

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL 1935

By: Thompson and Rader of the  
Senate

and

Wallace and Hilbert of the  
House

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10 COMMITTEE SUBSTITUTE

11 An Act relating to public finance; amending Section  
12 1, Chapter 337, O.S.L. 2016, as last amended by  
13 Section 1 of Enrolled Senate Bill No. 617 of the 2nd  
14 Session of the 57th Oklahoma Legislature (62 O.S.  
15 Supp. 2019, Section 34.102), which relates to the  
16 Revenue Stabilization Fund; authorizing certain  
17 transfer for specified purpose; providing a  
18 definition; providing a conditional effective date;  
19 providing an effective date; and declaring an  
20 emergency.

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

22 SECTION 1. AMENDATORY Section 1, Chapter 337, O.S.L.  
23 2016, as last amended by Section 1 of Enrolled Senate Bill No. 617  
24 of the 2nd Session of the 57th Oklahoma Legislature (62 O.S. Supp.  
2019, Section 34.102), is amended to read as follows:

Section 34.102. A. There is hereby created in the State  
Treasury a revolving fund to be known and designated as the "Revenue

1 Stabilization Fund". The fund shall be a continuing fund, not  
2 subject to fiscal year limitations.

3 B. For determinations made regarding deposits for fiscal years  
4 beginning on or after July 1, 2019, no monies shall be deposited to  
5 the credit of the Revenue Stabilization Fund until such time as the  
6 amount of actual revenue certified by the State Board of  
7 Equalization as having been deposited into the General Revenue Fund  
8 for the first fiscal year prior to the beginning of the fiscal year  
9 that deposits to the Revenue Stabilization Fund are first made  
10 equals or exceeds Six Billion Six Hundred Million Dollars  
11 (\$6,600,000,000.00).

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

22 D. Notwithstanding any other provisions of this section, unless  
23 such deposits are the result of a direct appropriation to the  
24

1 Revenue Stabilization Fund by the Legislature, no monies shall be  
2 deposited to the credit of the Revenue Stabilization Fund:

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

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

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

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

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

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

7 4. Any amounts appropriated by the Legislature.

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

21 2. For the fiscal year ending June 30, 2020, in the event that  
22 a revenue failure is declared with respect to the General Revenue  
23 Fund pursuant to Section 34.49 of this title, the Director of the  
24 Office of Management and Enterprise Services may withdraw amounts up

1 to a total of one-half (1/2) of the highest balance during the  
2 fiscal year ending June 30, 2020, of the Revenue Stabilization Fund;  
3 provided, the total amount withdrawn shall not exceed the amount of  
4 the declared revenue failure less any appropriations made by the  
5 Legislature to offset such revenue failure, to in equal proportions  
6 reduce or avoid reductions to agencies for the fiscal year and to  
7 mitigate potential reductions of funds to be expended by common  
8 school districts which were appropriated or authorized by the  
9 Legislature for the fiscal year ending June 30, 2020, but excluding  
10 any funds which are apportioned directly to common school districts.  
11 No monies shall be withdrawn under the provisions of this subsection  
12 for the purpose of reducing or avoiding reductions of appropriations  
13 made pursuant to Section 129 of Enrolled House Bill No. 2765 of the  
14 1st Session of the 57th Oklahoma Legislature or Section 1 of  
15 Enrolled Senate Bill No. 1076 of the 1st Session of the 57th  
16 Oklahoma Legislature.

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.

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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. For the fiscal year ending June 30, 2021, the Director of  
13 the Office of Management and Enterprise Services may transfer from  
14 the Revenue Stabilization Fund an amount necessary to fund the newly  
15 eligible Medicaid population, less the funding provided by Enrolled  
16 Senate Bill No. 1046 of the 2nd Session of the 57th Oklahoma  
17 Legislature, for the newly eligible Medicaid population. As used in  
18 this subsection, "newly eligible Medicaid population" shall have the  
19 same meaning as provided by Section 1 of Enrolled Senate Bill No.  
20 1046 of the 2nd Session of the 57th Oklahoma Legislature.

21 J. If during the Board of Equalization certification process,  
22 one or more of the revenue sources identified in paragraphs 1, 2 and  
23 3 of subsection E of this section are forecasted to experience a  
24 revenue decrease, then the total deposits to the Revenue

1 Stabilization Fund as otherwise calculated under subsection E of  
2 this section shall be reduced in an amount equal to such revenue  
3 decreases. For purposes of this subsection, "revenue decrease"  
4 means an identified revenue source derived in an amount less than  
5 the five-year average for such revenue source.

6 SECTION 2. The provisions of this act shall not become  
7 effective as law unless Enrolled Senate Bill No. 1046 of the 2nd  
8 Session of the 57th Oklahoma Legislature becomes effective as law.

9 SECTION 3. This act shall become effective July 1, 2020.

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

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