

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1358

By: Nice

AS INTRODUCED

An Act relating to roads and bridges; amending 68 O.S. 2021, Section 1353, as last amended by Section 4, Chapter 441, O.S.L. 2024 (68 O.S. Supp. 2025, Section 1353), which relates to the apportionment of revenues derived from sales tax; modifying apportionment for certain fiscal years; creating the Preserving and Advancing City and Town Transportation Fund; providing for allocation of funds; requiring certain confirmation from Department of Transportation; updating statutory references; providing for codification; 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 1353, as last amended by Section 4, Chapter 441, O.S.L. 2024 (68 O.S. Supp. 2025, Section 1353), is amended to read as follows:

Section 1353. A. It is hereby declared to be the purpose of the Oklahoma Sales Tax Code to provide funds for the financing of the program provided for by the Oklahoma Social Security Act and to provide revenues for the support of the functions of the state government of Oklahoma, and for this purpose it is hereby expressly provided that, revenues derived pursuant to the provisions of the

Oklahoma Sales Tax Code, subject to the apportionment requirements for the Oklahoma Tax Commission and Office of Management and Enterprise Services Joint Computer Enhancement Fund provided by Section 265 of this title, and further subject to the apportionment requirement provided in subsection D of this section, shall be apportioned as follows:

1. Except as provided in subsection C of this section, the following amounts shall be paid to the State Treasurer to be placed to the credit of the General Revenue Fund to be paid out pursuant to direct appropriation by the Legislature:

Fiscal Year	Amount
FY 2003 and FY 2004	86.04%
FY 2005	85.83%
FY 2006	85.54%
FY 2007	85.04%
FY 2008 through FY 2022	83.61%
FY 2023 through FY 2027	83.36%
FY 2028 and each fiscal year thereafter	83.61% <u>83.11%</u> ;

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

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

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%),
and

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, 2022,
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) twenty-four percent (24%) 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,

(2) forty-four percent (44%) shall be placed to the
credit of the Oklahoma Tourism Capital
Improvement Revolving Fund, but in no event shall

1 such apportionment exceed Nine Million Dollars
2 (\$9,000,000.00) in any fiscal year, and

3 (3) thirty-two percent (32%) shall be placed to the
4 credit of the Oklahoma Route 66 Commission
5 Revolving Fund, but in no event shall such
6 apportionment exceed Six Million Six Hundred
7 Thousand Dollars (\$6,600,000.00) in any fiscal
8 year, and

9 b. any amounts which exceed the limitations of
10 subparagraph a of this paragraph shall be placed to
11 the credit of the General Revenue Fund; ~~and~~

12 5. For the fiscal year beginning July 1, 2015, and for each
13 fiscal year thereafter, six one-hundredths percent (0.06%) shall be
14 placed to the credit of the Oklahoma Historical Society Capital
15 Improvement and Operations Revolving Fund, but in no event shall
16 such apportionment exceed the total amount apportioned pursuant to
17 this paragraph for the fiscal year ending on June 30, 2015. Any
18 amounts which exceed the limitations of this paragraph shall be
19 placed to the credit of the General Revenue Fund; and

20 6. For fiscal year 2028 and subsequent fiscal years, fifty one-
21 hundredths percent (0.50%) shall be placed to the credit of the
22 Preserving and Advancing City and Town Transportation Fund created
23 in Section 2 of this act.

1 B. Provided, for the fiscal year beginning July 1, 2007, and
2 every fiscal year thereafter, an amount of revenue shall be
3 apportioned to each municipality or county which levies a sales tax
4 subject to the provisions of Section 1357.10 of this title and
5 subsection F of Section 2701 of this title equal to the amount of
6 sales tax revenue of such municipality or county exempted by the
7 provisions of Section 1357.10 of this title and subsection F of
8 Section 2701 of this title. The Oklahoma Tax Commission shall
9 promulgate and adopt rules necessary to implement the provisions of
10 this subsection.

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

14 1. For the month ending August 31, 2019:

- 15 a. Nine Million Six Hundred Thousand Dollars
16 (\$9,600,000.00) to the credit of the State Highway
17 Construction and Maintenance Fund created in Section
18 1501 of Title 69 of the Oklahoma 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 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
- 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;

4. For the month ending November 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

1 created in Section 309 of Title 66 of the Oklahoma
2 Statutes; and

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

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

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

12 D. For fiscal year 2029, and each subsequent fiscal year, Fifty
13 Million Dollars (\$50,000,000.00) shall be placed to the credit of
14 the Oklahoma Capital Assets Maintenance and Protection Fund created
15 in Section 2 188B of ~~this act~~ Title 73 of the Oklahoma Statutes.

16 SECTION 2. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 509 of Title 69, unless there is
18 created a duplication in numbering, reads as follows:

19 A. There is hereby created in the State Treasury a revolving
20 fund to be known as the "Preserving and Advancing City and Town
21 Transportation Fund". The fund shall be a continuing fund, not
22 subject to fiscal year limitations, and shall consist of all
23 appropriations and transfers made by the Legislature and the
24 apportionments made pursuant to Section 1353 of Title 68 of the

1 Oklahoma Statutes. All monies accruing to the credit of the fund
2 are hereby appropriated and may be budgeted and expended beginning
3 with the fiscal year ending June 30, 2027, and each fiscal year
4 thereafter pursuant to subsection B of this section. Expenditures
5 from the fund shall be made upon warrants issued by the State
6 Treasurer against claims filed as prescribed by law with the
7 Director of the Office of Management and Enterprise Services for
8 approval and payment.

9 B. The funds apportioned pursuant to Section 1353 of Title 68
10 of the Oklahoma Statutes shall be used as necessary for the
11 construction, reconstruction, and maintenance of municipal roads or
12 bridges as defined by the Transportation Commission. Prior to any
13 funds for such projects being allocated, the municipality seeking
14 such funds shall submit the proposed project to the Department of
15 Transportation, which shall evaluate and confirm whether the
16 proposed projects are in accordance with the criteria provided for
17 in this subsection. Roads and bridges proposed for construction,
18 reconstruction, and maintenance will be generally evaluated based on
19 the state of project innovation, readiness, structural adequacy,
20 safety, serviceability, necessity for public use, structural
21 deficiency, and special reductions for characteristics such as
22 detour length, traffic safety features, and current school bus
23 routes. Upon confirmation by the Department of Transportation that
24 a proposed project is in accordance with the criteria provided for

1 in this subsection, funds shall be allocated to the municipality for
2 use in such project.

3 SECTION 3. This act shall become effective July 1, 2026.

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

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