

1 ENGROSSED SENATE  
2 BILL NO. 427

By: Bice of the Senate

3 and

4 Fetgatter of the House

5  
6 An Act relating to gross production tax; amending 68  
7 O.S. 2011, Section 1001.1, as amended by Section 2,  
8 Chapter 401, O.S.L. 2013 (68 O.S. Supp. 2018, Section  
9 1001.1), which relates to property exempt from ad  
10 valorem taxation due to payment of gross production  
11 tax; correcting references; amending 68 O.S. 2011,  
12 Section 1004, as last amended by Section 8, Chapter  
13 8, 2nd Extraordinary Session, O.S.L. 2018 (68 O.S.  
14 Supp. 2018, Section 1004), which relates to  
15 apportionment of gross production tax; correcting  
16 references; and providing an effective date.

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

18 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1001.1, as  
19 amended by Section 2, Chapter 401, O.S.L. 2013 (68 O.S. Supp. 2018,  
20 Section 1001.1), is amended to read as follows:

21 Section 1001.1. The Oklahoma Tax Commission shall adopt rules  
22 and regulations which establish guidelines for the determination of  
23 property exempt from ad valorem taxation pursuant to the provisions  
24 of ~~subsections S and T~~ subsections G and H of Section 1001 of this  
title. Said guidelines shall include, but are not limited to, the  
following:

1. "Producing leases" means wells or leases or production units  
which have had production during any of the previous three (3)

1 calendar years which is subject to the gross production tax levied  
2 by Section 1001 of this title and which have not been abandoned or  
3 required to be plugged as required by law on or before January 1 of  
4 the year for which the assessment or valuation is made;

5 2. "Payment of gross production tax" means payment of the tax  
6 levied by Section 1001 of this title on production during any of the  
7 three (3) calendar years immediately prior to January 1 of the year  
8 for which the assessment or valuation is made; and

9 3. Property exempt from ad valorem tax pursuant to the  
10 provisions of ~~subsections S and T~~ subsections G and H of Section  
11 1001 of this title shall include, but is not limited to, lease  
12 production tanks, lease production meters, and disposal systems,  
13 including all materials and equipment of disposal systems and the  
14 lines transporting the waste materials, serving one or more wells,  
15 which are not for commercial purposes. Provided, the exemption  
16 shall include the wellbore and non-recoverable down-hole material,  
17 including casing, actually used in the commercial disposal of waste  
18 materials produced with such oil or gas. Such exempt property shall  
19 remain exempt as long as the property is essential to the production  
20 of oil and gas in commercial quantities. The county assessor shall  
21 be notified when such property becomes nonexempt.

22 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1004, as  
23 last amended by Section 8, Chapter 8, 2nd Extraordinary Session,  
24

1 O.S.L. 2018 (68 O.S. Supp. 2018, Section 1004), is amended to read  
2 as follows:

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

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

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

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

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

21 a. eighty-five and seventy-two one-hundredths percent  
22 (85.72%) shall be paid to the State Treasurer of the  
23 state to be placed in the General Revenue Fund of the  
24 state and used for the general expense of state

1 government, to be paid out pursuant to direct  
2 appropriation by the Legislature,

3 b. seven and fourteen one-hundredths percent (7.14%) of  
4 the sum collected from natural gas and/or casinghead  
5 gas or asphalt or ores bearing uranium, lead, zinc,  
6 jack, gold, silver or copper shall be paid to the  
7 various county treasurers to be credited to the County  
8 Highway Fund as follows: Each county shall receive a  
9 proportionate share of the funds available based upon  
10 the proportion of the total value of production from  
11 such county in the corresponding month of the  
12 preceding year, and

13 c. seven and fourteen one-hundredths percent (7.14%)  
14 shall be allocated to each county as provided for in  
15 subparagraph b of this paragraph and shall be  
16 apportioned, on an average daily attendance per capita  
17 distribution basis, as certified by the State  
18 Superintendent of Public Instruction to the school  
19 districts of the county where such pupils attend  
20 school regardless of residence of such pupil, provided  
21 the school district makes an ad valorem tax levy of  
22 fifteen (15) mills for the current year and maintains  
23 twelve (12) years of instruction;

24

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

4            a. after the total revenue apportioned to the General  
5 Revenue Fund as prescribed by subparagraph b of this  
6 paragraph equals the moving five-year average amount  
7 for gas as defined by paragraph 1 of subsection A of  
8 this section, there shall be apportioned from the  
9 gross production tax levy imposed pursuant to Section  
10 1001 of this title on natural gas and/or casinghead  
11 gas to the Revenue Stabilization Fund created by  
12 Section 34.102 of Title 62 of the Oklahoma Statutes,  
13 the amount of revenue, if any, which exceeds the  
14 moving five-year average amount for gas as defined  
15 pursuant to paragraph 1 of subsection A of this  
16 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, eighty-five and seventy-two one-hundredths  
21 percent (85.72%) shall be paid to the State Treasurer  
22 of the state to be placed in the General Revenue Fund  
23 of the state and used for the general expense of state  
24

1 government, to be paid out pursuant to direct  
2 appropriation by the Legislature,

3 c. before any other apportionment of revenue has been  
4 made pursuant to this paragraph, seven and fourteen  
5 one-hundredths percent (7.14%) of the sum collected  
6 from natural gas and/or casinghead gas shall be paid  
7 to the various county treasurers to be credited to the  
8 County Highway Fund as follows: Each county shall  
9 receive a proportionate share of the funds available  
10 based upon the proportion of the total value of  
11 production from such county in the corresponding month  
12 of the preceding year, and

13 d. before any other apportionment of revenue has been  
14 made pursuant to this paragraph, seven and fourteen  
15 one-hundredths percent (7.14%) shall be allocated to  
16 each county as provided for in subparagraph c of this  
17 paragraph and shall be apportioned, on an average  
18 daily attendance per capita distribution basis, as  
19 certified by the State Superintendent of Public  
20 Instruction to the school districts of the county  
21 where such pupils attend school regardless of  
22 residence of such pupil, provided the school district  
23 makes an ad valorem tax levy of fifteen (15) mills for  
24

1           the current year and maintains twelve (12) years of  
2           instruction;

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

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, seventy-five percent (75%) shall be paid to  
24           the 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, twelve and one-half  
6 percent (12.5%) of the sum collected from natural gas  
7 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 d. before any other apportionment of revenue has been  
15 made pursuant to this paragraph, twelve and one-half  
16 percent (12.5%) shall be allocated to each county as  
17 provided for in subparagraph c of this paragraph and  
18 shall be apportioned, on an average daily attendance  
19 per capita distribution basis, as certified by the  
20 State Superintendent of Public Instruction to the  
21 school districts of the county where such pupils  
22 attend school regardless of residence of such pupil,  
23 provided the school district makes an ad valorem tax  
24



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;

24

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 ~~subparagraph e~~ of paragraph 3 of subsection B of  
4 Section 1001 of 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 distributed to the various counties of the  
11                  state for deposit into the County Bridge and Road  
12                  Improvement Fund of each county based on a formula  
13                  developed by the Department of Transportation and  
14                  approved by the Department of Transportation County  
15                  Advisory Board created pursuant to Section 302.1 of  
16                  Title 69 of the Oklahoma Statutes to be used for the  
17                  purposes set forth in the County Bridge and Road  
18                  Improvement Act.  The formula shall be similar to the  
19                  formula currently used for the distribution of monies  
20                  in the County Bridge Program funds, but shall also  
21                  take into consideration the effect of the terrain and  
22                  traffic volume as related to county road improvement  
23                  and maintenance costs,

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

5 (1) the following sources and in the following  
6 amounts through the fiscal year ending June 30,  
7 2019:

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

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

18 (c) thirty-three and one-third percent (33 1/3%)  
19 to the Community Water Infrastructure  
20 Development Revolving Fund created pursuant  
21 to Section 1085.7A of Title 82 of the  
22 Oklahoma Statutes, and

23 (2) the Oklahoma Water Resources Board Rural Economic  
24 Action Plan Water Projects Fund for the fiscal

1                   year beginning July 1, 2019, and for each fiscal  
2                   year thereafter,

3           g.   before any other apportionment of revenue has been  
4               made pursuant to this paragraph, seven and fourteen  
5               one-hundredths percent (7.14%) of the sum collected  
6               from oil shall be paid to the various county  
7               treasurers, to be credited to the County Highway Fund  
8               as follows: Each county shall receive a proportionate  
9               share of the funds available based upon the proportion  
10              of the total value of production from such county in  
11              the corresponding month of the preceding year,

12           h.   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 in subparagraph g of this  
16               paragraph 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 ~~subsections~~  
10 ~~B and E~~ subsection B 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 2019:

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, 2019, 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 ~~subparagraph~~  
13 ~~e of~~ paragraph 3 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 ~~the effective date of this act~~ June 28, 2018,  
4 the gross production tax levied on natural gas or casinghead gas at  
5 the rate of five percent (5%) provided for in paragraph 3 of  
6 subsection B of Section 1001 of this title shall be apportioned as  
7 follows:

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, eighty percent (80%) shall be paid to the

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



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

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

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

19 b. before any other apportionment of revenue has been  
20 made pursuant to this paragraph, twenty-three and  
21 seventy-five one-hundredths percent (23.75%) shall be  
22 paid to the State Treasurer to be placed in the Common  
23 Education Technology Revolving Fund created in Section  
24 34.90 of Title 62 of the Oklahoma Statutes,

1 c. before any other apportionment of revenue has been  
2 made pursuant to this paragraph, twenty-three and  
3 seventy-five one-hundredths percent (23.75%) shall be  
4 paid to the State Treasurer to be placed in the Higher  
5 Education Capital Revolving Fund created in Section  
6 34.91 of Title 62 of the Oklahoma Statutes,

7 d. before any other apportionment of revenue has been  
8 made pursuant to this paragraph, twenty-three and  
9 seventy-five one-hundredths percent (23.75%) shall be  
10 paid to the State Treasurer to be placed in the  
11 Oklahoma Student Aid Revolving Fund created in Section  
12 34.92 of Title 62 of the Oklahoma Statutes,

13 e. before any other apportionment of revenue has been  
14 made pursuant to this paragraph, three and twenty-  
15 eight one-hundredths percent (3.28%) shall be  
16 distributed to the various counties of the state for  
17 deposit into the County Bridge and Road Improvement  
18 Fund of each county based on a formula developed by  
19 the Department of Transportation and approved by the  
20 Department of Transportation County Advisory Board  
21 created pursuant to Section 302.1 of Title 69 of the  
22 Oklahoma Statutes to be used for the purposes set  
23 forth in the County Bridge and Road Improvement Act.  
24 The formula shall be similar to the formula currently

1 used for the distribution of monies in the County  
2 Bridge Program funds, but shall also take into  
3 consideration the effect of the terrain and traffic  
4 volume as related to county road improvement and  
5 maintenance costs,

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

10 (1) the following sources and in the following  
11 amounts through the fiscal year ending June 30,  
12 2019:

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

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

23 (c) thirty-three and one-third percent (33 1/3%)  
24 to the Community Water Infrastructure

1                   Development Revolving Fund created pursuant  
2                   to Section 1085.7A of Title 82 of the  
3                   Oklahoma Statutes, and

4                   (2) the Oklahoma Water Resources Board Rural Economic  
5                   Action Plan Water Projects Fund for the fiscal  
6                   year beginning July 1, 2019, and for each fiscal  
7                   year thereafter,

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

17                  h. before any other apportionment of revenue has been  
18                  made pursuant to this paragraph, ten percent (10%)  
19                  shall be allocated to each county as provided in  
20                  subparagraph g of this paragraph and shall be  
21                  apportioned on an average daily attendance per capita  
22                  distribution basis, as certified by the State  
23                  Superintendent of Public Instruction, to the school  
24                  districts of the county where such pupils attend

1 school regardless of residence of such pupil, provided  
2 the school district makes an ad valorem tax levy of  
3 fifteen (15) mills for the current year and maintains  
4 twelve (12) years of instruction, and

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

11 C. Provided, notwithstanding any other provision of this  
12 section, the total amounts deposited to the Common Education  
13 Technology Revolving Fund, the Higher Education Capital Revolving  
14 Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic  
15 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation  
16 Department Capital Expenditure Revolving Fund, the Oklahoma  
17 Conservation Commission Infrastructure Revolving Fund and the  
18 Community Water Infrastructure Development Revolving Fund pursuant  
19 to paragraphs 6, 7 and 11 of subsection B of this section shall not  
20 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any  
21 fiscal year. Except as otherwise provided in this subsection, all  
22 sums in excess of One Hundred Fifty Million Dollars  
23 (\$150,000,000.00) in any fiscal year which would otherwise be  
24

1 deposited in such funds shall be apportioned by the Oklahoma Tax  
2 Commission to the General Revenue Fund of the state.

3 SECTION 3. This act shall become effective November 1, 2019.

4 Passed the Senate the 19th day of February, 2019.

5

6

\_\_\_\_\_  
Presiding Officer of the Senate

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8 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
9 2019.

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Presiding Officer of the House  
of Representatives

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