

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2389 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Brad Boles

\_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 PROPOSED COMMITTEE  
4 SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2389

By: Boles

7 PROPOSED COMMITTEE SUBSTITUTE

8 An Act relating to revenue and taxation; stating  
9 legislative intent; amending 68 O.S. 2011, Section  
10 1004, as last amended by Section 61, Chapter 161,  
11 O.S.L. 2020 (68 O.S. Supp. 2020, Section 1004), which  
12 relates to apportionment of gross production tax  
13 revenues; providing for apportionment of certain  
14 gross production tax revenues to municipal general  
15 fund; providing for apportionment to County Bridge  
16 and Road Improvement Fund; specifying period of time  
17 for certain production for purposes of apportionment;  
18 providing for noncodification; providing an effective  
19 date; and declaring an emergency.

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

21 SECTION 1. NEW LAW A new section of law not to be  
22 codified in the Oklahoma Statutes reads as follows:

23 The purpose of this enactment is to modify the apportionment of  
24 gross production tax relating to roads and bridges by modifying the  
county apportionment and reapportioning a share of funds to  
municipal governments. The equipment that is used in the generation  
of products subject to the gross production tax utilizes both county

1 and municipal infrastructure. Accordingly, it is the desire of the  
2 Legislature for the reapportioned funds directed towards municipal  
3 governments to be utilized for roads and bridges within the  
4 incorporated boundaries of cities and towns.

5 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1004, as  
6 last amended by Section 61, Chapter 161, O.S.L. 2020 (68 O.S. Supp.  
7 2020, Section 1004), is amended to read as follows:

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

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

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

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

24

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

3            a. eighty-five and seventy-two one-hundredths percent  
4                    (85.72%) shall be paid to the State Treasurer of the  
5                    state to be placed in the General Revenue Fund of the  
6                    state and used for the general expense of state  
7                    government, to be paid out pursuant to direct  
8                    appropriation by the Legislature,

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

19            c. seven and fourteen one-hundredths percent (7.14%)  
20                   shall be allocated to each county as provided for in  
21                   subparagraph b of this paragraph and shall be  
22                   apportioned, on an average daily attendance per capita  
23                   distribution basis, as certified by the State  
24                   Superintendent of Public Instruction to the school

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

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

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

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

7 c. before any other apportionment of revenue has been  
8 made pursuant to this paragraph, seven and fourteen  
9 one-hundredths percent (7.14%) of the sum collected  
10 from natural gas and/or casinghead gas shall be paid  
11 to the various county treasurers to be credited to the  
12 County Highway Fund or shall be paid to the municipal  
13 general fund of the various cities or towns as  
14 follows: Each county shall receive a proportionate  
15 share of the funds available based upon the proportion  
16 of the total value of production from such county in  
17 the corresponding month of the preceding year. For  
18 all wells spudded on or after September 1, 2021, if  
19 the production was derived from a well located inside  
20 the corporate limits of a city or town, this  
21 apportionment shall be divided with the County Highway  
22 Fund receiving two-thirds (2/3) of this apportionment  
23 and the general fund of the city or town receiving  
24 one-third (1/3) of the apportionment, and

1 d. before any other apportionment of revenue has been  
2 made pursuant to this paragraph, seven and fourteen  
3 one-hundredths percent (7.14%) shall be allocated to  
4 each county as ~~provided for in subparagraph c of this~~  
5 ~~paragraph~~ follows: Each county shall receive a  
6 proportionate share of the funds available based upon  
7 the proportion of the total value of production from  
8 such county in the corresponding month of the  
9 preceding year and shall be apportioned, on an average  
10 daily attendance per capita distribution basis, as  
11 certified by the State Superintendent of Public  
12 Instruction to the school districts of the county  
13 where such pupils attend school regardless of  
14 residence of such pupil, provided the school district  
15 makes an ad valorem tax levy of fifteen (15) mills for  
16 the current year and maintains twelve (12) years of  
17 instruction;

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

21 a. after the total revenue apportioned to the General  
22 Revenue Fund as prescribed by subparagraph b of this  
23 paragraph equals the moving five-year average amount  
24 for gas as defined by paragraph 1 of subsection A of

1 this section, there shall be apportioned from the  
2 gross production tax levy imposed pursuant to Section  
3 1001 of this title on natural gas and/or casinghead  
4 gas to the Revenue Stabilization Fund created pursuant  
5 to Section 34.102 of Title 62 of the Oklahoma  
6 Statutes, the amount of revenue, if any, which exceeds  
7 the moving five-year average amount for gas as defined  
8 pursuant to paragraph 1 of subsection A of this  
9 section,

10 b. until the apportionment to the General Revenue Fund  
11 equals the moving five-year average amount for gas as  
12 prescribed by paragraph 1 of subsection A of this  
13 section, seventy-five percent (75%) shall be paid to  
14 the State Treasurer of the state to be placed in the  
15 General Revenue Fund of the state and used for the  
16 general expense of state government, to be paid out  
17 pursuant to direct appropriation by the Legislature,

18 c. before any other apportionment of revenue has been  
19 made pursuant to this paragraph, twelve and one-half  
20 percent (12.5%) of the sum collected from natural gas  
21 and/or casinghead gas shall be paid to the various  
22 county treasurers to be credited to the County Highway  
23 Fund as follows: Each county shall receive a  
24 proportionate share of the funds available based upon



1 the proportion of the total value of production from  
2 such county in the corresponding month of the  
3 preceding year, and

4 d. before any other apportionment of revenue has been  
5 made pursuant to this paragraph, twelve and one-half  
6 percent (12.5%) shall be allocated to each county as  
7 provided for in subparagraph c of this paragraph and  
8 shall be apportioned, on an average daily attendance  
9 per capita distribution basis, as certified by the  
10 State Superintendent of Public Instruction to the  
11 school districts of the county where such pupils  
12 attend school regardless of residence of such pupil,  
13 provided the school district makes an ad valorem tax  
14 levy of fifteen (15) mills for the current year and  
15 maintains twelve (12) years of instruction;

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

19 a. fifty percent (50%) of the sum collected from natural  
20 gas and/or casinghead gas shall be paid to the various  
21 county treasurers to be credited to the County Highway  
22 Fund as follows: Each county shall receive a  
23 proportionate share of the funds available based upon  
24 the proportion of the total value of production from

1 such county in the corresponding month of the  
2 preceding year, and

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

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

- 17 a. after the total revenue apportioned to the General  
18 Revenue Fund as prescribed by subparagraph b of this  
19 paragraph equals the moving five-year average amount  
20 for gas as defined by paragraph 1 of subsection A of  
21 this section, there shall be apportioned from the  
22 gross production tax levy imposed pursuant to Section  
23 1001 of this title on gas to the Revenue Stabilization  
24 Fund created by Section 34.102 of Title 62 of the

1 Oklahoma Statutes, the amount of revenue, if any,  
2 which exceeds the moving five-year average amount for  
3 natural gas and/or casinghead gas as defined pursuant  
4 to paragraph 1 of subsection A of this section,

5 b. until the apportionment to the General Revenue Fund  
6 equals the moving five-year average amount for gas as  
7 prescribed by paragraph 1 of subsection A of this  
8 section, fifty percent (50%) shall be paid to the  
9 State Treasurer to be placed in the General Revenue  
10 Fund of the state and used for the general expense of  
11 state government, to be paid out pursuant to direct  
12 appropriation by the Legislature,

13 c. before any other apportionment of revenue has been  
14 made pursuant to this paragraph, twenty-five percent  
15 (25%) of the sum collected from natural gas and/or  
16 casinghead gas shall be paid to the various county  
17 treasurers to be credited to the County Highway Fund  
18 as follows: Each county shall receive a proportionate  
19 share of the funds available based upon the proportion  
20 of the total value of production from such county in  
21 the corresponding month of the preceding year, and

22 d. before any other apportionment of revenue has been  
23 made pursuant to this paragraph, twenty-five percent  
24 (25%) shall be allocated to each county as provided

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

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

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

1           b.    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 Common  
5                    Education Technology Revolving Fund created in Section  
6                    34.90 of Title 62 of the Oklahoma Statutes,

7           c.    before any other apportionment of revenue has been  
8                    made pursuant to this paragraph, twenty-five and  
9                    seventy-two one-hundredths percent (25.72%) shall be  
10                  paid to the State Treasurer to be placed in the Higher  
11                  Education Capital Revolving Fund created in Section  
12                  34.91 of Title 62 of the Oklahoma Statutes,

13          d.    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  
17                    Oklahoma Student Aid Revolving Fund created in Section  
18                    34.92 of Title 62 of the Oklahoma Statutes,

19          e.    before any other apportionment of revenue has been  
20                    made pursuant to this paragraph, three and seven  
21                    hundred forty-five one-thousandths percent (3.745%)  
22                    shall be paid to the municipal general fund of the  
23                    various cities or towns or shall be distributed to the  
24                    various counties of the state for deposit into the

1 County Bridge and Road Improvement Fund of each county  
2 based on a formula developed by the Department of  
3 Transportation and approved by the Department of  
4 Transportation County Advisory Board created pursuant  
5 to Section 302.1 of Title 69 of the Oklahoma Statutes  
6 to be used for the purposes set forth in the County  
7 Bridge and Road Improvement Act. The formula shall be  
8 similar to the formula currently used for the  
9 distribution of monies in the County Bridge Program  
10 funds, but shall also take into consideration the  
11 effect of the terrain and traffic volume as related to  
12 county road improvement and maintenance costs. For  
13 all wells spudded on or after September 1, 2021, if  
14 the production was derived from a well located inside  
15 the corporate limits of a city or town, this  
16 apportionment shall be divided with the County Bridge  
17 and Road Improvement Fund receiving two-thirds (2/3)  
18 of this apportionment and the general fund of the city  
19 or town receiving one-third (1/3) of the  
20 apportionment. If the production was not derived from  
21 a well located inside the corporate limits of a city  
22 or town on or after September 1, 2021, this  
23 apportionment shall go fully to the County Bridge and  
24 Road Improvement Fund,

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 2022:

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, 2022, 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 or shall be paid to the municipal general fund of the  
9 various cities or towns 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. For all wells spudded on or  
14 after September 1, 2021, if the production was derived  
15 from a well located inside the corporate limits of a  
16 city or town, this apportionment shall be divided with  
17 the County Highway Fund receiving two-thirds (2/3) of  
18 this apportionment and the general fund of the city or  
19 town receiving one-third (1/3) of the apportionment,

20 h. before any other apportionment of revenue has been  
21 made pursuant to this paragraph, seven and fourteen  
22 one-hundredths percent (7.14%) shall be allocated to  
23 each county as ~~provided in subparagraph g of this~~  
24 ~~paragraph~~ follows: Each county shall receive a



1           proportionate share of the funds available based upon  
2           the proportion of the total value of production from  
3           such county in the corresponding month of the  
4           preceding year and shall be apportioned, on an average  
5           daily attendance per capita distribution basis, as  
6           certified by the State Superintendent of Public  
7           Instruction, to the school districts of the county  
8           where such pupils attend school regardless of  
9           residence of such pupil, provided the school district  
10          makes an ad valorem tax levy of fifteen (15) mills for  
11          the current year and maintains twelve (12) years of  
12          instruction, and

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

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

- 23           a.   there shall be apportioned from the gross production  
24           tax levy imposed pursuant to Section 1001 of this

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

11 b. 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 Common Education  
15 Technology Revolving Fund created in Section 34.90 of  
16 Title 62 of the Oklahoma Statutes,

17 c. before any other apportionment of revenue has been  
18 made pursuant to this paragraph, twenty-two and one-  
19 half percent (22.5%) shall be paid to the State  
20 Treasurer to be placed in the Higher Education Capital  
21 Revolving Fund created in Section 34.91 of Title 62 of  
22 the Oklahoma Statutes,

23 d. 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 Oklahoma Student Aid  
3 Revolving Fund created in Section 34.92 of Title 62 of  
4 the Oklahoma Statutes,

5 e. before any other apportionment of revenue has been  
6 made pursuant to this paragraph, three and twenty-  
7 eight one-hundredths percent (3.28%) shall be  
8 distributed to the various counties of the state for  
9 deposit into the County Bridge and Road Improvement  
10 Fund of each county based on a formula developed by  
11 the Department of Transportation and approved by the  
12 Department of Transportation County Advisory Board  
13 created pursuant to Section 302.1 of Title 69 of the  
14 Oklahoma Statutes to be used for the purposes set  
15 forth in the County Bridge and Road Improvement Act.  
16 The formula shall be similar to the formula currently  
17 used for the distribution of monies in the County  
18 Bridge Program funds, but shall also take into  
19 consideration the effect of the terrain and traffic  
20 volume as related to county road improvement and  
21 maintenance costs,

22 f. before any other apportionment of revenue has been  
23 made pursuant to this paragraph, three and seventy-  
24

1 five one-hundredths percent (3.75%) shall be paid to  
2 the State Treasurer to be apportioned to:

3 (1) the following sources and in the following  
4 amounts through the fiscal year ending June 30,  
5 2022:

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

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

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

21 (2) the Oklahoma Water Resources Board Rural Economic  
22 Action Plan Water Projects Fund for the fiscal  
23 year beginning July 1, 2022, and for each fiscal  
24 year thereafter,

1 g. before any other apportionment of revenue has been  
2 made pursuant to this paragraph, twelve and one-half  
3 percent (12.5%) of the sum collected from oil shall be  
4 paid to the various county treasurers, to be credited  
5 to the County Highway Fund as follows: Each county  
6 shall receive a proportionate share of the funds  
7 available based upon the proportion of the total value  
8 of production from such county in the corresponding  
9 month of the preceding year,

10 h. before any other apportionment of revenue has been  
11 made pursuant to this paragraph, twelve and one-half  
12 percent (12.5%) shall be allocated to each county as  
13 provided in subparagraph g of this paragraph and shall  
14 be apportioned on an average daily attendance per  
15 capita 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, and

22 i. before any other apportionment of revenue has been  
23 made pursuant to this paragraph, forty-seven one-  
24 hundredths percent (0.47%) of the levy shall be

1 transmitted by the Tax Commission to the Statewide  
2 Circuit Engineering District Revolving Fund as created  
3 in Section 687.2 of Title 69 of the Oklahoma Statutes;

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

7 a. fifty percent (50%) of the sum collected shall be paid  
8 to the various county treasurers, to be credited to  
9 the 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 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;

24

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

4           a. there shall be apportioned from the gross production  
5 tax levy imposed pursuant to Section 1001 of this  
6 title on oil to the Revenue Stabilization Fund created  
7 by Section 34.102 of Title 62 of the Oklahoma  
8 Statutes, the amount of revenue, if any, which exceeds  
9 the moving five-year average amount for oil as defined  
10 pursuant to paragraph 2 of subsection A of this  
11 section,

12           b. until the apportionment to the General Revenue Fund  
13 equals the moving five-year average amount for oil as  
14 prescribed by paragraph 2 of subsection A of this  
15 section, fifty percent (50%) shall be paid to the  
16 State Treasurer to be placed in the General Revenue  
17 Fund of the state and used for the general expense of  
18 state government, to be paid out pursuant to direct  
19 appropriation by the Legislature,

20           c. before any other apportionment of revenue has been  
21 made pursuant to this paragraph, twenty-five percent  
22 (25%) of the sum collected from oil shall be paid to  
23 the various county treasurers, to be credited to the  
24 County Highway Fund as follows: Each county shall

1 receive a proportionate share of the funds available  
2 based upon the proportion of the total value of  
3 production from such county in the corresponding month  
4 of the preceding year, and

- 5 d. before any other apportionment of revenue has been  
6 made pursuant to this paragraph, twenty-five percent  
7 (25%) shall be allocated to each county as provided in  
8 subparagraph c of this paragraph and shall be  
9 apportioned on an average daily attendance per capita  
10 distribution basis, as certified by the State  
11 Superintendent of Public Instruction, to the school  
12 districts of the county where such pupils attend  
13 school regardless of residence of such pupil, provided  
14 the school district makes an ad valorem tax levy of  
15 fifteen (15) mills for the current year and maintains  
16 twelve (12) years of instruction;

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

- 21 a. after the total revenue apportioned to the General  
22 Revenue Fund as prescribed by subparagraph b of this  
23 paragraph equals the moving five-year average amount  
24 for gas as defined by paragraph 1 of subsection A of



1 this section, there shall be apportioned from the  
2 gross production tax levy imposed pursuant to Section  
3 1001 of this title on natural gas and/or casinghead  
4 gas to the Revenue Stabilization Fund created pursuant  
5 to Section 34.102 of Title 62 of the Oklahoma  
6 Statutes, the amount of revenue, if any, which exceeds  
7 the moving five-year average amount for gas as defined  
8 pursuant to paragraph 1 of subsection A of this  
9 section,

10 b. until the apportionment to the General Revenue Fund  
11 equals the moving five-year average amount for gas as  
12 prescribed by paragraph 1 of subsection A of this  
13 section, eighty percent (80%) shall be paid to the  
14 State Treasurer of the state to be placed in the  
15 General Revenue Fund of the state and used for the  
16 general expense of state government, to be paid out  
17 pursuant to direct appropriation by the Legislature,

18 c. before any other apportionment of revenue has been  
19 made pursuant to this paragraph, ten percent (10%) of  
20 the sum collected from natural gas and/or casinghead  
21 gas shall be paid to the various county treasurers to  
22 be credited to the County Highway Fund or shall be  
23 paid to the municipal general fund of the various  
24 cities or towns as follows: Each county shall receive

1 a proportionate share of the funds available based  
2 upon the proportion of the total value of production  
3 from such county in the corresponding month of the  
4 preceding year. For all wells spudded on or after  
5 September 1, 2021, if the production was derived from  
6 a well located inside the corporate limits of a city  
7 or town, this apportionment shall be divided with the  
8 County Highway Fund receiving two-thirds (2/3) of this  
9 apportionment and the general fund of the city or town  
10 receiving one-third (1/3) of the apportionment, and

11 d. before any other apportionment of revenue has been  
12 made pursuant to this paragraph, ten percent (10%)  
13 shall be allocated to each county as ~~provided for in~~  
14 ~~subparagraph c of this paragraph~~ follows: Each county  
15 shall receive a proportionate share of the funds  
16 available based upon the proportion of the total value  
17 of production from such county in the corresponding  
18 month of the preceding year and shall be apportioned,  
19 on an average daily attendance per capita distribution  
20 basis, as certified by the State Superintendent of  
21 Public Instruction to the school districts of the  
22 county 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; and

3 11. On or after June 28, 2018, the gross production tax on oil  
4 levied at the rate of five percent (5%) provided for in paragraph 3  
5 of subsection B of Section 1001 of this title shall be apportioned  
6 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 paid to  
16 the municipal general fund of the various cities or  
17 towns or shall be distributed to the various counties  
18 of the state for deposit into the County Bridge and  
19 Road Improvement Fund of each county based on a  
20 formula developed by the Department of Transportation  
21 and approved by the Department of Transportation  
22 County Advisory Board created pursuant to Section  
23 302.1 of Title 69 of the Oklahoma Statutes to be used  
24 for the purposes set forth in the County Bridge and

1 Road Improvement Act. The formula shall be similar to  
2 the formula currently used for the distribution of  
3 monies in the County Bridge Program funds, but shall  
4 also take into consideration the effect of the terrain  
5 and traffic volume as related to county road  
6 improvement and maintenance costs. For all wells  
7 spudded on or after September 1, 2021, if the  
8 production was derived from a well located inside the  
9 corporate limits of a city or town, this apportionment  
10 shall be divided with the County Bridge and Road  
11 Improvement Fund receiving two-thirds (2/3) of this  
12 apportionment and the general fund of the city or town  
13 receiving one-third (1/3) of the apportionment. If  
14 the production was not derived from a well located  
15 inside the corporate limits of a city or town on or  
16 after September 1, 2021, this apportionment shall go  
17 fully to the County Bridge and Road Improvement Fund,

18 f. before any other apportionment of revenue has been  
19 made pursuant to this paragraph, five percent (5%)  
20 shall be paid to the State Treasurer to be apportioned  
21 to:

22 (1) the following sources and in the following  
23 amounts through the fiscal year ending June 30,  
24 2022:

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

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

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

16 (2) the Oklahoma Water Resources Board Rural Economic  
17 Action Plan Water Projects Fund for the fiscal  
18 year beginning July 1, 2022, and for each fiscal  
19 year thereafter,

20 g. before any other apportionment of revenue has been  
21 made pursuant to this paragraph, ten percent (10%) of  
22 the sum collected from oil shall be paid to the  
23 various county treasurers, to be credited to the  
24 County Highway Fund or shall be paid to the municipal

1 general fund of the various cities or towns as  
2 follows: Each county shall receive a proportionate  
3 share of the funds available based upon the proportion  
4 of the total value of production from such county in  
5 the corresponding month of the preceding year. For  
6 all wells spudded on or after September 1, 2021, if  
7 the production was derived from a well located inside  
8 the corporate limits of a city or town, this  
9 apportionment shall be divided with the County Highway  
10 Fund receiving two-thirds (2/3) of this apportionment  
11 and the general fund of the city or town receiving  
12 one-third (1/3) of the apportionment,

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

1 residence of such pupil, provided the school district  
2 makes an ad valorem tax levy of fifteen (15) mills for  
3 the current year and maintains twelve (12) years of  
4 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 July 1, 2021.

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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