

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL 427

By: Bice

4
5
6 AS INTRODUCED

7 An Act relating to gross production tax; amending 68
8 O.S. 2011, Section 1001.1, as amended by Section 2,
9 Chapter 401, O.S.L. 2013 (68 O.S. Supp. 2018, Section
10 1001.1), which relates to property exempt from ad
11 valorem taxation due to payment of gross production
12 tax; correcting references; amending 68 O.S. 2011,
13 Section 1004, as last amended by Section 8, Chapter
14 8, 2nd Extraordinary Session, O.S.L. 2018 (68 O.S.
15 Supp. 2018, Section 1004), which relates to
16 apportionment of gross production tax; correcting
17 references; and providing an effective date.

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

19 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1001.1, as
20 amended by Section 2, Chapter 401, O.S.L. 2013 (68 O.S. Supp. 2018,
21 Section 1001.1), is amended to read as follows:

22 Section 1001.1. The Oklahoma Tax Commission shall adopt rules
23 and regulations which establish guidelines for the determination of
24 property exempt from ad valorem taxation pursuant to the provisions
25 of ~~subsections S and T~~ subsections G and H of Section 1001 of this
26 title. Said guidelines shall include, but are not limited to, the
27 following:

1 1. "Producing leases" means wells or leases or production units
2 which have had production during any of the previous three (3)
3 calendar years which is subject to the gross production tax levied
4 by Section 1001 of this title and which have not been abandoned or
5 required to be plugged as required by law on or before January 1 of
6 the year for which the assessment or valuation is made;

7 2. "Payment of gross production tax" means payment of the tax
8 levied by Section 1001 of this title on production during any of the
9 three (3) calendar years immediately prior to January 1 of the year
10 for which the assessment or valuation is made; and

11 3. Property exempt from ad valorem tax pursuant to the
12 provisions of ~~subsections S and T~~ subsections G and H of Section
13 1001 of this title shall include, but is not limited to, lease
14 production tanks, lease production meters, and disposal systems,
15 including all materials and equipment of disposal systems and the
16 lines transporting the waste materials, serving one or more wells,
17 which are not for commercial purposes. Provided, the exemption
18 shall include the wellbore and non-recoverable down-hole material,
19 including casing, actually used in the commercial disposal of waste
20 materials produced with such oil or gas. Such exempt property shall
21 remain exempt as long as the property is essential to the production
22 of oil and gas in commercial quantities. The county assessor shall
23 be notified when such property becomes nonexempt.

1 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1004, as
2 last amended by Section 8, Chapter 8, 2nd Extraordinary Session,
3 O.S.L. 2018 (68 O.S. Supp. 2018, Section 1004), is amended to read
4 as follows:

5 Section 1004. A. As used in this section:

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

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

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

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

23 a. eighty-five and seventy-two one-hundredths percent

24 (85.72%) shall be paid to the State Treasurer of the
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1 state to be placed in the General Revenue Fund of the
2 state and used for the general expense of state
3 government, to be paid out pursuant to direct
4 appropriation by the Legislature,

5 b. seven and fourteen one-hundredths percent (7.14%) of
6 the sum collected from natural gas and/or casinghead
7 gas or asphalt or ores bearing uranium, lead, zinc,
8 jack, gold, silver or copper shall be paid to the
9 various county treasurers to be credited to the County
10 Highway Fund as follows: Each county shall receive a
11 proportionate share of the funds available based upon
12 the proportion of the total value of production from
13 such county in the corresponding month of the
14 preceding year, and

15 c. seven and fourteen one-hundredths percent (7.14%)
16 shall be allocated to each county as provided for in
17 subparagraph b of this paragraph and shall be
18 apportioned, on an average daily attendance per capita
19 distribution basis, as certified by the State
20 Superintendent of Public Instruction to the school
21 districts of the county where such pupils attend
22 school regardless of residence of such pupil, provided
23 the school district makes an ad valorem tax levy of
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1 fifteen (15) mills for the current year and maintains
2 twelve (12) years of instruction;

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

6 a. after the total revenue apportioned to the General
7 Revenue Fund as prescribed by subparagraph b of this
8 paragraph equals the moving five-year average amount
9 for gas as defined by paragraph 1 of subsection A of
10 this section, there shall be apportioned from the
11 gross production tax levy imposed pursuant to Section
12 1001 of this title on natural gas and/or casinghead
13 gas to the Revenue Stabilization Fund created by
14 Section 34.102 of Title 62 of the Oklahoma Statutes,
15 the amount of revenue, if any, which exceeds the
16 moving five-year average amount for gas as defined
17 pursuant to paragraph 1 of subsection A of this
18 section,

19 b. until the apportionment to the General Revenue Fund
20 equals the moving five-year average amount for gas as
21 prescribed by paragraph 1 of subsection A of this
22 section, eighty-five and seventy-two one-hundredths
23 percent (85.72%) shall be paid to the State Treasurer
24 of the state to be placed in the General Revenue Fund

1 of the state and used for the general expense of state
2 government, to be paid out pursuant to direct
3 appropriation by the Legislature,

4 c. before any other apportionment of revenue has been
5 made pursuant to this paragraph, seven and fourteen
6 one-hundredths percent (7.14%) of the sum collected
7 from natural gas and/or casinghead gas shall be paid
8 to the various county treasurers to be credited to the
9 County Highway Fund as follows: Each county shall
10 receive a proportionate share of the funds available
11 based upon the proportion of the total value of
12 production from such county in the corresponding month
13 of the preceding year, and

14 d. before any other apportionment of revenue has been
15 made pursuant to this paragraph, seven and fourteen
16 one-hundredths percent (7.14%) shall be allocated to
17 each county as provided for in subparagraph c of this
18 paragraph and shall be apportioned, on an average
19 daily attendance per capita distribution basis, as
20 certified by the State Superintendent of Public
21 Instruction to the school districts of the county
22 where such pupils attend school regardless of
23 residence of such pupil, provided the school district
24 makes an ad valorem tax levy of fifteen (15) mills for

1 the current year and maintains twelve (12) years of
2 instruction;

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

7 a. after the total revenue apportioned to the General
8 Revenue Fund as prescribed by subparagraph b of this
9 paragraph equals the moving five-year average amount
10 for gas as defined by paragraph 1 of subsection A of
11 this section, there shall be apportioned from the
12 gross production tax levy imposed pursuant to Section
13 1001 of this title on natural gas and/or casinghead
14 gas to the Revenue Stabilization Fund created pursuant
15 to Section 34.102 of Title 62 of the Oklahoma
16 Statutes, the amount of revenue, if any, which exceeds
17 the moving five-year average amount for gas as defined
18 pursuant to paragraph 1 of subsection A of this
19 section,

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

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

6 a. fifty percent (50%) of the sum collected from natural
7 gas and/or casinghead gas shall be paid to the various
8 county treasurers to be credited to the County Highway
9 Fund as follows: Each county shall receive a
10 proportionate share of the funds available based upon
11 the proportion of the total value of production from
12 such county in the corresponding month of the
13 preceding year, and

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

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

5 a. after the total revenue apportioned to the General
6 Revenue Fund as prescribed by subparagraph b of this
7 paragraph equals the moving five-year average amount
8 for gas as defined by paragraph 1 of subsection A of
9 this section, there shall be apportioned from the
10 gross production tax levy imposed pursuant to Section
11 1001 of this title on gas to the Revenue Stabilization
12 Fund created by Section 34.102 of Title 62 of the
13 Oklahoma Statutes, the amount of revenue, if any,
14 which exceeds the moving five-year average amount for
15 natural gas and/or casinghead gas as defined pursuant
16 to paragraph 1 of subsection A of this section,

17 b. until the apportionment to the General Revenue Fund
18 equals the moving five-year average amount for gas as
19 prescribed by paragraph 1 of subsection A of this
20 section, fifty percent (50%) shall be paid to the
21 State Treasurer to be placed in the General Revenue
22 Fund of the state and used for the general expense of
23 state government, to be paid out pursuant to direct
24 appropriation by the Legislature,

1 c. before any other apportionment of revenue has been
2 made pursuant to this paragraph, twenty-five percent
3 (25%) of the sum collected from natural gas and/or
4 casinghead gas shall be paid to the various county
5 treasurers to be credited to the County Highway Fund
6 as follows: Each county shall receive a proportionate
7 share of the funds available based upon the proportion
8 of the total value of production from such county in
9 the corresponding month of the preceding year, and

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

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

1 a. there shall be apportioned from the gross production
2 tax levy imposed pursuant to Section 1001 of this
3 title on oil to the Revenue Stabilization Fund created
4 by Section 34.102 of Title 62 of the Oklahoma
5 Statutes, after the applicable maximum amount
6 prescribed by subsection C of this section has been
7 deposited to the funds therein specified, the amount
8 of revenue, if any, which would otherwise be
9 apportioned to the General Revenue Fund and which
10 exceeds the moving five-year average amount for oil as
11 defined pursuant to paragraph 2 of subsection A of
12 this section,

13 b. before any other apportionment of revenue has been
14 made pursuant to this paragraph, twenty-five and
15 seventy-two one-hundredths percent (25.72%) shall be
16 paid to the State Treasurer to be placed in the Common
17 Education Technology Revolving Fund created in Section
18 34.90 of Title 62 of the Oklahoma Statutes,

19 c. before any other apportionment of revenue has been
20 made pursuant to this paragraph, twenty-five and
21 seventy-two one-hundredths percent (25.72%) shall be
22 paid to the State Treasurer to be placed in the Higher
23 Education Capital Revolving Fund created in Section
24 34.91 of Title 62 of the Oklahoma Statutes,

1 d. before any other apportionment of revenue has been
2 made pursuant to this paragraph, twenty-five and
3 seventy-two one-hundredths percent (25.72%) shall be
4 paid to the State Treasurer to be placed in the
5 Oklahoma Student Aid Revolving Fund created in Section
6 34.92 of Title 62 of the Oklahoma Statutes,

7 e. before any other apportionment of revenue has been
8 made pursuant to this paragraph, three and seven
9 hundred forty-five one-thousandths percent (3.745%)
10 shall be distributed to the various counties of the
11 state for deposit into the County Bridge and Road
12 Improvement Fund of each county based on a formula
13 developed by the Department of Transportation and
14 approved by the Department of Transportation County
15 Advisory Board created pursuant to Section 302.1 of
16 Title 69 of the Oklahoma Statutes to be used for the
17 purposes set forth in the County Bridge and Road
18 Improvement Act. The formula shall be similar to the
19 formula currently used for the distribution of monies
20 in the County Bridge Program funds, but shall also
21 take into consideration the effect of the terrain and
22 traffic volume as related to county road improvement
23 and maintenance costs,

1 f. before any other apportionment of revenue has been
2 made pursuant to this paragraph, four and twenty-eight
3 one-hundredths percent (4.28%) shall be paid to the
4 State Treasurer to be apportioned to:

5 (1) the following sources and in the following
6 amounts through the fiscal year ending June 30,
7 2019:

8 (a) thirty-three and one-third percent (33 1/3%)
9 to the Oklahoma Tourism and Recreation
10 Department Capital Expenditure Revolving
11 Fund created pursuant to Section 2254.1 of
12 Title 74 of the Oklahoma Statutes,

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

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

23 (2) the Oklahoma Water Resources Board Rural Economic
24 Action Plan Water Projects Fund for the fiscal

1 year beginning July 1, 2019, and for each fiscal
2 year thereafter,

3 g. before any other apportionment of revenue has been
4 made pursuant to this paragraph, seven and fourteen
5 one-hundredths percent (7.14%) of the sum collected
6 from oil shall be paid to the various county
7 treasurers, to be credited to the County Highway Fund
8 as follows: Each county shall receive a proportionate
9 share of the funds available based upon the proportion
10 of the total value of production from such county in
11 the corresponding month of the preceding year,

12 h. before any other apportionment of revenue has been
13 made pursuant to this paragraph, seven and fourteen
14 one-hundredths percent (7.14%) shall be allocated to
15 each county as provided in subparagraph g of this
16 paragraph and shall be apportioned, on an average
17 daily attendance per capita distribution basis, as
18 certified by the State Superintendent of Public
19 Instruction, to the school districts of the county
20 where such pupils attend school regardless of
21 residence of such pupil, provided the school district
22 makes an ad valorem tax levy of fifteen (15) mills for
23 the current year and maintains twelve (12) years of
24 instruction, and

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

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

11 a. there shall be apportioned from the gross production
12 tax levy imposed pursuant to Section 1001 of this
13 title on oil to the Revenue Stabilization Fund created
14 by Section 34.102 of Title 62 of the Oklahoma
15 Statutes, after the applicable maximum amount
16 prescribed by subsection C of this section has been
17 deposited to the funds therein specified, the amount
18 of revenue, if any, which would otherwise be
19 apportioned to the General Revenue Fund and which
20 exceeds the moving five-year average amount for oil as
21 defined pursuant to paragraph 2 of subsection A of
22 this section,

23 b. before any other apportionment of revenue has been
24 made pursuant to this paragraph, twenty-two and one-

1 half percent (22.5%) shall be paid to the State
2 Treasurer to be placed in the Common Education
3 Technology Revolving Fund created in Section 34.90 of
4 Title 62 of the Oklahoma Statutes,

5 c. before any other apportionment of revenue has been
6 made pursuant to this paragraph, twenty-two and one-
7 half percent (22.5%) shall be paid to the State
8 Treasurer to be placed in the Higher Education Capital
9 Revolving Fund created in Section 34.91 of Title 62 of
10 the Oklahoma Statutes,

11 d. before any other apportionment of revenue has been
12 made pursuant to this paragraph, twenty-two and one-
13 half percent (22.5%) shall be paid to the State
14 Treasurer to be placed in the Oklahoma Student Aid
15 Revolving Fund created in Section 34.92 of Title 62 of
16 the Oklahoma Statutes,

17 e. before any other apportionment of revenue has been
18 made pursuant to this paragraph, three and twenty-
19 eight one-hundredths percent (3.28%) shall be
20 distributed to the various counties of the state for
21 deposit into the County Bridge and Road Improvement
22 Fund of each county based on a formula developed by
23 the Department of Transportation and approved by the
24 Department of Transportation County Advisory Board

1 created pursuant to Section 302.1 of Title 69 of the
2 Oklahoma Statutes to be used for the purposes set
3 forth in the County Bridge and Road Improvement Act.
4 The formula shall be similar to the formula currently
5 used for the distribution of monies in the County
6 Bridge Program funds, but shall also take into
7 consideration the effect of the terrain and traffic
8 volume as related to county road improvement and
9 maintenance costs,

10 f. before any other apportionment of revenue has been
11 made pursuant to this paragraph, three and seventy-
12 five one-hundredths percent (3.75%) shall be paid to
13 the State Treasurer to be apportioned to:

14 (1) the following sources and in the following
15 amounts through the fiscal year ending June 30,
16 2019:

17 (a) thirty-three and one-third percent (33 1/3%)
18 to the Oklahoma Tourism and Recreation
19 Department Capital Expenditure Revolving
20 Fund created pursuant to Section 2254.1 of
21 Title 74 of the Oklahoma Statutes,

22 (b) thirty-three and one-third percent (33 1/3%)
23 to the Oklahoma Conservation Commission
24 Infrastructure Revolving Fund created
25

1 pursuant to Section 3-2-110 of Title 27A of
2 the Oklahoma Statutes, and

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

8 (2) the Oklahoma Water Resources Board Rural Economic
9 Action Plan Water Projects Fund for the fiscal
10 year beginning July 1, 2019, and for each fiscal
11 year thereafter,

12 g. before any other apportionment of revenue has been
13 made pursuant to this paragraph, twelve and one-half
14 percent (12.5%) of the sum collected from oil shall be
15 paid to the various county treasurers, to be credited
16 to the County Highway Fund as follows: Each county
17 shall receive a proportionate share of the funds
18 available based upon the proportion of the total value
19 of production from such county in the corresponding
20 month of the preceding year,

21 h. before any other apportionment of revenue has been
22 made pursuant to this paragraph, twelve and one-half
23 percent (12.5%) shall be allocated to each county as
24 provided in subparagraph g of this paragraph and shall

1 be apportioned on an average daily attendance per
2 capita distribution basis, as certified by the State
3 Superintendent of Public Instruction, to the school
4 districts of the county where such pupils attend
5 school regardless of residence of such pupil, provided
6 the school district makes an ad valorem tax levy of
7 fifteen (15) mills for the current year and maintains
8 twelve (12) years of instruction, and

- 9 i. before any other apportionment of revenue has been
10 made pursuant to this paragraph, forty-seven one-
11 hundredths percent (0.47%) of the levy shall be
12 transmitted by the Tax Commission to the Statewide
13 Circuit Engineering District Revolving Fund as created
14 in Section 687.2 of Title 69 of the Oklahoma Statutes;

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

- 18 a. fifty percent (50%) of the sum collected shall be paid
19 to the various county treasurers, to be credited to
20 the County Highway Fund as follows: Each county shall
21 receive a proportionate share of the funds available
22 based upon the proportion of the total value of
23 production from such county in the corresponding month
24 of the preceding year, and

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

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

14 a. there shall be apportioned from the gross production
15 tax levy imposed pursuant to Section 1001 of this
16 title on oil to the Revenue Stabilization Fund created
17 by Section 34.102 of Title 62 of the Oklahoma
18 Statutes, the amount of revenue, if any, which exceeds
19 the moving five-year average amount for oil as defined
20 pursuant to paragraph 2 of subsection A of this
21 section,

22 b. until the apportionment to the General Revenue Fund
23 equals the moving five-year average amount for oil as
24 prescribed by paragraph 2 of subsection A of this

1 section, fifty percent (50%) shall be paid to the
2 State Treasurer to be placed in the General Revenue
3 Fund of the state and used for the general expense of
4 state government, to be paid out pursuant to direct
5 appropriation by the Legislature,

6 c. before any other apportionment of revenue has been
7 made pursuant to this paragraph, twenty-five percent
8 (25%) of the sum collected from oil shall be paid to
9 the various county treasurers, to be credited to the
10 County Highway Fund as follows: Each county shall
11 receive a proportionate share of the funds available
12 based upon the proportion of the total value of
13 production from such county in the corresponding month
14 of the preceding year, and

15 d. before any other apportionment of revenue has been
16 made pursuant to this paragraph, twenty-five percent
17 (25%) shall be allocated to each county as provided in
18 subparagraph c of this paragraph and shall be
19 apportioned on an average daily attendance per capita
20 distribution basis, as certified by the State
21 Superintendent of Public Instruction, to the school
22 districts of the county where such pupils attend
23 school regardless of residence of such pupil, provided
24 the school district makes an ad valorem tax levy of

1 fifteen (15) mills for the current year and maintains
2 twelve (12) years of instruction;

3 10. On or after ~~the effective date of this act~~ June 28, 2018,
4 the gross production tax levied on natural gas or casinghead gas at
5 the rate of five percent (5%) provided for in paragraph 3 of
6 subsection B of Section 1001 of this title shall be apportioned as
7 follows:

8 a. after the total revenue apportioned to the General
9 Revenue Fund as prescribed by subparagraph b of this
10 paragraph equals the moving five-year average amount
11 for gas as defined by paragraph 1 of subsection A of
12 this section, there shall be apportioned from the
13 gross production tax levy imposed pursuant to Section
14 1001 of this title on natural gas and/or casinghead
15 gas to the Revenue Stabilization Fund created pursuant
16 to Section 34.102 of Title 62 of the Oklahoma
17 Statutes, the amount of revenue, if any, which exceeds
18 the moving five-year average amount for gas as defined
19 pursuant to paragraph 1 of subsection A of this
20 section,

21 b. until the apportionment to the General Revenue Fund
22 equals the moving five-year average amount for gas as
23 prescribed by paragraph 1 of subsection A of this
24 section, eighty percent (80%) shall be paid to the

1 State Treasurer of the state to be placed in the
2 General Revenue Fund of the state and used for the
3 general expense of state government, to be paid out
4 pursuant to direct appropriation by the Legislature,
5 c. before any other apportionment of revenue has been
6 made pursuant to this paragraph, ten percent (10%) of
7 the sum collected from natural gas and/or casinghead
8 gas shall be paid to the various county treasurers to
9 be credited to the County Highway Fund as follows:
10 Each county shall receive a proportionate share of the
11 funds available based upon the proportion of the total
12 value of production from such county in the
13 corresponding month of the preceding year, and
14 d. before any other apportionment of revenue has been
15 made pursuant to this paragraph, ten percent (10%)
16 shall be allocated to each county as provided for in
17 subparagraph c of this paragraph and shall be
18 apportioned, on an average daily attendance per capita
19 distribution basis, as certified by the State
20 Superintendent of Public Instruction to the school
21 districts of the county where such pupils attend
22 school regardless of residence of such pupil, provided
23 the school district makes an ad valorem tax levy of
24

1 fifteen (15) mills for the current year and maintains
2 twelve (12) years of instruction; and

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

7 a. there shall be apportioned from the gross production
8 tax levy imposed pursuant to Section 1001 of this
9 title on oil to the Revenue Stabilization Fund created
10 by Section 34.102 of Title 62 of the Oklahoma
11 Statutes, after the applicable maximum amount
12 prescribed by subsection C of this section has been
13 deposited to the funds therein specified, the amount
14 of revenue, if any, which would otherwise be
15 apportioned to the General Revenue Fund and which
16 exceeds the moving five-year average amount for oil as
17 defined pursuant to paragraph 2 of subsection A of
18 this section,

19 b. before any other apportionment of revenue has been
20 made pursuant to this paragraph, twenty-three and
21 seventy-five one-hundredths percent (23.75%) shall be
22 paid to the State Treasurer to be placed in the Common
23 Education Technology Revolving Fund created in Section
24 34.90 of Title 62 of the Oklahoma Statutes,

1 c. before any other apportionment of revenue has been
2 made pursuant to this paragraph, twenty-three and
3 seventy-five one-hundredths percent (23.75%) shall be
4 paid to the State Treasurer to be placed in the Higher
5 Education Capital Revolving Fund created in Section
6 34.91 of Title 62 of the Oklahoma Statutes,

7 d. before any other apportionment of revenue has been
8 made pursuant to this paragraph, twenty-three and
9 seventy-five one-hundredths percent (23.75%) shall be
10 paid to the State Treasurer to be placed in the
11 Oklahoma Student Aid Revolving Fund created in Section
12 34.92 of Title 62 of the Oklahoma Statutes,

13 e. before any other apportionment of revenue has been
14 made pursuant to this paragraph, three and twenty-
15 eight one-hundredths percent (3.28%) shall be
16 distributed to the various counties of the state for
17 deposit into the County Bridge and Road Improvement
18 Fund of each county based on a formula developed by
19 the Department of Transportation and approved by the
20 Department of Transportation County Advisory Board
21 created pursuant to Section 302.1 of Title 69 of the
22 Oklahoma Statutes to be used for the purposes set
23 forth in the County Bridge and Road Improvement Act.
24 The formula shall be similar to the formula currently

1 used for the distribution of monies in the County
2 Bridge Program funds, but shall also take into
3 consideration the effect of the terrain and traffic
4 volume as related to county road improvement and
5 maintenance costs,

6 f. before any other apportionment of revenue has been
7 made pursuant to this paragraph, five percent (5%)
8 shall be paid to the State Treasurer to be apportioned
9 to:

10 (1) the following sources and in the following
11 amounts through the fiscal year ending June 30,
12 2019:

13 (a) thirty-three and one-third percent (33 1/3%)
14 to the Oklahoma Tourism and Recreation
15 Department Capital Expenditure Revolving
16 Fund created pursuant to Section 2254.1 of
17 Title 74 of the Oklahoma Statutes,

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

23 (c) thirty-three and one-third percent (33 1/3%)
24 to the Community Water Infrastructure
25

1 Development Revolving Fund created pursuant
2 to Section 1085.7A of Title 82 of the
3 Oklahoma Statutes, and

4 (2) the Oklahoma Water Resources Board Rural Economic
5 Action Plan Water Projects Fund for the fiscal
6 year beginning July 1, 2019, and for each fiscal
7 year thereafter,

8 g. before any other apportionment of revenue has been
9 made pursuant to this paragraph, ten percent (10%) of
10 the sum collected from oil shall be paid to the
11 various county treasurers, to be credited to the
12 County Highway Fund as follows: Each county shall
13 receive a proportionate share of the funds available
14 based upon the proportion of the total value of
15 production from such county in the corresponding month
16 of the preceding year,

17 h. before any other apportionment of revenue has been
18 made pursuant to this paragraph, ten percent (10%)
19 shall be allocated to each county as provided in
20 subparagraph g of this paragraph and shall be
21 apportioned on an average daily attendance per capita
22 distribution basis, as certified by the State
23 Superintendent of Public Instruction, to the school
24 districts of the county where such pupils attend

1 school regardless of residence of such pupil, provided
2 the school district makes an ad valorem tax levy of
3 fifteen (15) mills for the current year and maintains
4 twelve (12) years of instruction, and

- 5 i. before any other apportionment of revenue has been
6 made pursuant to this paragraph, forty-seven one-
7 hundredths percent (0.47%) of the levy shall be
8 transmitted by the Tax Commission to the Statewide
9 Circuit Engineering District Revolving Fund as created
10 in Section 687.2 of Title 69 of the Oklahoma Statutes.

11 C. Provided, notwithstanding any other provision of this
12 section, the total amounts deposited to the Common Education
13 Technology Revolving Fund, the Higher Education Capital Revolving
14 Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic
15 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation
16 Department Capital Expenditure Revolving Fund, the Oklahoma
17 Conservation Commission Infrastructure Revolving Fund and the
18 Community Water Infrastructure Development Revolving Fund pursuant
19 to paragraphs 6, 7 and 11 of subsection B of this section shall not
20 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any
21 fiscal year. Except as otherwise provided in this subsection, all
22 sums in excess of One Hundred Fifty Million Dollars
23 (\$150,000,000.00) in any fiscal year which would otherwise be
24

1 deposited in such funds shall be apportioned by the Oklahoma Tax
2 Commission to the General Revenue Fund of the state.

3 SECTION 3. This act shall become effective November 1, 2019.

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