

1 **SENATE FLOOR VERSION**

2 February 12, 2024

3 SENATE BILL NO. 1864

By: Pugh

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6 An Act relating to the State Board of Equalization;
7 amending 62 O.S. 2021, Section 34.103, which relates
8 to the Oklahoma State Finance Act; prescribing duties
9 for the Board; and providing an effective date.

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

11 SECTION 1. AMENDATORY 62 O.S. 2021, Section 34.103, is
12 amended to read as follows:

13 Section 34.103. A. In addition to any other duties prescribed
14 by law, at the meeting required by Section 23 of Article X of the
15 Oklahoma Constitution to be held in February of 2017, and at the
16 February meeting of the State Board of Equalization each year
17 thereafter, the State Board of Equalization shall certify:

18 1. For the revenue derived from the tax levied on oil pursuant
19 to Section 1001 of Title 68 of the Oklahoma Statutes, which would
20 otherwise be apportioned to the General Revenue Fund, the average
21 annual amount of actual revenue apportioned to the General Revenue
22 Fund for the immediately preceding five (5) complete fiscal years.
23 For any year after the first year during which a deposit to the
24 Revenue Stabilization Fund is made, the amount of any deposit to the

1 Revenue Stabilization Fund shall be disregarded for purposes of this
2 paragraph and the average shall be computed using the total amount
3 of revenue that was available to be apportioned to the General
4 Revenue Fund for the applicable period of time;

5 2. For the revenue derived from the tax levied on natural gas
6 pursuant to Section 1001 of Title 68 of the Oklahoma Statutes, which
7 would otherwise be apportioned to the General Revenue Fund, the
8 average annual amount of actual revenue apportioned to the General
9 Revenue Fund for the previous five (5) fiscal years. For any year
10 after the first year during which a deposit to the Revenue
11 Stabilization Fund is made, the amount of any deposit to the Revenue
12 Stabilization Fund shall be disregarded for purposes of this
13 paragraph and the average shall be computed using the total amount
14 of revenue that was available to be apportioned to the General
15 Revenue Fund for the applicable period of time; and

16 3. For the revenue derived from the corporate income tax levied
17 pursuant to Section 2355 of Title 68 the Oklahoma Statutes, which
18 would otherwise be apportioned to the General Revenue Fund, the
19 average annual amount of actual revenue apportioned to the General
20 Revenue Fund for the previous five (5) fiscal years. For any year
21 after the first year during which a deposit to the Revenue
22 Stabilization Fund is made, the amount of any deposit to the Revenue
23 Stabilization Fund shall be disregarded for purposes of this
24 paragraph and the average shall be computed using the total amount

1 of revenue that was available to be apportioned to the General
2 Revenue Fund for the applicable period of time.

3 B. If the amount of revenue available for apportionment to the
4 General Revenue Fund for the next ensuing fiscal year exceeds the
5 amounts certified pursuant to paragraph 1 or 2 of subsection A of
6 this section, with respect to each such revenue source, one hundred
7 percent (100%) of such amount in excess of the separately computed
8 five-year average, which would otherwise be apportioned to the
9 General Revenue Fund, shall be deposited to the credit of the
10 Revenue Stabilization Fund.

11 C. If the amount of revenue available for apportionment to the
12 General Revenue Fund for the next ensuing fiscal year exceeds the
13 amount certified pursuant to paragraph 3 of subsection A of this
14 section:

15 1. Twenty-five percent (25%) of such amount in excess of the
16 five-year average, which would otherwise be apportioned to the
17 General Revenue Fund, shall be deposited to the credit of the
18 Constitutional Reserve Fund unless such deposit would exceed the
19 maximum balance permitted pursuant to Section 23 of Article X of the
20 Oklahoma Constitution and in such case the amount in excess of the
21 maximum balance shall be deposited to the credit of the Revenue
22 Stabilization Fund; and

23 2. Seventy-five percent (75%) of such amount in excess of the
24 five-year average, which would otherwise be apportioned to the

1 General Revenue Fund, shall be deposited to the credit of the
2 Revenue Stabilization Fund, together with any amount required for
3 deposit pursuant to the provisions of paragraph 1 of this
4 subsection.

5 D. In addition to any other duties prescribed by law, at the
6 meetings required by paragraphs 1 and 3 of Section 23 of Article X
7 of the Oklahoma Constitution, the State Board of Equalization shall
8 provide a report that distinguishes the amount available for
9 appropriation from revenues accrued or accruing in the preceding and
10 current fiscal years that were not appropriated and the amount
11 available for appropriation from revenues to be received by the
12 state for the next ensuing fiscal year. The summation of the
13 amounts that were not appropriated from the current and preceding
14 fiscal years and the amounts to be received in the next ensuing
15 fiscal year shall equal the certified amounts available for
16 appropriation pursuant to paragraphs 1 and 3 of Section 23 of
17 Article X of the Oklahoma Constitution.

18 SECTION 2. This act shall become effective November 1, 2024.

19 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
20 February 12, 2024 - DO PASS

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