

An Act

ENROLLED HOUSE
BILL NO. 2758

By: Caldwell (Trey), Burns,
Fetgatter, Cantrell,
Crosswhite Hader, Miller,
and Boles of the House

and

Haste, Woods, and Hall of
the Senate

An Act relating to Transportation; creating the Preserving and Advancing County Transportation Fund; providing for allocation of funds; requiring certain confirmation from Department of Transportation; amending 68 O.S. 2021, Section 1004, as amended by Section 1, Chapter 111, O.S.L. 2022 (68 O.S. Supp. 2024, Section 1004), which relates to apportionment of gross production tax proceeds; modifying certain apportionment for certain fiscal years; limiting amount of certain apportionment; providing for codification; providing an effective date; and declaring an emergency.

SUBJECT: Transportation

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 508 of Title 69, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving fund to be designated as the "Preserving and Advancing County Transportation Fund" (PACT Fund). The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies directed for deposit to the fund by law including, but not limited to, apportionments made pursuant to paragraph 10 of subsection B of Section 1004 of Title 68 of the Oklahoma Statutes. All monies accruing to the credit of said fund are hereby

appropriated and may be allocated, budgeted, and expended pursuant to subsection B of this section. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

B. 1. Two-thirds (2/3) of the monies deposited to the credit of the PACT Fund shall be allocated as follows:

- a. to the various counties in a manner that increases a county's per county mile highway construction and maintenance ratio to a target ratio of Four Thousand Dollars (\$4,000.00) per county road mile, prioritizing counties with the lowest such ratio, until all of the various counties reach such target ratio, and
- b. any remaining amounts as follows:
 - (1) fifty percent (50%) shall be allocated to the various counties in the proportion which the certified county road miles of each county bears to the sum of county road miles in the state, and
 - (2) fifty percent (50%) shall be allocated to the various counties in the proportion which the number of county bridges in each county according to the most recent ODOT Bridge Summary Report for County Bridges bears to the total sum of county bridges in the state according to such report.

Each county treasurer shall deposit such funds to the county's county highway fund and such funds shall be used for constructing and maintaining the county highway system.

2. One-third (1/3) of the monies deposited to the credit of the PACT Fund shall be used as necessary for the reconstruction of county bridges on the portion of the county highway system defined as major collector routes in accordance with the provisions of Section 654 of Title 69 of the Oklahoma Statutes. Prior to any funds for such projects being allocated, the counties shall submit the proposed projects to the Department of Transportation, which shall evaluate and confirm whether the proposed projects are in accordance with the criteria provided for in this subsection. Bridges proposed for reconstruction will be generally evaluated based on the state of project innovation, readiness, structural

adequacy, safety, serviceability, functional obsolescence, essentiality for public use, structural deficiency ranking as captured in the most recent ODOT Bridge Summary Report at the time of submission, and special reductions for characteristics such as detour length, traffic safety features, and current school bus routes. Upon confirmation by the Department of Transportation that a proposed project is in accordance with the criteria provided for in this subsection, funds shall be allocated to the county for use in such project.

SECTION 2. AMENDATORY 68 O.S. 2021, Section 1004, as amended by Section 1, Chapter 111, O.S.L. 2022 (68 O.S. Supp. 2024, Section 1004), is amended to read as follows:

Section 1004. A. As used in this section:

1. "Moving five-year average amount for gas" means, for purposes of the apportionments prescribed by this section, the amount of gross production tax on natural gas collected for each of the five (5) complete fiscal years, as computed by the State Board of Equalization pursuant to Section 34.103 of Title 62 of the Oklahoma Statutes; and

2. "Moving five-year average amount for oil" means, for purposes of the apportionments prescribed by this section, the amount of gross production tax on oil collected for each of the five (5) complete fiscal years, as computed by the State Board of Equalization pursuant to Section 34.103 of Title 62 of the Oklahoma Statutes.

B. Beginning July 1, 2017, the gross production tax provided for in Section 1001 of this title is hereby levied and shall be collected and apportioned as follows:

1. For all monies collected from the tax levied on asphalt or ores bearing uranium, lead, zinc, jack, gold, silver or copper:

- a. eighty-five and seventy-two one-hundredths percent (85.72%) shall be paid to the State Treasurer of the state to be placed in the General Revenue Fund of the state and used for the general expense of state government, to be paid out pursuant to direct appropriation by the Legislature,

- b. seven and fourteen one-hundredths percent (7.14%) of the sum collected from natural gas and/or casinghead gas or asphalt or ores bearing uranium, lead, zinc, jack, gold, silver or copper shall be paid to the various county treasurers to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and
- c. seven and fourteen one-hundredths percent (7.14%) shall be allocated to each county as provided for in subparagraph b of this paragraph and shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction;

2. For all monies collected from the tax levied on natural gas and/or casinghead gas at a tax rate of seven percent (7%) pursuant to the provisions of subsection B of Section 1001 of this title:

- a. after the total revenue apportioned to the General Revenue Fund as prescribed by subparagraph b of this paragraph equals the moving five-year average amount for gas as defined by paragraph 1 of subsection A of this section, there shall be apportioned from the gross production tax levy imposed pursuant to Section 1001 of this title on natural gas and/or casinghead gas to the Revenue Stabilization Fund created by Section 34.102 of Title 62 of the Oklahoma Statutes, the amount of revenue, if any, which exceeds the moving five-year average amount for gas as defined pursuant to paragraph 1 of subsection A of this section,
- b. until the apportionment to the General Revenue Fund equals the moving five-year average amount for gas as prescribed by paragraph 1 of subsection A of this section, eighty-five and seventy-two one-hundredths

percent (85.72%) shall be paid to the State Treasurer of the state to be placed in the General Revenue Fund of the state and used for the general expense of state government, to be paid out pursuant to direct appropriation by the Legislature,

- c. before any other apportionment of revenue has been made pursuant to this paragraph, seven and fourteen one-hundredths percent (7.14%) of the sum collected from natural gas and/or casinghead gas shall be paid to the various county treasurers to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and
- d. before any other apportionment of revenue has been made pursuant to this paragraph, seven and fourteen one-hundredths percent (7.14%) shall be allocated to each county as provided for in subparagraph c of this paragraph and shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction;

3. For all monies collected from the tax levied on natural gas and/or casinghead gas at a tax rate of four percent (4%) pursuant to the provisions of subsection B of Section 1001 of this title:

- a. after the total revenue apportioned to the General Revenue Fund as prescribed by subparagraph b of this paragraph equals the moving five-year average amount for gas as defined by paragraph 1 of subsection A of this section, there shall be apportioned from the gross production tax levy imposed pursuant to Section 1001 of this title on natural gas and/or casinghead gas to the Revenue Stabilization Fund created pursuant to Section 34.102 of Title 62 of the Oklahoma Statutes, the amount of revenue, if any, which exceeds

the moving five-year average amount for gas as defined pursuant to paragraph 1 of subsection A of this section,

- b. until the apportionment to the General Revenue Fund equals the moving five-year average amount for gas as prescribed by paragraph 1 of subsection A of this section, seventy-five percent (75%) shall be paid to the State Treasurer of the state to be placed in the General Revenue Fund of the state and used for the general expense of state government, to be paid out pursuant to direct appropriation by the Legislature,
- c. before any other apportionment of revenue has been made pursuant to this paragraph, twelve and one-half percent (12.5%) of the sum collected from natural gas and/or casinghead gas shall be paid to the various county treasurers to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and
- d. before any other apportionment of revenue has been made pursuant to this paragraph, twelve and one-half percent (12.5%) shall be allocated to each county as provided for in subparagraph c of this paragraph and shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction;

4. For all monies collected from the tax levied on natural gas and/or casinghead gas at a tax rate of one percent (1%) pursuant to the provisions of subsection B of Section 1001 of this title:

- a. fifty percent (50%) of the sum collected from natural gas and/or casinghead gas shall be paid to the various county treasurers to be credited to the County Highway Fund as follows: Each county shall receive a

proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and

- b. fifty percent (50%) shall be allocated to each county as provided for in subparagraph a of this paragraph and shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction;

5. For all monies collected from the tax levied on natural gas and/or casinghead gas at a tax rate of two percent (2%) pursuant to the provisions of paragraph 3 of subsection B of Section 1001 of this title:

- a. after the total revenue apportioned to the General Revenue Fund as prescribed by subparagraph b of this paragraph equals the moving five-year average amount for gas as defined by paragraph 1 of subsection A of this section, there shall be apportioned from the gross production tax levy imposed pursuant to Section 1001 of this title on gas to the Revenue Stabilization Fund created by Section 34.102 of Title 62 of the Oklahoma Statutes, the amount of revenue, if any, which exceeds the moving five-year average amount for natural gas and/or casinghead gas as defined pursuant to paragraph 1 of subsection A of this section,
- b. until the apportionment to the General Revenue Fund equals the moving five-year average amount for gas as prescribed by paragraph 1 of subsection A of this section, fifty percent (50%) shall be paid to the State Treasurer to be placed in the General Revenue Fund of the state and used for the general expense of state government, to be paid out pursuant to direct appropriation by the Legislature,
- c. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-five percent

(25%) of the sum collected from natural gas and/or casinghead gas shall be paid to the various county treasurers to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and

- d. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-five percent (25%) shall be allocated to each county as provided for in subparagraph c of this paragraph and shall be apportioned on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction, to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction;

6. For all monies collected from the tax levied on oil at a tax rate of seven percent (7%) pursuant to the provisions of subsection B of Section 1001 of this title:

- a. there shall be apportioned from the gross production tax levy imposed pursuant to Section 1001 of this title on oil to the Revenue Stabilization Fund created by Section 34.102 of Title 62 of the Oklahoma Statutes, after the applicable maximum amount prescribed by subsection C of this section has been deposited to the funds therein specified, the amount of revenue, if any, which would otherwise be apportioned to the General Revenue Fund and which exceeds the moving five-year average amount for oil as defined pursuant to paragraph 2 of subsection A of this section,
- b. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-five and seventy-two one-hundredths percent (25.72%) shall be paid to the State Treasurer to be placed in the Common Education Technology Revolving Fund created in Section 34.90 of Title 62 of the Oklahoma Statutes,

- c. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-five and seventy-two one-hundredths percent (25.72%) shall be paid to the State Treasurer to be placed in the Higher Education Capital Revolving Fund created in Section 34.91 of Title 62 of the Oklahoma Statutes,
- d. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-five and seventy-two one-hundredths percent (25.72%) shall be paid to the State Treasurer to be placed in the Oklahoma Student Aid Revolving Fund created in Section 34.92 of Title 62 of the Oklahoma Statutes,
- e. before any other apportionment of revenue has been made pursuant to this paragraph, three and seven hundred forty-five one-thousandths percent (3.745%) shall be distributed to the various counties of the state for deposit into the County Bridge and Road Improvement Fund of each county based on a formula developed by the Department of Transportation and approved by the Department of Transportation County Advisory Board created pursuant to Section 302.1 of Title 69 of the Oklahoma Statutes to be used for the purposes set forth in the County Bridge and Road Improvement Act. The formula shall be similar to the formula currently used for the distribution of monies in the County Bridge Program funds, but shall also take into consideration the effect of the terrain and traffic volume as related to county road improvement and maintenance costs,
- f. before any other apportionment of revenue has been made pursuant to this paragraph, four and twenty-eight one-hundredths percent (4.28%) shall be paid to the State Treasurer to be apportioned to:
 - (1) the following sources and in the following amounts through the fiscal year ending June 30, 2027:
 - (a) thirty-three and one-third percent (33 1/3%) to the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving

Fund created pursuant to Section 2254.1 of Title 74 of the Oklahoma Statutes,

(b) thirty-three and one-third percent (33 1/3%) to the Oklahoma Conservation Commission Infrastructure Revolving Fund created pursuant to Section 3-2-110 of Title 27A of the Oklahoma Statutes, and

(c) thirty-three and one-third percent (33 1/3%) to the Community Water Infrastructure Development Revolving Fund created pursuant to Section 1085.7A of Title 82 of the Oklahoma Statutes, and

(2) the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund for the fiscal year beginning July 1, 2027, and for each fiscal year thereafter,

- g. before any other apportionment of revenue has been made pursuant to this paragraph, seven and fourteen one-hundredths percent (7.14%) of the sum collected from oil shall be paid to the various county treasurers, to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year,
- h. before any other apportionment of revenue has been made pursuant to this paragraph, seven and fourteen one-hundredths percent (7.14%) shall be allocated to each county as provided in subparagraph g of this paragraph and shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction, to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction, and

- i. before any other apportionment of revenue has been made pursuant to this paragraph, five hundred thirty-five one-thousandths percent (0.535%) of the levy shall be transmitted by the Oklahoma Tax Commission to the Statewide Circuit Engineering District Revolving Fund as created in Section 687.2 of Title 69 of the Oklahoma Statutes;

7. For all monies collected from the tax levied on oil at a tax rate of four percent (4%) pursuant to the provisions of subsection B of Section 1001 of this title:

- a. there shall be apportioned from the gross production tax levy imposed pursuant to Section 1001 of this title on oil to the Revenue Stabilization Fund created by Section 34.102 of Title 62 of the Oklahoma Statutes, after the applicable maximum amount prescribed by subsection C of this section has been deposited to the funds therein specified, the amount of revenue, if any, which would otherwise be apportioned to the General Revenue Fund and which exceeds the moving five-year average amount for oil as defined pursuant to paragraph 2 of subsection A of this section,
- b. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-two and one-half percent (22.5%) shall be paid to the State Treasurer to be placed in the Common Education Technology Revolving Fund created in Section 34.90 of Title 62 of the Oklahoma Statutes,
- c. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-two and one-half percent (22.5%) shall be paid to the State Treasurer to be placed in the Higher Education Capital Revolving Fund created in Section 34.91 of Title 62 of the Oklahoma Statutes,
- d. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-two and one-half percent (22.5%) shall be paid to the State Treasurer to be placed in the Oklahoma Student Aid Revolving Fund created in Section 34.92 of Title 62 of the Oklahoma Statutes,

- e. before any other apportionment of revenue has been made pursuant to this paragraph, three and twenty-eight one-hundredths percent (3.28%) shall be distributed to the various counties of the state for deposit into the County Bridge and Road Improvement Fund of each county based on a formula developed by the Department of Transportation and approved by the Department of Transportation County Advisory Board created pursuant to Section 302.1 of Title 69 of the Oklahoma Statutes to be used for the purposes set forth in the County Bridge and Road Improvement Act. The formula shall be similar to the formula currently used for the distribution of monies in the County Bridge Program funds, but shall also take into consideration the effect of the terrain and traffic volume as related to county road improvement and maintenance costs,
- f. before any other apportionment of revenue has been made pursuant to this paragraph, three and seventy-five one-hundredths percent (3.75%) shall be paid to the State Treasurer to be apportioned to:
 - (1) the following sources and in the following amounts through the fiscal year ending June 30, 2027:
 - (a) thirty-three and one-third percent (33 1/3%) to the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund created pursuant to Section 2254.1 of Title 74 of the Oklahoma Statutes,
 - (b) thirty-three and one-third percent (33 1/3%) to the Oklahoma Conservation Commission Infrastructure Revolving Fund created pursuant to Section 3-2-110 of Title 27A of the Oklahoma Statutes, and
 - (c) thirty-three and one-third percent (33 1/3%) to the Community Water Infrastructure Development Revolving Fund created pursuant to Section 1085.7A of Title 82 of the Oklahoma Statutes, and

- (2) the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund for the fiscal year beginning July 1, 2027, and for each fiscal year thereafter,
- g. before any other apportionment of revenue has been made pursuant to this paragraph, twelve and one-half percent (12.5%) of the sum collected from oil shall be paid to the various county treasurers, to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year,
- h. before any other apportionment of revenue has been made pursuant to this paragraph, twelve and one-half percent (12.5%) shall be allocated to each county as provided in subparagraph g of this paragraph and shall be apportioned on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction, to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction, and
- i. before any other apportionment of revenue has been made pursuant to this paragraph, forty-seven one-hundredths percent (0.47%) of the levy shall be transmitted by the Tax Commission to the Statewide Circuit Engineering District Revolving Fund as created in Section 687.2 of Title 69 of the Oklahoma Statutes;

8. For all monies collected from the tax levied on oil at a tax rate of one percent (1%) pursuant to the provisions of subsection B of Section 1001 of this title:

- a. fifty percent (50%) of the sum collected shall be paid to the various county treasurers, to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of

production from such county in the corresponding month of the preceding year, and

- b. fifty percent (50%) shall be allocated to each county as provided for in subparagraph a of this paragraph and shall be apportioned on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction, to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction;

9. For all monies collected from the tax levied on oil at a tax rate of two percent (2%) pursuant to the provisions of paragraph 3 of subsection B of Section 1001 of this title:

- a. there shall be apportioned from the gross production tax levy imposed pursuant to Section 1001 of this title on oil to the Revenue Stabilization Fund created by Section 34.102 of Title 62 of the Oklahoma Statutes, the amount of revenue, if any, which exceeds the moving five-year average amount for oil as defined pursuant to paragraph 2 of subsection A of this section,
- b. until the apportionment to the General Revenue Fund equals the moving five-year average amount for oil as prescribed by paragraph 2 of subsection A of this section, fifty percent (50%) shall be paid to the State Treasurer to be placed in the General Revenue Fund of the state and used for the general expense of state government, to be paid out pursuant to direct appropriation by the Legislature,
- c. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-five percent (25%) of the sum collected from oil shall be paid to the various county treasurers, to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, and

- d. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-five percent (25%) shall be allocated to each county as provided in subparagraph c of this paragraph and shall be apportioned on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction, to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction;

10. On or after June 28, 2018 and before July 1, 2025, the gross production tax levied on natural gas or casinghead gas at the rate of five percent (5%) provided for in paragraph 3 of subsection B of Section 1001 of this title shall be apportioned as follows:

- a. after the total revenue apportioned to the General Revenue Fund as prescribed by subparagraph b of this paragraph equals the moving five-year average amount for gas as defined by paragraph 1 of subsection A of this section, there shall be apportioned from the gross production tax levy imposed pursuant to Section 1001 of this title on natural gas and/or casinghead gas to the Revenue Stabilization Fund created pursuant to Section 34.102 of Title 62 of the Oklahoma Statutes, the amount of revenue, if any, which exceeds the moving five-year average amount for gas as defined pursuant to paragraph 1 of subsection A of this section,
- b. until the apportionment to the General Revenue Fund equals the moving five-year average amount for gas as prescribed by paragraph 1 of subsection A of this section, eighty percent (80%) shall be paid to the State Treasurer of the state to be placed in the General Revenue Fund of the state and used for the general expense of state government, to be paid out pursuant to direct appropriation by the Legislature,
- c. before any other apportionment of revenue has been made pursuant to this paragraph, ten percent (10%) of the sum collected from natural gas and/or casinghead

gas shall be paid to the various county treasurers to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year, ~~and~~

- d. before any other apportionment of revenue has been made pursuant to this paragraph, ten percent (10%) shall be allocated to each county as provided for in subparagraph c of this paragraph and shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction; ~~and~~

11. Beginning July 1, 2025, the gross production tax levied on natural gas or casinghead gas at the rate of five percent (5%) provided for in paragraph 3 of subsection B of Section 1001 of this title shall be apportioned as follows:

- a. after the total revenue apportioned to the General Revenue Fund as prescribed by subparagraph b of this paragraph equals the moving five-year average amount for gas as defined by paragraph 1 of subsection A of this section, there shall be apportioned from the gross production tax levy imposed pursuant to Section 1001 of this title on natural gas and/or casinghead gas to the Revenue Stabilization Fund created pursuant to Section 34.102 of Title 62 of the Oklahoma Statutes, the amount of revenue, if any, which exceeds the moving five-year average amount for gas as defined pursuant to paragraph 1 of subsection A of this section,
- b. until the apportionment to the General Revenue Fund equals the moving five-year average amount for gas as prescribed by paragraph 1 of subsection A of this section, forty percent (40%) shall be paid to the State Treasurer of the state to be placed in the General Revenue Fund of the state and used for the

general expense of state government, to be paid out pursuant to direct appropriation by the Legislature,

- c. before any other apportionment of revenue has been made pursuant to this paragraph, ten percent (10%) of the sum collected from natural gas and/or casinghead gas shall be paid to the various county treasurers to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year,
- d. before any other apportionment of revenue has been made pursuant to this paragraph, ten percent (10%) shall be allocated to each county as provided for in subparagraph c of this paragraph and shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction, and
- e. before any other apportionment of revenue has been made pursuant to this paragraph, forty percent (40%) shall be remitted to the State Treasurer to be credited to the Preserving and Advancing County Transportation Fund created in Section 1 of this act, but in no event shall the total amount apportioned in any fiscal year pursuant to this subparagraph exceed Seventy-five Million Dollars (\$75,000,000.00). Any amounts in excess of Seventy-five Million Dollars (\$75,000,000.00) shall be placed in the General Revenue Fund of the state and used for the general expense of state government, to be paid out pursuant to direct appropriation by the Legislature; and

12. On or after June 28, 2018, the gross production tax on oil levied at the rate of five percent (5%) provided for in paragraph 3 of subsection B of Section 1001 of this title shall be apportioned as follows:

- a. there shall be apportioned from the gross production tax levy imposed pursuant to Section 1001 of this title on oil to the Revenue Stabilization Fund created by Section 34.102 of Title 62 of the Oklahoma Statutes, after the applicable maximum amount prescribed by subsection C of this section has been deposited to the funds therein specified, the amount of revenue, if any, which would otherwise be apportioned to the General Revenue Fund and which exceeds the moving five-year average amount for oil as defined pursuant to paragraph 2 of subsection A of this section,
- b. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-three and seventy-five one-hundredths percent (23.75%) shall be paid to the State Treasurer to be placed in the Common Education Technology Revolving Fund created in Section 34.90 of Title 62 of the Oklahoma Statutes,
- c. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-three and seventy-five one-hundredths percent (23.75%) shall be paid to the State Treasurer to be placed in the Higher Education Capital Revolving Fund created in Section 34.91 of Title 62 of the Oklahoma Statutes,
- d. before any other apportionment of revenue has been made pursuant to this paragraph, twenty-three and seventy-five one-hundredths percent (23.75%) shall be paid to the State Treasurer to be placed in the Oklahoma Student Aid Revolving Fund created in Section 34.92 of Title 62 of the Oklahoma Statutes,
- e. before any other apportionment of revenue has been made pursuant to this paragraph, three and twenty-eight one-hundredths percent (3.28%) shall be distributed to the various counties of the state for deposit into the County Bridge and Road Improvement Fund of each county based on a formula developed by the Department of Transportation and approved by the Department of Transportation County Advisory Board created pursuant to Section 302.1 of Title 69 of the Oklahoma Statutes to be used for the purposes set forth in the County Bridge and Road Improvement Act.

The formula shall be similar to the formula currently used for the distribution of monies in the County Bridge Program funds, but shall also take into consideration the effect of the terrain and traffic volume as related to county road improvement and maintenance costs,

- f. before any other apportionment of revenue has been made pursuant to this paragraph, five percent (5%) shall be paid to the State Treasurer to be apportioned to:
 - (1) the following sources and in the following amounts through the fiscal year ending June 30, 2027:
 - (a) thirty-three and one-third percent (33 1/3%) to the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund created pursuant to Section 2254.1 of Title 74 of the Oklahoma Statutes,
 - (b) thirty-three and one-third percent (33 1/3%) to the Oklahoma Conservation Commission Infrastructure Revolving Fund created pursuant to Section 3-2-110 of Title 27A of the Oklahoma Statutes, and
 - (c) thirty-three and one-third percent (33 1/3%) to the Community Water Infrastructure Development Revolving Fund created pursuant to Section 1085.7A of Title 82 of the Oklahoma Statutes, and
 - (2) the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund for the fiscal year beginning July 1, 2027, and for each fiscal year thereafter,
- g. before any other apportionment of revenue has been made pursuant to this paragraph, ten percent (10%) of the sum collected from oil shall be paid to the various county treasurers, to be credited to the County Highway Fund as follows: Each county shall receive a proportionate share of the funds available

based upon the proportion of the total value of production from such county in the corresponding month of the preceding year,

- h. before any other apportionment of revenue has been made pursuant to this paragraph, ten percent (10%) shall be allocated to each county as provided in subparagraph g of this paragraph and shall be apportioned on an average daily attendance per capita distribution basis, as certified by the State Superintendent of Public Instruction, to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction, and
- i. before any other apportionment of revenue has been made pursuant to this paragraph, forty-seven one-hundredths percent (0.47%) of the levy shall be transmitted by the Tax Commission to the Statewide Circuit Engineering District Revolving Fund as created in Section 687.2 of Title 69 of the Oklahoma Statutes.

C. Provided, notwithstanding any other provision of this section, the total amounts deposited to the Common Education Technology Revolving Fund, the Higher Education Capital Revolving Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund, the Oklahoma Conservation Commission Infrastructure Revolving Fund and the Community Water Infrastructure Development Revolving Fund pursuant to paragraphs 6, 7 and 11 of subsection B of this section shall not exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any fiscal year. Except as otherwise provided in this subsection, all sums in excess of One Hundred Fifty Million Dollars (\$150,000,000.00) in any fiscal year which would otherwise be deposited in such funds shall be apportioned by the Oklahoma Tax Commission to the General Revenue Fund of the state.

SECTION 3. This act shall become effective July 1, 2025.

SECTION 4. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby

declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 28th day of May, 2025.

Presiding Officer of the House
of Representatives

Passed the Senate the 28th day of May, 2025.

CV

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____

Approved by the Governor of the State of Oklahoma this _____
day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____