An Act

ENROLLED SENATE
BILL NO. 617

By: Stanislawski of the Senate

and

Hilbert of the House

An Act relating to public finance; amending Section 1, Chapter 337, O.S.L. 2016, as last amended by Section 1, Chapter 516, O.S.L. 2019 (62 O.S. Supp. 2019, Section 34.102), which relates to the Revenue Stabilization Fund; providing exception for certain limitations of deposit; requiring certain utilization of funds be in equal proportions; authorizing specific uses of funds in certain fiscal year; prohibiting specific use of fund in certain fiscal year; and declaring an emergency.

Subject: Revenue stabilization

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

SECTION 1. AMENDATORY Section 1, Chapter 337, O.S.L. 2016, as last amended by Section 1, Chapter 516, O.S.L. 2019 (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 Stabilization Fund". The fund shall be a continuing fund, not subject to fiscal year limitations.

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

Equalization as having been deposited into the General Revenue Fund for the first fiscal year prior to the beginning of the fiscal year that deposits to the Revenue Stabilization Fund are first made equals or exceeds Six Billion Six Hundred Million Dollars ($6,600,000,000.00).

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

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

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

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

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

1. One hundred percent (100%) of the revenue derived from the gross production tax on oil levied pursuant to Section 1001 of Title

68 of the Oklahoma Statutes which is in excess of the five-year average computed as prescribed by Section 34.103 of this title;

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

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

4. Any amounts appropriated by the Legislature.

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

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

any funds which are apportioned directly to common school districts. No monies shall be withdrawn under the provisions of this subsection for the purpose of reducing or avoiding reductions of appropriations made pursuant to Section 129 of Enrolled House Bill No. 2765 of the 1st Session of the 57th Oklahoma Legislature or Section 1 of Enrolled Senate Bill No. 1076 of the 1st Session of the 57th Oklahoma Legislature.

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

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

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

SECTION 2. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 6th day of April, 2020.

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Presiding Officer of the Senate

Passed the House of Representatives the 6th day of April, 2020.

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Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

_____
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20 _____, at _____ o'clock _____ M.

By: _____