

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL 1071

By: Thompson and Rader of the
Senate

6 and

7 Wallace and Hilbert of the
8 House

9
10 COMMITTEE SUBSTITUTE

11 An Act relating to public finance; amending Section
12 1, Chapter 337, O.S.L. 2016, as amended by Section 1,
13 Chapter 316, O.S.L. 2018 (62 O.S. Supp. 2018, Section
14 34.102), which relates to the Revenue Stabilization
15 Fund; prohibiting deposits under certain conditions;
16 limiting deposits under certain conditions; requiring
17 deposits be reduced under certain conditions;
18 defining term; and providing an effective date.

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

20 SECTION 1. AMENDATORY Section 1, Chapter 337, O.S.L.
21 2016, as amended by Section 1, Chapter 316, O.S.L. 2018 (62 O.S.
22 Supp. 2018, Section 34.102), is amended to read as follows:

23 Section 34.102. A. There is hereby created in the State
24 Treasury a revolving fund to be known and designated as the "Revenue
Stabilization Fund". The fund shall be a continuing fund, not
subject to fiscal year limitations.

1 B. For determinations made regarding deposits for fiscal years
2 beginning on or after July 1, 2019, no monies shall be deposited to
3 the credit of the Revenue Stabilization Fund until such time as the
4 amount of actual revenue certified by the State Board of
5 Equalization as having been deposited into the General Revenue Fund
6 for the first fiscal year prior to the beginning of the fiscal year
7 that deposits to the Revenue Stabilization Fund are first made
8 equals or exceeds Six Billion Six Hundred Million Dollars
9 (\$6,600,000,000.00).

10 C. Once the provisions prescribed by subsection B of this
11 section have been met, deposits to the Revenue Stabilization Fund as
12 prescribed by this section may be made during any subsequent fiscal
13 year according to the requirements and limitations imposed by this
14 act; provided, that no deposits shall be made during a fiscal year
15 where the State Board of Equalization General Revenue Fund
16 certification for said fiscal year is less than the State Board of
17 Equalization General Revenue Fund certification for the previous
18 fiscal year plus an increment equal to the amount otherwise
19 calculated for deposit pursuant to subsection E of this section.

20 D. Notwithstanding any other provisions of this section, no
21 monies shall be deposited to the credit of the Revenue Stabilization
22 Fund ~~for~~:

23 1. For any month during a fiscal year after the month during
24 which the declaration of a revenue failure pursuant to the

1 provisions of Section 34.49 of this title has been made. For
2 purposes of this subsection, the limitation on deposits to the
3 Revenue Stabilization Fund shall be imposed for the remaining months
4 of the fiscal year during which the revenue failure was declared,
5 but shall not operate as a limitation upon deposits for any
6 subsequent fiscal year unless a revenue failure is declared at some
7 time during such fiscal year;

8 2. That would cause deposits to the Revenue Stabilization Fund
9 for the fiscal year to exceed one and five-tenths percent (1.5%) of
10 the State Board of Equalization General Revenue Fund certification
11 for that fiscal year; or

12 3. That would cause the balance of the Revenue Stabilization
13 Fund to exceed five percent (5%) of the State Board of Equalization
14 General Revenue Fund certification for that fiscal year.

15 E. The Except as provided in subsection I of this section, the
16 Revenue Stabilization Fund shall consist of:

17 1. One hundred percent (100%) of the revenue derived from the
18 gross production tax on oil levied pursuant to Section 1001 of Title
19 68 of the Oklahoma Statutes which is in excess of the five-year
20 average computed as prescribed by Section 34.103 of this title;

21 2. One hundred percent (100%) of the revenue derived from the
22 gross production tax on natural gas levied pursuant to Section 1001
23 of Title 68 of the Oklahoma Statutes which is in excess of the five-
24 year average computed as prescribed by Section 34.103 of this title;

1 3. Seventy-five percent (75%) of the revenue derived from
2 corporate income tax levied pursuant to Section 2355 of Title 68 of
3 the Oklahoma Statutes which is in excess of the five-year average
4 computed as prescribed by Section 34.103 of this title; and

5 4. Any amounts appropriated by the Legislature.

6 F. In the event that a revenue failure is declared with respect
7 to the General Revenue Fund pursuant to Section 34.49 of this title,
8 the Director of the Office of Management and Enterprise Services may
9 withdraw up to one-quarter (1/4) of the balance of the Revenue
10 Stabilization Fund available at the beginning of the fiscal year,
11 provided the total amount withdrawn shall not exceed the amount of
12 the declared revenue failure, to reduce or avoid reductions to
13 agencies for the current fiscal year and to mitigate potential
14 reductions of funds to be expended by common school districts which
15 were appropriated or authorized by the Legislature, but excluding
16 any funds which are apportioned directly to common school districts.

17 G. In the event that a revenue failure is declared with respect
18 to the General Revenue Fund pursuant to Section 34.49 of this title,
19 the Legislature may appropriate up to one-quarter (1/4) of the
20 balance of the Revenue Stabilization Fund available at the beginning
21 of the fiscal year, not to exceed the amount of the revenue failure
22 as declared with respect to the General Revenue Fund pursuant to
23 Section 34.49 of this title.

1 H. If the amount of revenue certified by the State Board of
2 Equalization at its February meeting in any year to be collected in
3 the General Revenue Fund for the upcoming fiscal year is less than
4 the amount of revenue certified by the State Board of Equalization
5 to be collected in the General Revenue Fund for the current fiscal
6 year as determined at its February meeting conducted in the
7 preceding calendar year, the Legislature may appropriate up to one-
8 half (1/2) of the balance of the Revenue Stabilization Fund
9 available at the beginning of the fiscal year; provided, that the
10 amount withdrawn shall not exceed the amount of the decline in
11 revenue certified.

12 I. If during the Board of Equalization certification process,
13 one or more of the revenue sources identified in paragraphs 1, 2 and
14 3 of subsection E of this section are forecasted to experience a
15 revenue decrease, then the total deposits to the Revenue
16 Stabilization Fund as otherwise calculated under subsection E of
17 this section shall be reduced in an amount equal to such revenue
18 decreases. For purposes of this subsection, "revenue decrease"
19 means an identified revenue source derived in an amount less than
20 the five-year average for such revenue source.

21 SECTION 2. This act shall become effective November 1, 2019.

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