on a formula developed by the Department of
24 Transportation and approved by the Department of Transportation
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1 County Advisory Board created pursuant to Section 302.1 of Title 69
2 of the Oklahoma Statutes. The formula shall be similar to the
3 formula currently used for the distribution of monies in the County
4 Bridge Program funds, but shall also take into consideration the
5 effect of the terrain and traffic volume as related to county road
6 improvement and maintenance costs;

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

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

1 all the incorporated cities and towns in this state. The funds
2 shall be expended for the construction, repair and maintenance of
3 the streets and alleys of the incorporated cities and towns of this
4 state; and

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

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

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

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

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

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

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

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

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

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

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

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

20 SECTION 2. AMENDATORY 69 O.S. 2021, Section 1521, is
21 amended to read as follows:

22 Section 1521. A. There is hereby created in the State Treasury
23 a fund to be known as the "Rebuilding Oklahoma Access and Driver
24 Safety Fund". The fund shall be a continuing fund, not subject to
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1 fiscal year limitations, and shall consist of all appropriations and
2 transfers made by the Legislature. All monies accruing to the
3 credit of the fund are hereby appropriated and may be budgeted and
4 expended by the Department of Transportation for the purposes
5 authorized by subsection F of this section in amounts as authorized
6 by the Oklahoma Legislature. Expenditures from the fund shall be
7 made upon warrants issued by the State Treasurer against claims
8 filed as prescribed by law with the Director of the Office of
9 Management and Enterprise Services for approval and payment.

10 B. Beginning July 1, 2021, except for an amount equivalent to
11 the amount of revenue apportioned to the Rebuilding Oklahoma Access
12 and Driver Safety Fund pursuant to Section 500.4B of Title 68 and
13 Section 1104 of Title 47 of the Oklahoma Statutes and from other
14 sources apportioned to the Fund by law, there shall be apportioned
15 to the funds specified in this subsection from the monies that would
16 otherwise be apportioned to the General Revenue Fund by Section 2352
17 of Title 68 of the Oklahoma Statutes from the revenues derived
18 pursuant to subsections A, B and E of Section 2355 of Title 68 of
19 the Oklahoma Statutes amounts as follows:

20 1. Subject to any reductions required by subsection E of this
21 section, there shall be apportioned to the Rebuilding Oklahoma
22 Access and Driver Safety Fund:

- 23 a. for the fiscal year beginning July 1, 2021, and for
24 each fiscal year thereafter, Eighty Million Dollars

1 (\$80,000,000.00), which shall be allocated and used by
2 the Department of Transportation first for the purpose
3 of making any required payments for principal,
4 interest or other costs of borrowing with respect to
5 the obligations issued pursuant to Section 341 of
6 Title 73 of the Oklahoma Statutes and after any such
7 required payment has been made then for the purposes
8 otherwise authorized by this section, plus

9 b. the total amount apportioned to the Rebuilding
10 Oklahoma Access and Driver Safety Fund for the
11 preceding fiscal year which, except for the amount
12 prescribed by subparagraph a of this paragraph, shall
13 be apportioned before any other amount is apportioned
14 pursuant to Section 2352 of Title 68 of the Oklahoma
15 Statutes, plus

16 c. an additional amount that is required in order for the
17 total apportionment to the Rebuilding Oklahoma Access
18 and Driver Safety Fund from all sources for such
19 fiscal year to equal:

20 (1) Five Hundred Seventy-five Million Dollars
21 (\$575,000,000.00) for the fiscal year beginning
22 July 1, 2021, and

23 (2) Five Hundred Ninety Million Dollars
24 (\$590,000,000.00) for the fiscal year beginning
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1 July 1, 2022, and for each fiscal year
2 thereafter.

3 All amounts apportioned pursuant to this paragraph shall be
4 divided into twelve equal amounts to be apportioned each month
5 during the fiscal year except the amount specified in subparagraph a
6 of this paragraph which amount shall be allocated in its full amount
7 in cash not later than July 30 each year or such later date as may
8 be required in order for the amount to be allocated in cash; and

9 2. For each fiscal year after the apportionments required by
10 paragraph 1 of this subsection have been made:

11 a. for fiscal years ending on or before June 30, 2022,
12 the next Two Million Dollars (\$2,000,000.00) shall be
13 apportioned to the Oklahoma Tourism and Passenger Rail
14 Revolving Fund created pursuant to Section 325 of
15 Title 66 of the Oklahoma Statutes to be used for
16 capital and operating costs for the "Heartland Flyer"
17 rail project, and

18 b. the next Three Million Dollars (\$3,000,000.00) shall
19 be apportioned to the Public Transit Revolving Fund
20 created pursuant to Section 4031 of this title to be
21 used for purposes authorized by law other than the
22 purpose described by subparagraph a of this paragraph.

1 All amounts apportioned pursuant to this paragraph shall be
2 divided into twelve equal amounts to be apportioned each month
3 during the fiscal year.

4 C. The monies apportioned to the Rebuilding Oklahoma Access and
5 Driver Safety Fund shall not be used to supplant or replace existing
6 state funds used for transportation purposes.

7 D. In order to ensure that the funds from the ROADS Fund are
8 used to enhance and not supplant state funding for the Department of
9 Transportation, the State Board of Equalization shall examine and
10 investigate expenditures from the fund each year. For purposes of
11 this examination, monies used to retire outstanding debt obligations
12 for which the Department of Transportation is responsible shall be
13 excluded. At the meeting of the State Board of Equalization held
14 within five (5) days after the monthly apportionment in February of
15 each year, the State Board of Equalization shall issue a finding and
16 report which shall state whether expenditures from the ROADS Fund
17 were used to enhance or supplant state funding for the Department of
18 Transportation. If the State Board of Equalization finds that state
19 funding for the Department of Transportation was supplanted by funds
20 from the ROADS Fund, the Board shall specify the amount by which
21 such funding was supplanted. In this event, the Legislature shall
22 not make any appropriations for the ensuing fiscal year until an
23 appropriation in that amount is made to replenish state funding for
24 the Department of Transportation.

1 E. In the event that the Director of the Office of Management
2 and Enterprise Services declares a General Revenue Fund revenue
3 failure pursuant to Section 34.49 of Title 62 of the Oklahoma
4 Statutes, and agency allocations are reduced pursuant to the
5 provisions of Section 34.49 of Title 62 of the Oklahoma Statutes,
6 the amounts that would otherwise be apportioned to the ROADS Fund
7 by:

8 1. Subparagraph a of paragraph 1 of subsection B of this
9 section, only to the extent that the amount is not required for debt
10 service related to the obligations authorized pursuant to Section
11 341 of Title 73 of the Oklahoma Statutes, Section 350 of Title 73 of
12 the Oklahoma Statutes and ~~Section 1 of Enrolled House Bill No. 2896~~
13 ~~of the 1st Session of the 58th Oklahoma Legislature~~ Section 350.1 of
14 Title 73 of the Oklahoma Statutes;

15 2. Subparagraphs b and c of paragraph 1 of subsection B of this
16 section; and

17 3. Subparagraphs a and b of paragraph 2 of subsection B of this
18 section,
19 shall be reduced by a percentage equal to that required of the
20 General Revenue Fund appropriations to state agencies and such
21 reductions shall occur during the entire fiscal year and for any
22 month during which such reductions are required by the Office of
23 Management and Enterprise Services and by the same percentage as
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1 that required of the agencies for such General Revenue Fund
2 appropriations.

3 F. The Department of Transportation shall use the monies in the
4 Rebuilding Oklahoma Access and Driver Safety Fund for:

5 1. The construction and maintenance of state roads, bridges and
6 highways;

7 2. The direct expenses of operating and maintaining the state
8 highway system, including bridges;

9 3. Direct expenses incurred in constructing, repairing, and
10 maintaining state highways, farm-to-market roads, county highways
11 and bridges as authorized by law;

12 4. Matching federal funds;

13 5. The purchase of materials, tools, machinery, motor vehicles,
14 and equipment necessary or convenient for the construction and
15 maintenance of the state highway system and bridges;

16 6. Debt service incurred prior to January 1, 2006, for Capital
17 Improvement Program bonds sold pursuant to Section 2001 of this
18 title; and

19 7. Debt service incurred on or after July 1, 2009, with respect
20 to obligations authorized to be issued pursuant to Section 341 of
21 Title 73 of the Oklahoma Statutes, Section 350 of Title 73 of the
22 Oklahoma Statutes and ~~Section 1 of Enrolled House Bill No. 2896 of~~
23 ~~the 1st Session of the 58th Oklahoma Legislature~~ Section 350.1 of
24 Title 73 of the Oklahoma Statutes.

1 G. From the monies allocated pursuant to the provisions of
2 subparagraph a of paragraph 1 of subsection B of this section each
3 fiscal year, the Department of Transportation shall make payments
4 required for the payment of principal, interest and other costs
5 related to the obligations issued by the Oklahoma Capitol
6 Improvement Authority as authorized by Section 341 of Title 73 of
7 the Oklahoma Statutes, Section 350 of Title 73 of the Oklahoma
8 Statutes and ~~Section 1 of Enrolled House Bill No. 2896 of the 1st~~
9 ~~Session of the 58th Oklahoma Legislature~~ Section 350.1 of Title 73
10 of the Oklahoma Statutes, and such payments shall be made by the
11 Department each fiscal year before such monies are used for any
12 other purpose.

13 SECTION 3. This act shall become effective July 1, 2022.

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

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