

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1404

By: Kirt

AS INTRODUCED

An Act relating to state fiscal affairs; amending 62 O.S. 2021, Section 34.102, which relates to the Revenue Stabilization Fund; authorizing the withdrawal of funds upon certain federal shutdown; limiting amount to be drawn; providing for expenditure of funds; requiring the Director of the Office of Management and Enterprise Services to prepare and submit weekly report; requiring certain federal funds to be deposited in the Revenue Stabilization Fund; defining term; updating statutory reference; updating statutory language; and providing an effective date.

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

SECTION 1. AMENDATORY 62 O.S. 2021, Section 34.102, is amended to read as follows:

Section 34.102. A. There is hereby created in the State Treasury a revolving fund to be known and designated as the "Revenue Stabilization Fund". The fund shall be a continuing fund, not subject to fiscal year limitations.

B. For determinations made regarding deposits for fiscal years beginning on or after July 1, 2019, no monies shall be deposited to the credit of the Revenue Stabilization Fund until such time as the amount of actual revenue certified by the State Board of

1 Equalization as having been deposited into the General Revenue Fund  
2 for the first fiscal year prior to the beginning of the fiscal year  
3 that deposits to the Revenue Stabilization Fund are first made  
4 equals or exceeds Six Billion Six Hundred Million Dollars  
5 (\$6,600,000,000.00).

6 C. Once the provisions prescribed by subsection B of this  
7 section have been met, deposits to the Revenue Stabilization Fund as  
8 prescribed by this section may be made during any subsequent fiscal  
9 year according to the requirements and limitations imposed by ~~this~~  
10 ~~act~~ this section, Sections 34.103 and 34.104 of this title, and  
11 Sections 1004 and 2352 of Title 68 of the Oklahoma Statutes;  
12 provided that no deposits shall be made during a fiscal year where  
13 the State Board of Equalization General Revenue Fund certification  
14 for ~~said~~ such fiscal year is less than the State Board of  
15 Equalization General Revenue Fund certification for the previous  
16 fiscal year plus an increment equal to the amount otherwise  
17 calculated for deposit pursuant to subsection E of this section.

18 D. Notwithstanding any other provisions of this section, unless  
19 such deposits are the result of a direct appropriation to the  
20 Revenue Stabilization Fund by the Legislature, no monies shall be  
21 deposited to the credit of the Revenue Stabilization Fund:

22 1. For any month during a fiscal year after the month during  
23 which the declaration of a revenue failure pursuant to the  
24 provisions of Section 34.49 of this title has been made. For

1 purposes of this subsection, the limitation on deposits to the  
2 Revenue Stabilization Fund shall be imposed for the remaining months  
3 of the fiscal year during which the revenue failure was declared,  
4 but shall not operate as a limitation upon deposits for any  
5 subsequent fiscal year unless a revenue failure is declared at some  
6 time during such fiscal year; or

7 2. That would cause deposits to the Revenue Stabilization Fund  
8 for the fiscal year to exceed three percent (3%) of the State Board  
9 of Equalization General Revenue Fund certification for that fiscal  
10 year.

11 E. Except as provided in subsection F of this section, the  
12 Revenue Stabilization Fund shall consist of:

13 1. One hundred percent (100%) of the revenue derived from the  
14 gross production tax on oil levied pursuant to Section 1001 of Title  
15 68 of the Oklahoma Statutes which is in excess of the five-year  
16 average computed as prescribed by Section 34.103 of this title;

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

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

1       4. Any amounts appropriated by the Legislature.

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

15       2. For the fiscal year ending June 30, 2020, in the event that  
16 a revenue failure is declared with respect to the General Revenue  
17 Fund pursuant to Section 34.49 of this title, the Director of the  
18 Office of Management and Enterprise Services may withdraw amounts up  
19 to a total of one-half (1/2) of the highest balance during the  
20 fiscal year ending June 30, 2020, of the Revenue Stabilization Fund;  
21 provided, the total amount withdrawn shall not exceed the amount of  
22 the declared revenue failure less any appropriations made by the  
23 Legislature to offset such revenue failure, to in equal proportions  
24 reduce or avoid reductions to agencies for the fiscal year and to

1 mitigate potential reductions of funds to be expended by common  
2 school districts which were appropriated or authorized by the  
3 Legislature for the fiscal year ending June 30, 2020, but excluding  
4 any funds which are apportioned directly to common school districts.  
5 No monies shall be withdrawn under the provisions of this subsection  
6 for the purpose of reducing or avoiding reductions of appropriations  
7 made pursuant to Section 129 of Enrolled House Bill No. 2765 of the  
8 1st Session of the 57th Oklahoma Legislature or Section 1 of  
9 Enrolled Senate Bill No. 1076 of the 1st Session of the 57th  
10 Oklahoma Legislature.

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

18 H. 1. In the event of a federal government shutdown of longer  
19 than fifteen (15) days, the Director of the Office of Management and  
20 Enterprise Services may withdraw up to one-quarter (1/4) of the  
21 balance of the Revenue Stabilization Fund available at the beginning  
22 of the fiscal year, provided the total amount withdrawn shall not  
23 exceed the amount of funding required to:  
24

a. pay the salaries of state employees who are either partially or fully paid by federal funds and who have been furloughed as a result of the federal government shutdown. Provided, only the portion of salaries affected by the lapse of federal funds shall be paid with the balance of the Revenue Stabilization Fund authorized to be expended pursuant to this subsection, and

b. pay for the portion of Supplemental Nutrition Assistance Program benefits to individuals enrolled in the program that are reduced or eliminated as a result of the federal government shutdown.

2. Each week in which a federal government shutdown exceeding fifteen (15) days occurs, the Director of the Office of Management and Enterprise Services shall prepare and electronically submit a report to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives that contains the following information:

a. any amount withdrawn from the Revenue Stabilization Fund pursuant to the provisions of this subsection,

b. the number of state employees who have been furloughed or have had salaries reduced due to the federal government shutdown, including the amount of salary reduction,

- 1           c. the amount of salaries paid pursuant to the provisions  
2           of this subsection,
- 3           d. the number of Supplemental Nutrition Assistance  
4           Program enrollees that have had benefits reduced or  
5           eliminated by the federal shutdown, including the  
6           total amount of benefit reductions, and
- 7           e. the amount of benefits paid pursuant to the provisions  
8           of this subsection.

9           3. If, upon the end of a federal government shutdown, the  
10          federal government provides funds to pay for the portion of salaries  
11          of state employees that were paid pursuant to the provisions of this  
12          section, those funds shall be deposited in the Revenue Stabilization  
13          Fund.

14          4. If, upon the end of a federal government shutdown, the  
15          federal government provides funds to pay benefits reduced or  
16          eliminated by the federal shutdown that were paid pursuant to the  
17          provisions of this section, those funds shall be deposited in the  
18          Revenue Stabilization Fund.

19          5. As used in this subsection, "federal government shutdown"  
20          shall mean the same as the term "covered lapse in appropriations" as  
21          defined in 31 U.S.C., Section 1341(c) (1) (A).

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

9 ~~F.~~ J. If during the State Board of Equalization certification  
10 process, one or more of the revenue sources identified in paragraphs  
11 1, 2, and 3 of subsection E of this section are forecasted to  
12 experience a revenue decrease, then the total deposits to the  
13 Revenue Stabilization Fund as otherwise calculated under subsection  
14 E of this section shall be reduced in an amount equal to such  
15 revenue decreases. For purposes of this subsection, "revenue  
16 decrease" means an identified revenue source derived in an amount  
17 less than the five-year average for such revenue source.

18 SECTION 2. This act shall become effective November 1, 2026.  
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