

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 2389

By: Boles

5
6
7 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
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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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