

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 58th Legislature (2021)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2389

By: Boles, **Lowe (Dick)**, **Roe**,  
**Conley** and **Hill** of the  
House

7 and

8 **Paxton** of the Senate

9  
10  
11 COMMITTEE SUBSTITUTE

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

24  
BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

1 The purpose of this enactment is to modify the apportionment of  
2 gross production tax relating to roads and bridges by modifying the  
3 county apportionment and reapportioning a share of funds to  
4 municipal governments. The equipment that is used in the generation  
5 of products subject to the gross production tax utilizes both county  
6 and municipal infrastructure. Accordingly, it is the desire of the  
7 Legislature for the reapportioned funds directed towards municipal  
8 governments to be utilized for roads and bridges within the  
9 incorporated boundaries of cities and towns.

10 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1004, as  
11 last amended by Section 61, Chapter 161, O.S.L. 2020 (68 O.S. Supp.  
12 2020, Section 1004), is amended to read as follows:

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

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

20 2. "Moving five-year average amount for oil" means, for  
21 purposes of the apportionments prescribed by this section, the  
22 amount of gross production tax on oil collected for each of the five  
23 (5) complete fiscal years, as computed by the State Board of  
24

1 Equalization pursuant to Section 34.103 of Title 62 of the Oklahoma  
2 Statutes.

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

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

8 a. eighty-five and seventy-two one-hundredths percent  
9 (85.72%) shall be paid to the State Treasurer of the  
10 state to be placed in the General Revenue Fund of the  
11 state and used for the general expense of state  
12 government, to be paid out pursuant to direct  
13 appropriation by the Legislature,

14 b. seven and fourteen one-hundredths percent (7.14%) of  
15 the sum collected from natural gas and/or casinghead  
16 gas or asphalt or ores bearing uranium, lead, zinc,  
17 jack, gold, silver or copper shall be paid to the  
18 various county treasurers to be credited to the County  
19 Highway Fund as follows: Each county shall receive a  
20 proportionate share of the funds available based upon  
21 the proportion of the total value of production from  
22 such county in the corresponding month of the  
23 preceding year, and  
24

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

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

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

1 moving five-year average amount for gas as defined  
2 pursuant to paragraph 1 of subsection A of this  
3 section,

4 b. until the apportionment to the General Revenue Fund  
5 equals the moving five-year average amount for gas as  
6 prescribed by paragraph 1 of subsection A of this  
7 section, eighty-five and seventy-two one-hundredths  
8 percent (85.72%) shall be paid to the State Treasurer  
9 of the state to be placed in the General Revenue Fund  
10 of the state and used for the general expense of state  
11 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, seven and fourteen  
15 one-hundredths percent (7.14%) of the sum collected  
16 from natural gas and/or casinghead gas shall be paid  
17 to the various county treasurers to be credited to the  
18 County Highway Fund or shall be paid to the municipal  
19 general fund of the various cities or towns as  
20 follows: Each county shall receive a proportionate  
21 share of the funds available based upon the proportion  
22 of the total value of production from such county in  
23 the corresponding month of the preceding year. For  
24 all wells spudded on or after September 1, 2021, if

1 the production was derived from a well located inside  
2 the corporate limits of a city or town, this  
3 apportionment shall be divided with the County Highway  
4 Fund receiving two-thirds (2/3) of this apportionment  
5 and the general fund of the city or town receiving  
6 one-third (1/3) of the apportionment, and

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

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

4           a. after the total revenue apportioned to the General  
5 Revenue Fund as prescribed by subparagraph b of this  
6 paragraph equals the moving five-year average amount  
7 for gas as defined by paragraph 1 of subsection A of  
8 this section, there shall be apportioned from the  
9 gross production tax levy imposed pursuant to Section  
10 1001 of this title on natural gas and/or casinghead  
11 gas to the Revenue Stabilization Fund created pursuant  
12 to Section 34.102 of Title 62 of the Oklahoma  
13 Statutes, the amount of revenue, if any, which exceeds  
14 the moving five-year average amount for gas as defined  
15 pursuant to paragraph 1 of subsection A of this  
16 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, seventy-five percent (75%) shall be paid to  
21 the State Treasurer of the state to be placed in the  
22 General Revenue Fund of the state and used for the  
23 general expense of state government, to be paid out  
24 pursuant to direct appropriation by the Legislature,

1 c. 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 natural gas  
4 and/or casinghead gas shall be paid to the various  
5 county treasurers to be credited to the County Highway  
6 Fund as follows: Each county shall receive a  
7 proportionate share of the funds available based upon  
8 the proportion of the total value of production from  
9 such county in the corresponding month of the  
10 preceding year, and

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



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

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

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

22           5. For all monies collected from the tax levied on natural gas  
23 and/or casinghead gas at a tax rate of two percent (2%) pursuant to  
24

1 the provisions of paragraph 3 of subsection B of Section 1001 of  
2 this title:

- 3 a. after the total revenue apportioned to the General  
4 Revenue Fund as prescribed by subparagraph b of this  
5 paragraph equals the moving five-year average amount  
6 for gas as defined by paragraph 1 of subsection A of  
7 this section, there shall be apportioned from the  
8 gross production tax levy imposed pursuant to Section  
9 1001 of this title on gas to the Revenue Stabilization  
10 Fund created by Section 34.102 of Title 62 of the  
11 Oklahoma Statutes, the amount of revenue, if any,  
12 which exceeds the moving five-year average amount for  
13 natural gas and/or casinghead gas as defined pursuant  
14 to paragraph 1 of subsection A of this section,
- 15 b. until the apportionment to the General Revenue Fund  
16 equals the moving five-year average amount for gas as  
17 prescribed by paragraph 1 of subsection A of this  
18 section, fifty percent (50%) shall be paid to the  
19 State Treasurer to be placed in the General Revenue  
20 Fund of the state and used for the general expense of  
21 state government, to be paid out pursuant to direct  
22 appropriation by the Legislature,
- 23 c. before any other apportionment of revenue has been  
24 made pursuant to this paragraph, twenty-five percent

1 (25%) of the sum collected from natural gas and/or  
2 casinghead gas shall be paid to the various county  
3 treasurers to be credited to the County Highway Fund  
4 as follows: Each county shall receive a proportionate  
5 share of the funds available based upon the proportion  
6 of the total value of production from such county in  
7 the corresponding month of the preceding year, and

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

20 6. For all monies collected from the tax levied on oil at a tax  
21 rate of seven percent (7%) pursuant to the provisions of subsection  
22 B 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-five and  
13 seventy-two one-hundredths percent (25.72%) shall be  
14 paid to the State Treasurer to be placed in the Common  
15 Education Technology Revolving Fund created in Section  
16 34.90 of Title 62 of the Oklahoma Statutes,

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

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

1           seventy-two one-hundredths percent (25.72%) shall be  
2           paid to the State Treasurer to be placed in the  
3           Oklahoma Student Aid Revolving Fund created in Section  
4           34.92 of Title 62 of the Oklahoma Statutes,

- 5           e.   before any other apportionment of revenue has been  
6           made pursuant to this paragraph, three and seven  
7           hundred forty-five one-thousandths percent (3.745%)  
8           shall be paid to the municipal general fund of the  
9           various cities or towns or shall be distributed to the  
10          various counties of the state for deposit into the  
11          County Bridge and Road Improvement Fund of each county  
12          based on a formula developed by the Department of  
13          Transportation and approved by the Department of  
14          Transportation County Advisory Board created pursuant  
15          to Section 302.1 of Title 69 of the Oklahoma Statutes  
16          to be used for the purposes set forth in the County  
17          Bridge and Road Improvement Act. The formula shall be  
18          similar to the formula currently used for the  
19          distribution of monies in the County Bridge Program  
20          funds, but shall also take into consideration the  
21          effect of the terrain and traffic volume as related to  
22          county road improvement and maintenance costs. For  
23          all wells spudded on or after September 1, 2021, if  
24          the production was derived from a well located inside

1 the corporate limits of a city or town, this  
2 apportionment shall be divided with the County Bridge  
3 and Road Improvement Fund receiving two-thirds (2/3)  
4 of this apportionment and the general fund of the city  
5 or town receiving one-third (1/3) of the  
6 apportionment. If the production was not derived from  
7 a well located inside the corporate limits of a city  
8 or town on or after September 1, 2021, this  
9 apportionment shall go fully to the County Bridge and  
10 Road Improvement Fund,

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

15 (1) the following sources and in the following  
16 amounts through the fiscal year ending June 30,  
17 2022:

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

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

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

9 (2) the Oklahoma Water Resources Board Rural Economic  
10 Action Plan Water Projects Fund for the fiscal  
11 year beginning July 1, 2022, and for each fiscal  
12 year thereafter,

13 g. before any other apportionment of revenue has been  
14 made pursuant to this paragraph, seven and fourteen  
15 one-hundredths percent (7.14%) of the sum collected  
16 from oil shall be paid to the various county  
17 treasurers, to be credited to the County Highway Fund  
18 or shall be paid to the municipal general fund of the  
19 various cities or towns as follows: Each county shall  
20 receive a proportionate share of the funds available  
21 based upon the proportion of the total value of  
22 production from such county in the corresponding month  
23 of the preceding year. For all wells spudded on or  
24 after September 1, 2021, if the production was derived

1 from a well located inside the corporate limits of a  
2 city or town, this apportionment shall be divided with  
3 the County Highway Fund receiving two-thirds (2/3) of  
4 this apportionment and the general fund of the city or  
5 town receiving one-third (1/3) of the apportionment,

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

23 i. before any other apportionment of revenue has been  
24 made pursuant to this paragraph, five hundred thirty-



1 five one-thousandths percent (0.535%) of the levy  
2 shall be transmitted by the Oklahoma Tax Commission to  
3 the Statewide Circuit Engineering District Revolving  
4 Fund as created in Section 687.2 of Title 69 of the  
5 Oklahoma Statutes;

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

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

21 b. before any other apportionment of revenue has been  
22 made pursuant to this paragraph, twenty-two and one-  
23 half percent (22.5%) shall be paid to the State  
24 Treasurer to be placed in the Common Education

1 Technology Revolving Fund created in Section 34.90 of  
2 Title 62 of the Oklahoma Statutes,

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

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

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

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

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

12          (1)   the following sources and in the following  
13               amounts through the fiscal year ending June 30,  
14               2022:

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

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

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

6 (2) the Oklahoma Water Resources Board Rural Economic  
7 Action Plan Water Projects Fund for the fiscal  
8 year beginning July 1, 2022, and for each fiscal  
9 year thereafter,

10 g. before any other apportionment of revenue has been  
11 made pursuant to this paragraph, twelve and one-half  
12 percent (12.5%) of the sum collected from oil shall be  
13 paid to the various county treasurers, to be credited  
14 to the County Highway Fund as 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,

19 h. before any other apportionment of revenue has been  
20 made pursuant to this paragraph, twelve and one-half  
21 percent (12.5%) shall be allocated to each county as  
22 provided in subparagraph g of this paragraph and shall  
23 be apportioned on an average daily attendance per  
24 capita distribution basis, as certified by the State

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

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

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

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

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

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

- 12 a. there shall be apportioned from the gross production  
13 tax levy imposed pursuant to Section 1001 of this  
14 title on oil to the Revenue Stabilization Fund created  
15 by 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 oil as defined  
18 pursuant to paragraph 2 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 oil as  
22 prescribed by paragraph 2 of subsection A of this  
23 section, fifty percent (50%) shall be paid to the  
24 State Treasurer to be placed in the General Revenue

1 Fund of the state and used for the general expense of  
2 state 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, twenty-five percent  
6 (25%) of the sum collected from oil shall be paid to  
7 the various county treasurers, to be credited to the  
8 County Highway Fund as follows: Each county shall  
9 receive a proportionate share of the funds available  
10 based upon the proportion of the total value of  
11 production from such county in the corresponding month  
12 of the preceding year, and

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

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

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 natural gas and/or casinghead  
12 gas to the Revenue Stabilization Fund created pursuant  
13 to Section 34.102 of Title 62 of the Oklahoma  
14 Statutes, the amount of revenue, if any, which exceeds  
15 the moving five-year average amount for gas as defined  
16 pursuant to paragraph 1 of subsection A of this  
17 section,

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



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

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

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

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

1 exceeds the moving five-year average amount for oil as  
2 defined pursuant to paragraph 2 of subsection A of  
3 this section,

4 b. before any other apportionment of revenue has been  
5 made pursuant to this paragraph, twenty-three and  
6 seventy-five one-hundredths percent (23.75%) shall be  
7 paid to the State Treasurer to be placed in the Common  
8 Education Technology Revolving Fund created in Section  
9 34.90 of Title 62 of the Oklahoma Statutes,

10 c. before any other apportionment of revenue has been  
11 made pursuant to this paragraph, twenty-three and  
12 seventy-five one-hundredths percent (23.75%) shall be  
13 paid to the State Treasurer to be placed in the Higher  
14 Education Capital Revolving Fund created in Section  
15 34.91 of Title 62 of the Oklahoma Statutes,

16 d. before any other apportionment of revenue has been  
17 made pursuant to this paragraph, twenty-three and  
18 seventy-five one-hundredths percent (23.75%) shall be  
19 paid to the State Treasurer to be placed in the  
20 Oklahoma Student Aid Revolving Fund created in Section  
21 34.92 of Title 62 of the Oklahoma Statutes,

22 e. before any other apportionment of revenue has been  
23 made pursuant to this paragraph, three and twenty-  
24 eight one-hundredths percent (3.28%) shall be paid to

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

1 after September 1, 2021, this apportionment shall go  
2 fully to the County Bridge and Road Improvement Fund,

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

7 (1) the following sources and in the following  
8 amounts through the fiscal year ending June 30,  
9 2022:

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

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

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

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

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

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

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

20 C. Provided, notwithstanding any other provision of this  
21 section, the total amounts deposited to the Common Education  
22 Technology Revolving Fund, the Higher Education Capital Revolving  
23 Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic  
24 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation

1 Department Capital Expenditure Revolving Fund, the Oklahoma  
2 Conservation Commission Infrastructure Revolving Fund and the  
3 Community Water Infrastructure Development Revolving Fund pursuant  
4 to paragraphs 6, 7 and 11 of subsection B of this section shall not  
5 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any  
6 fiscal year. Except as otherwise provided in this subsection, all  
7 sums in excess of One Hundred Fifty Million Dollars  
8 (\$150,000,000.00) in any fiscal year which would otherwise be  
9 deposited in such funds shall be apportioned by the Oklahoma Tax  
10 Commission to the General Revenue Fund of the state.

11 SECTION 3. This act shall become effective July 1, 2021.

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

16

17 COMMITTEE REPORT BY: COMMITTEE ON TRANSPORTATION, dated 02/11/2021 -  
18 DO PASS, As Amended and Coauthored.

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