

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 SENATE BILL 1265

By: Montgomery

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5
6 AS INTRODUCED

7 An Act relating to the Revenue Stabilization Fund;
8 amending 62 O.S. 2021, Section 34.102, which relates
9 to the Revenue Stabilization Fund deposits; removing
10 certain prohibition of deposits to the Fund;
11 requiring that deposits exceeding certain limit be
12 apportioned for the benefit of common schools; and
13 providing an effective date.

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

15 SECTION 1. AMENDATORY 62 O.S. 2021, Section 34.102, is
16 amended to read as follows:

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

21 B. For determinations made regarding deposits for fiscal years
22 beginning on or after July 1, 2019, no monies shall be deposited to
23 the credit of the Revenue Stabilization Fund until such time as the
24 amount of actual revenue certified by the State Board of
25 Equalization as having been deposited into the General Revenue Fund

1 for the first fiscal year prior to the beginning of the fiscal year
2 that deposits to the Revenue Stabilization Fund are first made
3 equals or exceeds Six Billion Six Hundred Million Dollars
4 (\$6,600,000,000.00).

5 C. Once the provisions prescribed by subsection B of this
6 section have been met, deposits to the Revenue Stabilization Fund as
7 prescribed by this section may be made during any subsequent fiscal
8 year according to the requirements and limitations imposed by ~~this~~
9 ~~act~~ Section 34 et seq. of this title; provided, that no deposits
10 shall be made during a fiscal year where the State Board of
11 Equalization General Revenue Fund certification for said fiscal year
12 is less than the State Board of Equalization General Revenue Fund
13 certification for the previous fiscal year plus an increment equal
14 to the amount otherwise calculated for deposit pursuant to
15 subsection E of this section.

16 D. Notwithstanding any other provisions of this section, unless
17 such deposits are the result of a direct appropriation to the
18 Revenue Stabilization Fund by the Legislature, no monies shall be
19 deposited to the credit of the Revenue Stabilization Fund:

20 ~~1. For~~ for any month during a fiscal year after the month
21 during which the declaration of a revenue failure pursuant to the
22 provisions of Section 34.49 of this title has been made. For
23 purposes of this subsection, the limitation on deposits to the
24 Revenue Stabilization Fund shall be imposed for the remaining months

1 of the fiscal year during which the revenue failure was declared,
2 but shall not operate as a limitation upon deposits for any
3 subsequent fiscal year unless a revenue failure is declared at some
4 time during such fiscal year; ~~or~~

5 ~~2. That would cause deposits to the Revenue Stabilization Fund~~
6 ~~for the fiscal year to exceed three percent (3%) of the State Board~~
7 ~~of Equalization General Revenue Fund certification for that fiscal~~
8 ~~year.~~

9 E. Except as provided in subsection I of this section, the
10 Revenue Stabilization Fund shall consist of:

11 1. One hundred percent (100%) of the revenue derived from the
12 gross production tax on oil levied pursuant to Section 1001 of Title
13 68 of the Oklahoma Statutes which is in excess of the five-year
14 average computed as prescribed by Section 34.103 of this title;

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

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

23 4. Any amounts appropriated by the Legislature.
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1 F. 1. Except as provided in paragraph 2 of this subsection, in
2 the event that a revenue failure is declared with respect to the
3 General Revenue Fund pursuant to Section 34.49 of this title, the
4 Director of the Office of Management and Enterprise Services may
5 withdraw up to one-quarter (1/4) of the balance of the Revenue
6 Stabilization Fund available at the beginning of the fiscal year,
7 provided the total amount withdrawn shall not exceed the amount of
8 the declared revenue failure, to in equal proportions reduce or
9 avoid reductions to agencies for the current fiscal year and to
10 mitigate potential reductions of funds to be expended by common
11 school districts which were appropriated or authorized by the
12 Legislature, but excluding any funds which are apportioned directly
13 to common school districts.

14 2. For the fiscal year ending June 30, 2020, in the event that
15 a revenue failure is declared with respect to the General Revenue
16 Fund pursuant to Section 34.49 of this title, the Director of the
17 Office of Management and Enterprise Services may withdraw amounts up
18 to a total of one-half (1/2) of the highest balance during the
19 fiscal year ending June 30, 2020, of the Revenue Stabilization Fund;
20 provided, the total amount withdrawn shall not exceed the amount of
21 the declared revenue failure less any appropriations made by the
22 Legislature to offset such revenue failure, to in equal proportions
23 reduce or avoid reductions to agencies for the fiscal year and to
24 mitigate potential reductions of funds to be expended by common

1 school districts which were appropriated or authorized by the
2 Legislature for the fiscal year ending June 30, 2020, but excluding
3 any funds which are apportioned directly to common school districts.
4 No monies shall be withdrawn under the provisions of this subsection
5 for the purpose of reducing or avoiding reductions of appropriations
6 made pursuant to Section 129 of Enrolled House Bill No. 2765 of the
7 1st Session of the 57th Oklahoma Legislature or Section 1 of
8 Enrolled Senate Bill No. 1076 of the 1st Session of the 57th
9 Oklahoma Legislature.

10 G. In the event that a revenue failure is declared with respect
11 to the General Revenue Fund pursuant to Section 34.49 of this title,
12 the Legislature may appropriate up to one-quarter (1/4) of the
13 balance of the Revenue Stabilization Fund available at the beginning
14 of the fiscal year, not to exceed the amount of the revenue failure
15 as declared with respect to the General Revenue Fund pursuant to
16 Section 34.49 of this title.

17 H. If the amount of revenue certified by the State Board of
18 Equalization at its February meeting in any year to be collected in
19 the General Revenue Fund for the upcoming fiscal year is less than
20 the amount of revenue certified by the State Board of Equalization
21 to be collected in the General Revenue Fund for the current fiscal
22 year as determined at its February meeting conducted in the
23 preceding calendar year, the Legislature may appropriate up to one-
24 half (1/2) of the balance of the Revenue Stabilization Fund

1 available at the beginning of the fiscal year; provided, that the
2 amount withdrawn shall not exceed the amount of the decline in
3 revenue certified.

4 I. If during the Board of Equalization certification process,
5 one or more of the revenue sources identified in paragraphs 1, 2 and
6 3 of subsection E of this section are forecasted to experience a
7 revenue decrease, then the total deposits to the Revenue
8 Stabilization Fund as otherwise calculated under subsection E of
9 this section shall be reduced in an amount equal to such revenue
10 decreases. For purposes of this subsection, "revenue decrease"
11 means an identified revenue source derived in an amount less than
12 the five-year average for such revenue source.

13 J. Monies that would cause deposits to the Revenue
14 Stabilization Fund for the fiscal year to exceed three percent (3%)
15 of the State Board of Equalization General Revenue Fund
16 certification for that fiscal year shall instead be apportioned to
17 the permanent school fund of the Commissioners of the Land Office
18 for the benefit of the common schools.

19 SECTION 2. This act shall become effective November 1, 2022.

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