

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2389

By: Boles

4
5
6 AS INTRODUCED

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

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

19 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1004, as
20 last amended by Section 61, Chapter 161, O.S.L. 2020 (68 O.S. Supp.
21 2020, Section 1004), is amended to read as follows:

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

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

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

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

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

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

14 a. eighty-five and seventy-two one-hundredths percent
15 (85.72%) shall be paid to the State Treasurer of the
16 state to be placed in the General Revenue Fund of the
17 state and used for the general expense of state
18 government, to be paid out pursuant to direct
19 appropriation by the Legislature,

20 b. seven and fourteen one-hundredths percent (7.14%) of
21 the sum collected from natural gas and/or casinghead
22 gas or asphalt or ores bearing uranium, lead, zinc,
23 jack, gold, silver or copper shall be paid to the
24 various county treasurers to be credited to the County

1 Highway Fund as follows: Each county shall receive a
2 proportionate share of the funds available based upon
3 the proportion of the total value of production from
4 such county in the corresponding month of the
5 preceding year, and

6 c. seven and fourteen one-hundredths percent (7.14%)
7 shall be allocated to each county as provided for in
8 subparagraph b 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 2. For all monies collected from the tax levied on natural gas
18 and/or casinghead gas at a tax rate of seven percent (7%) pursuant
19 to the provisions of subsection B of Section 1001 of this title:

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

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

9 b. until the apportionment to the General Revenue Fund
10 equals the moving five-year average amount for gas as
11 prescribed by paragraph 1 of subsection A of this
12 section, eighty-five and seventy-two one-hundredths
13 percent (85.72%) shall be paid to the State Treasurer
14 of the state to be placed in the General Revenue Fund
15 of the state and used for the general expense of state
16 government, to be paid out pursuant to direct
17 appropriation by the Legislature,

18 c. before any other apportionment of revenue has been
19 made pursuant to this paragraph, seven and fourteen
20 one-hundredths percent (7.14%) of the sum collected
21 from natural gas and/or casinghead gas shall be paid
22 to the various county treasurers to be credited to the
23 County Highway Fund or shall be paid to the municipal
24 general fund of the various cities or towns as

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

- 12 d. before any other apportionment of revenue has been
13 made pursuant to this paragraph, seven and fourteen
14 one-hundredths percent (7.14%) shall be allocated to
15 each county as ~~provided for in subparagraph e of this~~
16 ~~paragraph~~ follows: Each county shall receive a
17 proportionate share of the funds available based upon
18 the proportion of the total value of production from
19 such county in the corresponding month of the
20 preceding year and shall be apportioned, on an average
21 daily attendance per capita distribution basis, as
22 certified by the State Superintendent of Public
23 Instruction to the school districts of the county
24 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;

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

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

21 b. until the apportionment to the General Revenue Fund
22 equals the moving five-year average amount for gas as
23 prescribed by paragraph 1 of subsection A of this
24 section, seventy-five percent (75%) shall be paid to

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (1) the following sources and in the following
18 amounts through the fiscal year ending June 30,
19 2022:

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

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

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

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

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

1 of the preceding year. For all wells spudded on or
2 after September 1, 2021, if the production was derived
3 from a well located inside the corporate limits of a
4 city or town, this apportionment shall be divided with
5 the County Highway Fund receiving two-thirds (2/3) of
6 this apportionment and the general fund of the city or
7 town receiving one-third (1/3) of the apportionment,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 shall receive a proportionate share of the funds
2 available based upon the proportion of the total value
3 of production from such county in the corresponding
4 month of the preceding year and shall be apportioned,
5 on an average daily attendance per capita distribution
6 basis, as certified by the State Superintendent of
7 Public Instruction to the school districts of the
8 county 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 11. On or after June 28, 2018, the gross production tax on oil
14 levied at the rate of five percent (5%) provided for in paragraph 3
15 of subsection B of Section 1001 of this title shall be apportioned
16 as follows:

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

1 apportioned to the General Revenue Fund and which
2 exceeds the moving five-year average amount for oil as
3 defined pursuant to paragraph 2 of subsection A of
4 this section,

5 b. before any other apportionment of revenue has been
6 made pursuant to this paragraph, twenty-three and
7 seventy-five one-hundredths percent (23.75%) shall be
8 paid to the State Treasurer to be placed in the Common
9 Education Technology Revolving Fund created in Section
10 34.90 of Title 62 of the Oklahoma Statutes,

11 c. before any other apportionment of revenue has been
12 made pursuant to this paragraph, twenty-three and
13 seventy-five one-hundredths percent (23.75%) shall be
14 paid to the State Treasurer to be placed in the Higher
15 Education Capital Revolving Fund created in Section
16 34.91 of Title 62 of the Oklahoma Statutes,

17 d. before any other apportionment of revenue has been
18 made pursuant to this paragraph, twenty-three and
19 seventy-five one-hundredths percent (23.75%) shall be
20 paid to the State Treasurer to be placed in the
21 Oklahoma Student Aid Revolving Fund created in Section
22 34.92 of Title 62 of the Oklahoma Statutes,

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

1 eight one-hundredths percent (3.28%) shall be paid to
2 the municipal general fund of the various cities or
3 towns or shall be distributed to the various counties
4 of the state for deposit into the County Bridge and
5 Road Improvement Fund of each county based on a
6 formula developed by the Department of Transportation
7 and approved by the Department of Transportation
8 County Advisory Board created pursuant to Section
9 302.1 of Title 69 of the Oklahoma Statutes to be used
10 for the purposes set forth in the County Bridge and
11 Road Improvement Act. The formula shall be similar to
12 the formula currently used for the distribution of
13 monies in the County Bridge Program funds, but shall
14 also take into consideration the effect of the terrain
15 and traffic volume as related to county road
16 improvement and maintenance costs. For all wells
17 spudded on or after September 1, 2021, if the
18 production was derived from a well located inside the
19 corporate limits of a city or town, this apportionment
20 shall be divided with the County Bridge and Road
21 Improvement Fund receiving two-thirds (2/3) of this
22 apportionment and the general fund of the city or town
23 receiving one-third (1/3) of the apportionment. If
24 the production was not derived from a well located

1 inside the corporate limits of a city or town on or
2 after September 1, 2021, this apportionment shall go
3 fully to the County Bridge and Road Improvement Fund,

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

8 (1) the following sources and in the following
9 amounts through the fiscal year ending June 30,
10 2022:

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

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

21 (c) thirty-three and one-third percent (33 1/3%)
22 to the Community Water Infrastructure
23 Development Revolving Fund created pursuant
24

1 to Section 1085.7A of Title 82 of the
2 Oklahoma Statutes, and

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

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

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

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

23 C. Provided, notwithstanding any other provision of this
24 section, the total amounts deposited to the Common Education

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

14 SECTION 2. This act shall become effective July 1, 2021.

15 SECTION 3. It being immediately necessary for the preservation
16 of the public peace, health or safety, an emergency is hereby
17 declared to exist, by reason whereof this act shall take effect and
18 be in full force from and after its passage and approval.

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