

Fiscal Impact
1st Session of the 57th Legislature

Bill No.:
Version:
Author:
Date:

HB 1852
ENGR
Sen. Bice
03/21/019

Fiscal Analysis

FY'20 Impact: None

Full Year Impact: None

HB 1852 extends the sunset for apportionments of gross production taxes on oil to the Tourism Department, Conservation Commission, and Water Resources Board. There is no fiscal impact due to the fact that the apportionment would instead be deposited in the REAP Water Projects Fund if the current apportionment were to sunset.

Prepared by: Fiscal Staff

OKLAHOMA TAX COMMISSION

**REVENUE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: 3/18/2019

BILL NUMBER: HB 1852 **STATUS AND DATE OF BILL:** Engrossed Bill 3/6/2019

AUTHORS: House Fetgatter Senate Bice

TAX TYPE (S): Gross Production **SUBJECT:** Apportionment

PROPOSAL: Amendatory

HB 1852 proposes to amend 68 § 1004 providing for an extension of the sunset date for apportionment of oil revenues collected at five percent (5%) and seven percent (7%) rates to three funds.

EFFECTIVE DATE: Emergency- July 1, 2019

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 20: \$8,860,000 decrease to the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund
\$2,953,000 increase to the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund
\$2,953,000 increase to the Oklahoma Conservation Commission Infrastructure Revolving Fund
\$2,953,000 increase to the Community Water Infrastructure Development Revolving Fund

Mar. 19, 2019
DATE

Rick Miller
DIVISION DIRECTOR

klb

3-19-2019
DATE

Huan Gong
HUAN GONG, ECONOMIST

3-20-19
DATE

Jim Whit
FOR THE COMMISSION

The estimated revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

Attachment to Revenue Impact HB 1852 [Engrossed] March 18, 2019

HB 1852 proposes to amend 68 § 1004 providing for an extension of the sunset date for apportionment of oil revenues collected at the five percent (5%) and seven percent (7%) rates to three funds.

Currently, five percent (5%) and four and twenty-eight one-hundredths percent (4.28%) of monies collected on oil at the five percent (5%) and seven percent (7%) rates, respectively, are paid to the State Treasurer. These monies are apportioned thirty-three and one-third percent (33 1/3%) to the following three funds until June 30, 2019: (1) the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund, (2) the Oklahoma Conservation Commission Infrastructure Revolving Fund and (3) the Community Water Infrastructure Development Revolving Fund. After June 30, 2019, the monies previously apportioned to these three funds will be apportioned to the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund. HB 1852 proposes to extend the sunset date for apportionment to these three funds from June 30, 2019, until June 30, 2022. Therefore, the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund would not receive these monies until July 1, 2022, instead of beginning July 1, 2019.

Net Revenue Impact
FY 20:

\$8,860,000 decrease to the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund

\$2,953,000 increase to the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund

\$2,953,000 increase to the Oklahoma Conservation Commission Infrastructure Revolving Fund

\$2,953,000 increase to the Community Water Infrastructure Development Revolving Fund

There is no net revenue impact on collections as a result of this measure.

Detail may not add due to rounding.