RE: H.B. 1962
SUBJECT: Ad Valorem Taxation

House Bill 1962 becomes effective May 6, 2015. This bill clarifies the property to be included for the purposes of ad valorem taxation.

- Section 1: Amends the list of personal property to be included in the calculation of ad valorem taxes. Clarification is made to ensure “all goods, wares and merchandise, including oil, gas, and petroleum products severed from the realty” are to be included for the purposes of ad valorem calculations.

  - Note: “Severed realty” is real property that is converted to personal property after it has been severed or cut and made into a movable object.

Should you have any questions related to this bill, please contact Ms. Renee McWaters, Executive Director of State Aid, at (405) 521-3460 or Ms. Carolyn Thompson, Director of Government Affairs, at (405) 522-3520.

Amendment to: 68 O.S. 2807
An Act relating to revenue and taxation; amending 68 O.S. 2011, Section 2807, which relates to definitions of personal property; providing for inclusion of certain tangible personal property for purposes of Section 6A of Article X of the Oklahoma Constitution; providing for retrospective and prospective effect; and declaring an emergency.

SUBJECT: Ad valorem taxation

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2807, is amended to read as follows:

Section 2807. Personal property, for the purpose of ad valorem taxation, shall be construed to include:

1. All goods, chattels and effects;

2. Except as provided in subsection B of Section 2806 of this title:

   a. all improvements made by others upon lands, the fee of which is vested in the United States or this state,

   b. all improvements, including elevators and other structures, upon lands, the title to which is vested in any railway company or other corporation whose
property is not subject to the same mode and rule of
taxation as other property, and

c. all improvements on leased lands that do not become a
part of the realty;

3. The dormant, and other stock of nurseriesmen, including all
trees, shrubs and plants that have been dug and placed in bins or
storage, and are ready for sale. The trees, shrubs or plants of a
nurserman shall be "growing crops" within the meaning of Section 6
of Article X of the Oklahoma Constitution and exempt from ad valorem
taxation, if such trees, shrubs or plants are grown upon the
premises of the nurserman, removed from the earth on such premises
prior to any preparation for resale, and if such trees, shrubs or
plants are held for resale in a manner that will permit the
continued growth or development of the tree, shrub or plant;

4. All horses, cattle, mules, asses, sheep, swine, goats and
other livestock including poultry, and commercially raised livestock
including but not limited to animals of the families bovidae,
cervidae and antilocapridae or birds of the ratite group. Such
livestock or poultry having a speculative value, by reason of the
fact that the same is subject to registration in some recognized
association, shall be assessed on the market value as though the
same had no speculative value;

5. All household furniture, including gold and silver plate,
musical instruments, watches and jewelry;

6. Personal, private or professional libraries;

7. All wagons, vehicles or carriages and all farm tractors,
implements or machinery appertaining to agricultural labor; and all
types of motors, feed grinders, pumps for irrigation and other
irrigation equipment;

8. All machinery and materials used by manufacturers, and all
manufactured articles, including all machinery and equipment of
cotton gins, cottonseed oil mills, newspaper and printing plants,
refineries, gasoline plants, flour and grain mills and elevators,
bakeries, ice plants, laundries, automobile assembly plants, repair
shops, breweries, radio broadcasting stations, tractors, graders,
road machinery and equipment, and all other similar or related
plants or industries;
9. All goods and capital employed in merchandising, wares, and merchandise, including oil, gas, and petroleum products severed from the realty;

10. All abstractors' books and the records contained therein; and equipment and all other personal property and records and files of mercantile credit reporting organizations;

11. All agricultural implements or machinery, goods, wares, merchandise, or other chattels, in this state, in possession of, or under the control of, or held for sale by, any warehouseman, agent, factor or representative in any capacity of any manufacturer, or any dealer or agent of any such manufacturer;

12. a. All tanks and containers used to store or hold crude oil or any of its products or byproducts and all tanks and containers used to store or hold gasoline, water, or other liquids or gases,

b. All oil, gas, water or other pipelines,

c. All telegraph and telephone lines,

d. All railroad tracks, and
e. All oil, gas, and petroleum products in storage; and

13. All other property, having an actual, constructive or taxable situs in this state, and not included within the definition of real property.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and 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 House of Representatives the 29th day of April, 2015.

[Signature]
Presiding Officer of the House of Representatives

Passed the Senate the 21st day of April, 2015.

[Signature]
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 30th day of April, 2015, at 2:45 o'clock P.M.
By: [Signature] Audry K. Williams

Approved by the Governor of the State of Oklahoma this 6th day of May, 2015, at 9:32 o'clock A.M.

[Signature] Mary Fallin
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 6th day of May, 2015, at 5:23 o'clock P.M.
By: [Signature] C. Benge
RE: H.B. 1963
SUBJECT: Ad Valorem Tax Code

House Bill 1963 becomes effective May 6, 2015. This bill amends the calculation of ad valorem taxes that are under appeal.

- Section 1(E): Adds a protection under the Open Records Act for sworn lists of property and other documents produced by a taxpayer to the assessor or board of equalization during discovery in any ad valorem tax appeal in the Court of Tax Review or district court.

- Section 2(B): A total amount of taxes due, or value upon which the tax was assessed, cannot be increased by a final judgment in any tax appeal, except in the case where property was omitted.

- Section 3(F): If an appeal is timely filed by the taxpayer, then the amount due cannot exceed the amount based upon the original value submitted by the assessor. If an appeal is timely filed by the county assessor, then the amount due cannot exceed the amount of taxes based upon the value assessed by the county assessor.

Should you have any questions related to this bill, please contact Ms. Renee McWaters, Executive Director of State Aid, at (405) 521-3460, at (405) 521-2517 or Ms. Carolyn Thompson, Director of Government Affairs, at (405) 522-3520.

Amendment to: 68 O.S. 2835, 2868, 2884
An Act

ENROLLED HOUSE
BILL NO. 1963

By: Watson of the House

and

Marlatt of the Senate

An Act relating to revenue and taxation; amending 68 O.S. 2011, Sections 2835, 2868 and 2884, which relate to the Ad Valorem Tax Code; modifying provision related to confidentiality of certain information; prohibiting increase in ad valorem taxes pursuant to certain final judgments in tax appeals, and providing for exception thereto; modifying provisions related to payment of taxes related to appeals from certain orders regarding valuation of property; and declaring an emergency.

SUBJECT: Ad Valorem Tax Code

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2835, is amended to read as follows:

Section 2835. A. On or before January 1 of each year, the Oklahoma Tax Commission shall prescribe for the use of all county assessors, suitable blank forms for the listing and assessment of all property, both real and personal. Such forms shall contain such information and instructions as may be necessary in order to obtain a full and complete list of all taxable property and such forms shall be used uniformly throughout the state. Any change in these forms must have the approval of the Tax Commission.

B. It shall be the duty of the county assessor to furnish such forms to any taxpayer upon request, and all personal property shall be listed on such forms in the manner provided therein. Such lists
shall be signed and sworn to and filed with the county assessor not later than March 15 of each year; and such lists may show the description of real property, which may be by subdivision of quarter sections, or less if any such subdivision is owned in less quantity, describing such less quantity by United States Land Survey nomenclature if that can be done, otherwise by metes and bounds, according to ownership.

C. Real estate need not be listed by the taxpayer, but may be listed if the taxpayer so desires, in which case the list shall show the taxpayer's estimate of the value of each tract of land and shall separately show the value of the buildings and improvements thereon.

D. All such sworn lists of property shall contain such other information concerning both real and personal property as may be required by such forms so prescribed.

E. All such sworn lists of property, and any other documents produced by a taxpayer to the assessor or the board of equalization during the informal and formal hearing process, or during discovery in any ad valorem tax appeal in the Court of Tax Review or the district court, shall be protected as confidential and shall not be available for inspection under the Open Records Act.

SECTION 2. AMENDATORY 68 O.S. 2011, Section 2868, is amended to read as follows:

Section 2868. A. As soon as practicable, and not later than October 1, the county assessor shall prepare tax rolls containing all adjustments by either the equalization board or the excise board which have been completed and provided to the assessor, and containing:

1. A list or lists in alphabetical order of all the persons and bodies corporate in whose name any personal or public service property has been assessed, with the assessed valuation thereof distinguished by separate amounts if located in more than one school district and by the number of each school district, each in a separate column opposite the name, and the total amount of the tax as to each school district location extended in another column. In city and town districts, distinction shall be made as to urban and rural locations;

2. A list or lists of all taxable lands in the county or school districts of the county, not including city or town lots, nor
unplatted tracts of land inside a city or town, in numerical order, commencing with the lowest numbered section and the different subdivisions and fractional parts thereof in the lowest numbered township in the lowest numbered range in the county, and ending with the highest numbered section, township and range, with the number of the school district located in and the name of the owner in each instance, the assessed valuation of each tract, and the total amount of taxes extended in separate columns opposite each tract in the same manner as provided in the alphabetical list or lists of names; except where homestead exemptions are involved, then by distinctive valuations and amounts of tax as hereinafter provided; and

3. A list of the city or town lots in each city or town and the unplatted tracts in each city or town in the county, commencing with the lowest numbered section in the lowest numbered township in the lowest numbered range in the county and the different subdivisions and fractional parts thereof and ending with the highest numbered section, township and range, and the number of acres in each tract with the name of the owner in each instance, and the valuation and total tax extended in separate columns in the same manner as hereinbefore provided in respect to personal property and lands, except homesteads which shall be distinguished as provided for lands. Each lot shall be separately listed, except as hereinafter provided, and the valuation and tax separately extended thereon. Where one building or one set of improvements is situated on two or more lots or parts of lots so as to preclude distinction as to the value of improvements as to each such lot or parts of lots, such lots or parts of lots shall be listed together with one valuation, and the tax extended in one amount. Unless the owner otherwise elects, vacant lots valued and equalized at Ten Dollars ($10.00) or less per lot and belonging to the same owner may, if adjacent and lying within the same city or town block, be so listed with one valuation and the tax extended in one amount; and in either or any event where more than one lot or part of lot is listed under one valuation, the tax rolls shall disclose whether the same be vacant or improved. All additions to cities and towns shall be arranged in the tax rolls in alphabetical order immediately following the original townsites.

B. In applying the tax rate to determine the amount of tax due, the county assessor shall compute same to the nearest dollar, that is, any fraction of a dollar in the amount of fifty cents ($0.50) or less shall be disregarded, and any fraction of a dollar in the amount of fifty-one cents ($0.51) or more shall be shown as a full dollar. The total amount of the tax due and extended on the tax
rolls, as required by this section, shall be determined and shown accordingly. Provided, however, in all cases where, under the tax rate, the tax is computed to be less than One Dollar ($1.00), then the tax due shall be shown as One Dollar ($1.00). Once the total amount of taxes due is calculated and extended onto the tax rolls, the amount of taxes due or value upon which the tax was assessed cannot be increased by a final judgment in any tax appeal filed pursuant to Section 2880.1 or Section 2881 of this title. The limitation on taxes due in the preceding sentence shall not apply in cases of omitted property.

C. Each property, whether lands or lots, lawfully exempted from taxation in whole or in part by reason of a homestead interest, shall be distinguished upon the tax rolls by the word "homestead" or an appropriate symbol, and opposite each of such properties shall be entered in separate columns the total assessed valuation, the value of the exemption allowed and approved and the assessed valuation after the amount of exemption allowed has been deducted. In extending the tax the county assessor shall, as to each such property, consolidate all levies to which the homestead exemption is subject, compute the tax thereon and enter the same in one column in one amount, and all the levies to which the valuation in excess of the homestead exemption is subject, compute the tax thereon and enter the same in another column in one amount.

D. All real property which is exempt from taxation shall be listed in the tax rolls, with the name of the owner, in all respects as if the same were taxable but with the reason for the exemption noted thereon across the columns where otherwise the tax would have been entered.

E. The county treasurer shall transfer to the tax rolls for the current year, in a separate column, all delinquent taxes remaining unpaid for the previous years, distinguishing the same as to each lot and tract of land by the year and amount of tax, exclusive of penalty, as to all real properties; and when giving a statement of taxes on any property, said statement shall include all taxes due and shall designate the sum due for the current year, and the sum past due and delinquent. Said transfer to the current rolls of unpaid real property tax of previous years is hereby declared to be mandatory; and the county treasurer shall be allowed not to exceed fifteen (15) days after the delivery to him of said current rolls within which to make such transfer, before he shall be required to open the same for the reception and collection of taxes and to begin the thirty-day nonpenalty-taxpaying period before delinquency.

ENR. H. B. NO. 1963
F. The tax rolls shall be made up as required by and in the form prescribed by the State Auditor and Inspector and shall contain such other information as may be required by the State Auditor and Inspector.

SECTION 3. AMENDATORY 68 O.S. 2011, Section 2884, is amended to read as follows:

Section 2884. A. The full amount of the taxes assessed against the property of any taxpayer who has appealed from a decision affecting the value or taxable status of such property as provided by law shall be paid at the time and in the manner provided by law. If at the time such taxes or any part thereof become delinquent and any such appeal is pending, it shall abate and be dismissed upon a showing that the taxes have not been paid.

B. When such taxes are paid, or by December 31, whichever is earlier, the persons protesting the taxes shall give notice to the county treasurer that an appeal involving such taxes has been taken and is pending, and shall set forth the total amount of tax that has been paid under protest or required by law to be paid prior to April 1 that will be paid under protest. The notice shall be on a form prescribed by the Tax Commission. If taxes are paid in two equal installments and the amount paid under protest does not exceed fifty percent (50%) of the full amount of assessed taxes, all protested taxes shall be specified in the second installment payment. If such amount does exceed fifty percent (50%) of the full amount of assessed taxes, then the portion of protested taxes that exceeds fifty percent (50%) of the full amount of assessed taxes shall be specified in the first installment payment and the entire second installment shall be specified to be paid under protest. The taxpayer shall attach to such notice a copy of the petition filed in the court or other appellate body in which the appeal was taken. For railroads, air carriers, and public service corporations, the amount of taxes protested shall not exceed the amount of tax calculated on the protested assessed valuation specified in the complaint filed pursuant to the provisions of subsection A of Section 2881 of this title.

C. It shall be the duty of the county treasurer to hold taxes paid under protest separate and apart from other taxes collected. Any portion of such taxes not paid under protest shall be apportioned as provided by law. Except as otherwise provided for in this subsection, the treasurer shall invest the protested taxes in
the same manner as the treasurer invests surplus tax funds not paid under protest, but shall select an interest-bearing investment medium which will permit prompt refund or apportionment of the protested taxes upon final determination of the appeal. In cases where the amount of the protested ad valorem taxes by a taxpayer is in excess of Fifteen Thousand Dollars ($15,000.00), the taxpayer may elect to choose the type of investment and where the investment of the protested funds will be deposited as long as the investment is of a type authorized for the county, the depository institution qualifies as a county depository, and the depository institution is located in the applicable county.

D. 1. Prior to January 31 of each year, the county treasurer shall determine the amount of ad valorem taxes paid under protest and those ad valorem taxes that will be paid under protest pursuant to subsection B of this section. The county treasurer shall then notify the State Auditor and Inspector of the total amount of paid protested ad valorem taxes and anticipated protested ad valorem taxes, the total amount of protested taxes and anticipated protested taxes by each individual taxpayer, and how such paid protested ad valorem taxes and anticipated protested ad valorem taxes would have been apportioned to each school district and technology center school district by fund had such amount of protested ad valorem taxes not been protested.

2. The State Auditor and Inspector shall compile all of the information submitted by the county treasurers in a format which shall set forth the total amount of paid and anticipated protested taxes for each school district and technology center school district by fund and a total for each school district and technology center school district by fund. This information shall then be submitted by the State Auditor and Inspector to the State Superintendent of Public Instruction, the Director of the Oklahoma Department of Career and Technology Education, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. If any of the information submitted to the State Auditor and Inspector changes after being submitted, the county treasurer shall notify the State Auditor and Inspector and the State Auditor and Inspector shall submit revised information to the parties enumerated in this paragraph within thirty (30) days of such change.

3. Within ten (10) days of the release of the escrowed ad valorem taxes by the county treasurer, as required by subsection E of this section, the county treasurer shall submit a schedule showing the disposition of the released funds, separated by fund for
each school district and technology center school, to the State Auditor and Inspector. The State Auditor and Inspector shall certify the apportionment schedule and transmit a copy to the State Superintendent of Public Instruction and the Director of the Oklahoma Department of Career and Technology Education.

4. The State Auditor and Inspector shall promulgate any necessary rules to implement the provisions of this subsection.

E. 1. In cases involving taxpayers other than railroads, air carriers, or public service corporations, if upon the final determination of any such appeal, the court shall find that the property was assessed at too great an amount, the board of equalization from whose order the appeal was taken shall certify the corrected valuation of the property of such taxpayers to the county assessor, in accordance with the decision of the court, and shall send a copy of such certificate to the county treasurer. Upon receipt of the corrected certificate of valuation, the county assessor shall compute and certify to the county treasurer the correct amount of taxes payable by the taxpayer. The difference between the amount paid and the correct amount payable, with accrued interest, shall be refunded by the treasurer to the taxpayer upon the taxpayer filing a proper verified claim therefor, and the remainder paid under protest, with accrued interest, shall be apportioned as provided by law.

2. If upon the final determination of any appeal, the court shall find that the property of the railroad, air carrier, or public service corporation was assessed at too great an amount, the State Board of Equalization from whose order the appeal was taken shall certify the corrected valuation of the property of the railroads, air carriers, and public service corporations to the State Auditor and Inspector in accordance with the decision of the court. Upon receipt of the corrected certificate of valuation, the State Auditor and Inspector shall certify to the county treasurer the correct valuation of the railroad, air carrier, or public service corporation and shall send a copy of the certificate to the county assessor, who shall make the correction as specified in Section 2871 of this title. The difference between the amount paid and the correct amount payable with accrued interest shall be refunded by the treasurer upon the taxpayer filing a proper verified claim, and the remainder paid under protest with accrued interest shall be apportioned according to law.
F. If an appeal is upon a question of valuation of the property, then the amount paid under protest by reason of the question of valuation being appealed shall be limited to the amount of taxes assessed against the property for the year in question less the amount of taxes which would be payable by the taxpayer for that year if the valuation of the property asserted by the taxpayer in the appeal were determined by the court to be correct. If an appeal is timely filed by a taxpayer pursuant to subsection A of Section 2880.1 of this title, the amount of taxes payable by the taxpayer shall not exceed the amount based upon the value originally submitted by the assessor to the county board of equalization. If an appeal is timely filed by the county assessor pursuant to subsection A of Section 2880.1 of this title, the amount of taxes payable by the taxpayer shall not exceed the amount of taxes based upon the value assessed by the county assessor and submitted to the board of equalization.

G. If an appeal is upon a question of assessment of the property, then the amount paid under protest by reason of the question of assessment being appealed shall be limited to the amount of taxes assessed against the property for the year in question less the amount of taxes which would be payable by the taxpayer for that year if the assessment of the property asserted by the taxpayer in the appeal was determined by the court to be correct.

SECTION 4. It being immediately necessary for the preservation of the public peace, health and 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 House of Representatives the 29th day of April, 2015.

Presiding Officer of the House of Representatives

Passed the Senate the 22nd day of April, 2015.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 30th day of April, 2015, at 2:45 o'clock P M.

By: Audra Reeswell

Approved by the Governor of the State of Oklahoma this 6th day of May, 2015, at 9:33 o'clock A M.

Mary Fallin
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 6th day of May, 2015, at 5:23 o'clock P M.

By: C. Benge

ENR. H. B. NO. 1963 Page 9
RE: H.B. 2236
SUBJECT: Voluntary Compliance Initiative

House Bill 2236 becomes effective May 20, 2015. This bill allows for a Voluntary Compliance Initiative for unpaid taxes to be paid without penalty.

- Section 1: Reestablishes the Voluntary Compliance Initiative to allow the Oklahoma Tax Commission to set up a Voluntary Compliance initiative, subject to the availability of funds, whereby taxes owed to the state can be repaid without penalty, interest or other collection fees. The initiative is to begin September 14, 2015 and end November 13, 2015.
  - Taxes falling under this initiative include mixed beverage tax, gas tax, gross production tax, sales tax, use tax, income tax, withholding tax and privilege tax.
  - Any fees owed to a debt collection agency for delinquent taxes will not be waived.

Should you have any questions related to this bill, please contact Ms. Renee McWaters, Executive Director of State Aid, at (405) 521-3460 or Ms. Carolyn Thompson, Director of Government Affairs, at (405) 522-3520.

Amendment to: 68 O.S. 216.3
An Act

ENROLLED HOUSE
BILL NO. 2236

By: Sears and Casey of the House

and

Jolley and Treat of the Senate

An Act relating to revenue and taxation; amending 68 O.S. 2011, Section 216.3, which relates to a Voluntary Compliance Initiative; reinstituting Initiative for certain period; allowing for waiver of certain costs; providing that certain fees not be waived; excluding certain tax from certain definition; eliminating certain penalty; and declaring an emergency.

SUBJECT: Voluntary Compliance Initiative

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 216.3, is amended to read as follows:

Section 216.3 A. For the purpose of encouraging the voluntary disclosure and payment of taxes owed to this state, the Oklahoma Tax Commission is hereby authorized and directed, subject to the availability of funds, to establish a Voluntary Compliance Initiative for eligible taxes, as provided in this section. A taxpayer shall be entitled to a waiver of penalty, interest and other collection fees or costs due on eligible taxes if the taxpayer voluntarily files delinquent tax returns and pays the taxes due during the compliance initiative. The time in which a voluntary payment of tax liability may be made or the taxpayer may enter into a payment program acceptable to the Tax Commission for the payment of the unpaid taxes in full in the manner and time established in a
written payment program agreement between the Tax Commission and the
taxpayer under the Voluntary Compliance Initiative is limited to the
period beginning on September 15, 2008 September 14, 2015, and
ending on November 14, 2008 November 13, 2015.

B. Upon payment of the eligible taxes under the Voluntary
Compliance Initiative established, the Tax Commission shall abate
and not seek to collect any interest, penalties, collection fees, or
costs that would otherwise be applicable and release any liens
imposed. Provided, if the delinquent taxes are remitted to a debt
collection agency contracting with the Tax Commission pursuant to
Section 255 of this title, the debt collection agency contract fee
shall not be waived.

C. As used in this section, "eligible taxes" shall include the
following taxes that were due and payable for any tax period or
periods ending before January 1, 2008 January 1, 2015:

1. Mixed beverage tax levied pursuant to Section 576 of Title
37 of the Oklahoma Statutes;

2. Gasoline and diesel tax levied pursuant to Section 500.4 of
Title 68 of the Oklahoma Statutes;

3. Gross production and petroleum excise tax levied pursuant to
Sections 1001, 1101 and 1102 of Title 68 of the Oklahoma Statutes;

4. Franchise tax levied pursuant to Sections 1203 or 1204 of
Title 68 of the Oklahoma Statutes;

5. Sales tax levied pursuant to Sections Section 1354 of Title
68 of the Oklahoma Statutes;

6. Use tax levied pursuant to Section 1402 of Title 68 of
the Oklahoma Statutes;

7. Income tax levied pursuant to Section 2355 of Title 68 of
the Oklahoma Statutes;

8. Withholding tax levied pursuant to Section 2385.2 of
Title 68 of the Oklahoma Statutes; and

9. Privilege tax levied pursuant to Section 2370 of Title 68
of the Oklahoma Statutes.
D. If any eligible tax, or any part thereof, is not paid before the end of the Voluntary Compliance Initiative established under this section or in conformity with a written payment agreement entered into during the Voluntary Compliance Initiative between the Tax Commission and the taxpayer for payment of the unpaid eligible taxes, a penalty equal to the amount of delinquent penalty imposed by the applicable section for nonpayment of the tax shall be added thereto, collected and paid; provided, the Tax Commission shall not collect the penalty assessed in this section if the individual or entity from which the tax liability is due was not eligible to participate in the compliance initiative or the taxpayer has timely filed a protest of an assessment pursuant to Section 221 of Title 68 of the Oklahoma Statutes or is otherwise a contested matter before a court of competent jurisdiction.

E. The Tax Commission shall promulgate rules detailing the terms and other conditions of this program.

F. E. The Tax Commission is authorized to expend necessary available funds, including contracting with third parties, to publicly advertise, assist in the collection of eligible taxes, and administer the Voluntary Compliance Initiative and shall be exempt from the provisions of Section 85.7 of Title 74 of the Oklahoma Statutes for the purpose of implementing this section.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and 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 House of Representatives the 14th day of May, 2015.

[Signature]

Presiding Officer of the House of Representatives

Passed the Senate the 18th day of May, 2015.

[Signature]

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 19th day of May, 2015, at 10:26 o'clock A.M.

By: [Signature]

Approved by the Governor of the State of Oklahoma this 20th day of May, 2015, at 1:26 o'clock P.M.

[Signature]

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 20th day of May, 2015, at 2:46 o'clock P.M.

By: [Signature]
RE: H.B. 2242
SUBJECT: General Appropriations

House Bill 2242 becomes effective July 1, 2015. This bill is the general appropriations bill and makes appropriations to the various agencies of the executive, legislative and judicial departments. It appropriates $2,484,873,132 to the State Board of Education.

- Sections 1-17 (pages 4-6, 37-39): Appropriates $2,484,873,132 to the State Board of Education for Fiscal Year 2016 (FY16), which is the same amount as was appropriated in Fiscal Year 2015 (FY15), as follows:

  - Financial Support of Public Schools (commonly known as the funding formula) is appropriated $1,876,735,176, which is $451,176 more than in FY15.
    - $990,708,890 from the General Revenue Fund
    - $728,835,560 from the Education Reform Revolving Fund
    - $47,372,299 from the Common Education Technology Fund
    - $3,800,000 from the Mineral Leasing Fund FY16
    - $1,602,510 from the Mineral Leasing Fund FY14
    - $24,453,211 from the Oklahoma Lottery Trust Fund FY16
    - $4,962,706 from the Oklahoma Lottery Trust Fund FY14
    - NOTE: $75,000,000 from the Constitutional Reserve Fund is also appropriated for the Financial Support of Public Schools, but that appropriation is made in S.B. 847.

  - Support of Public School Activities (commonly known as the line items) is appropriated $130,178,226 from the General Revenue Fund, which is $8,739,932 less than in FY15.

  - Heath Benefit Allowance (commonly known as Flexible Benefit Allowance/FBA) is appropriated $416,023,565, which is $8,739,932 more than in FY15, from the General Revenue Fund.
    - $267,559,579 for Certified Employees
    - $148,463,986 for Support Personnel

  - Textbooks and Instructional Materials is appropriated $33,000,000 from the Special Cash Fund, which is the same amount as was appropriated in FY15.
• Administrative and Support Functions of the State Department of Education is appropriated $22,399,295 from the General Revenue Fund, which is the same amount as was appropriated in FY15.

• School Consolidation Assistance Fund is appropriated $3,268,435, which is $225,588 less than FY15.
  - $551,412 from the Oklahoma Lottery Trust Fund FY14
  - $2,717,023 from the Oklahoma Lottery Trust Fund FY16

• Oklahoma Teachers Retirement System Dedicated Revenue Revolving Fund is appropriated $3,268,435, which is $225,588 less than FY15.
  - $551,412 from the Oklahoma Lottery Trust Fund FY14
  - $2,717,023 from the Oklahoma Lottery Trust Fund FY16

• The FY16 Budget additionally lists other Dedicated Funds, Interagency Funds and Other Funds going to each state agency. For the State Department of Education, dedicated Funds equal $2,882,683. Interagency Funds equal $48,847. Other Funds, which include local and federal sources of revenue, equal $5,725,637,249. Therefore, the total estimated amount of revenue available to Common Education is shown as $8,213,441,911.

• Section 166: The Ad Valorem Reimbursement Fund is appropriated $28,283,724 from the Special Cash Fund of the State Treasury. These monies will be transferred directly to the Ad Valorem Reimbursement Fund for the purpose of reimbursing counties for school districts that claim a loss of revenue due to tax exemptions. This section of the bill went into effect June 1, 2015 upon the Governor’s signature.

Should you have any questions related to this bill, please contact Ms. Mathangi Shankar, Chief Financial Officer, at (405) 522-0162 or Ms. Carolyn Thompson, Director of Government Affairs, at (405) 522-3520.

New Law Not Codified
An Act relating to general appropriations for the expenses of various agencies of the executive, legislative and judicial departments of the state; defining terms; stating legislative intent; summarizing appropriated funds; summarizing dedicated funds; summarizing interagency funds; summarizing other funds; providing totals; making appropriations to the State Board of Education, the Oklahoma Arts Council, the State Board of Career and Technology Education, the Office of Educational Quality and Accountability, the Oklahoma Educational Television Authority, the Oklahoma State Regents for Higher Education, the Commissioners of the Land Office, the Oklahoma Department of Libraries, the Physician Manpower Training Commission, the Board of Trustees of the Oklahoma School of Science and Mathematics, the Oklahoma Center for the Advancement of Science and Technology, the Office of the State Auditor and Inspector, the Office of the State Bond Advisor, the State Election Board, the Oklahoma Department of Emergency Management, the Ethics Commission, the Office of the Governor, the Oklahoma House of Representatives, the Legislative Service Bureau, the Office of the Lieutenant Governor, the Office of Management and Enterprise Services, the Oklahoma Merit Protection Commission, the Military Department of the State of Oklahoma, the Oklahoma State Senate, the Oklahoma Tax Commission, the Office of the State Treasurer, the Oklahoma Space Industry Development Authority, the Department of Transportation, the State Department of Health, the Oklahoma Health Care Authority, the J.D. McCarty Center for Children with
Developmental Disabilities, the Department of Mental Health and Substance Abuse Services, the Oklahoma State University Medical Authority, the University Hospitals Authority, the Oklahoma Department of Veterans Affairs, the Oklahoma Commission on Children and Youth, the Office of Disability Concerns, the Department of Human Services, the Office of Juvenile Affairs, the State Department of Rehabilitation Services, the Oklahoma Department of Agriculture, Food, and Forestry, the Oklahoma Department of Commerce, the Rural Economic Action Plan Fund, the Oklahoma Conservation Commission, the Corporation Commission, the Department of Environmental Quality, the Oklahoma Historical Society, the Oklahoma Horse Racing Commission, the Insurance Department, the J.M. Davis Memorial Commission, the Department of Labor, the Department of Mines, the Scenic Rivers Commission, the Oklahoma Tourism and Recreation Department, the Oklahoma Water Resources Board, the Will Rogers Memorial Commission, the Alcoholic Beverage Laws Enforcement Commission, the Department of Corrections, the Office of the State Fire Marshal, the Oklahoma State Bureau of Investigation, the Council on Law Enforcement Education and Training, the Board of Medicolegal Investigations, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Department of Public Safety, the Office of the Attorney General, the Court of Criminal Appeals, district attorneys and the District Attorneys Council, the Supreme Court, the Oklahoma Indigent Defense System, the Pardon and Parole Board, the Special Cash Fund and the Quick Action Closing Fund; stating amounts of the appropriations; stating purposes and restrictions; authorizing and requiring certain expenditures; authorizing and requiring certain transfers; reappropriating and redesignating certain funds; providing for noncodification; and providing effective dates.

SUBJECT: General appropriations

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

ENR. H. B. NO. 2242
SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

A. As used in this section:

1. "Total" shall mean the aggregate total of all fund sources;

2. "Appropriated funds" shall mean those funds identified in Sections 2 through 181 of this act, as well as those identified in Enrolled Senate Bill Nos. 846 and 847 of the 1st Session of the 55th Oklahoma Legislature, as appropriated from the General Revenue Fund or from such other funds to the state agencies indicated;

3. "Dedicated funds" shall mean funds available for expenditure by a state agency in a revolving fund or other source identified as available for use by that agency;

4. "Interagency funds" shall mean funds received by one state agency from another state agency for services rendered as provided by law; and

5. "Other funds" shall mean funds received from the federal government or any political subdivision of this state, or pursuant to gifts, grants, contributions or entitlements.

B. It is the intent of the Legislature that amounts identified in this section are identified for informational purposes only and such identification shall not limit the agency to such amounts if additional funding is made available for expenditure in fiscal year 2016. It is the further intent of the Legislature that no ad valorem tax revenue identified as "other funds" in this section be construed as being used for state purposes.
<table>
<thead>
<tr>
<th>Appropriated Funds</th>
<th>Dedicated Funds</th>
<th>Interagency Funds</th>
<th>Other Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY'16 General Revenue Fund for Financial Support of Public Schools</td>
<td>$990,708,890</td>
<td></td>
<td></td>
<td>$990,708,890</td>
</tr>
<tr>
<td>Education Reform Revolving Fund for Financial Support of Public Schools</td>
<td>$728,835,560</td>
<td></td>
<td></td>
<td>$728,835,560</td>
</tr>
<tr>
<td>FY'16 Mineral Leasing Fund for Financial Support of Public Schools</td>
<td>$3,800,000</td>
<td></td>
<td></td>
<td>$3,800,000</td>
</tr>
<tr>
<td>FY'14 Mineral Leasing Fund for Financial Support of Public Schools</td>
<td>$1,602,510</td>
<td></td>
<td></td>
<td>$1,602,510</td>
</tr>
<tr>
<td>FY'16 Oklahoma Lottery Trust Fund for Financial Support of Public Schools</td>
<td>$24,453,211</td>
<td></td>
<td></td>
<td>$24,453,211</td>
</tr>
<tr>
<td>FY'14 Oklahoma Lottery Trust Fund for Financial Support of Public Schools</td>
<td>$4,962,706</td>
<td></td>
<td></td>
<td>$4,962,706</td>
</tr>
<tr>
<td>FY'16 General Revenue Fund for the Support of Public Schools Activities Fund</td>
<td>$130,178,226</td>
<td></td>
<td></td>
<td>$130,178,226</td>
</tr>
<tr>
<td>FY'16 General Revenue Fund for the Certified Employee Health Benefit Allowance</td>
<td>$267,559,579</td>
<td></td>
<td></td>
<td>$267,559,579</td>
</tr>
<tr>
<td>FY'16 General Revenue Fund for the Support Personnel Health Benefit Allowance</td>
<td>$148,463,986</td>
<td></td>
<td></td>
<td>$148,463,986</td>
</tr>
<tr>
<td>Special Cash Fund for Textbooks and Instructional Materials</td>
<td>$33,000,000</td>
<td></td>
<td></td>
<td>$33,000,000</td>
</tr>
<tr>
<td>FY'16 General Revenue Fund for Administrative and Support Functions of the State Department of Education</td>
<td>$22,399,295</td>
<td></td>
<td></td>
<td>$22,399,295</td>
</tr>
<tr>
<td>FY'16 Oklahoma Lottery Trust Fund for Transfer to the School Consolidation Assistance Fund</td>
<td>$2,717,023</td>
<td></td>
<td></td>
<td>$2,717,023</td>
</tr>
<tr>
<td>FY'14 Oklahoma Lottery Trust Fund for Transfer to the School Consolidation Assistance Fund</td>
<td>$551,412</td>
<td></td>
<td></td>
<td>$551,412</td>
</tr>
<tr>
<td>FY'16 Oklahoma Lottery Trust Fund for Transfer to the Oklahoma Teachers Retirement System Dedicated Revenue Revolving Fund</td>
<td>$2,717,023</td>
<td></td>
<td></td>
<td>$2,717,023</td>
</tr>
<tr>
<td>Appropriated Funds</td>
<td>Dedicated Funds</td>
<td>Interagency Funds</td>
<td>Other Funds</td>
<td>Total</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------</td>
<td>------------------</td>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td>FY'14 Oklahoma Lottery Trust Fund for Transfer to the Oklahoma Teachers Retirement System Dedicated Revenue Revolving Fund</td>
<td>$551,412</td>
<td>$551,412</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constitutional Reserve Fund</td>
<td>$75,000,000</td>
<td>$75,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statistical Survey Revolving Fund 220 for Duties</td>
<td>$24,000</td>
<td>$24,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and Donations Revolving Fund 225 for Duties</td>
<td>$700,000</td>
<td>$700,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drug Abuse Education Revolving Fund 235 for Duties</td>
<td>$70,000</td>
<td>$70,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teachers Certificate Fund 240 for Duties</td>
<td>$1,184,183</td>
<td>$1,184,183</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drivers Education Revolving Fund 255 for Duties</td>
<td>$900,000</td>
<td>$900,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oklahoma Early Intervention Revolving Fund 250 for Duties</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charter Schools Incentive Revolving Fund 275 for Duties</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statewide Virtual Charter School Board Revolving Fund 276 for Duties</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oklahoma Youth and Government Revolving Fund 286 for Duties</td>
<td>$1,000</td>
<td>$1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deer Creek Foundation License Plate Revolving Fund 287 for Duties</td>
<td>$3,500</td>
<td>$3,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency Relationship Fund 430 for Duties</td>
<td>$48,689</td>
<td>$48,689</td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Lunch Division Federal Administration Fund 435 for Duties</td>
<td>$6,019,542</td>
<td>$6,019,542</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interagency Reimbursement Fund 443 for Duties</td>
<td>$48,847</td>
<td>$48,847</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Educational Programs Revolving Fund 450 for Duties</td>
<td>$32,665,422</td>
<td>$32,665,422</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Revenues</td>
<td>$1,689,126,972</td>
<td>$1,689,126,972</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Sinking Funds</td>
<td>$548,267,514</td>
<td>$548,267,514</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Revenues</td>
<td>$681,618,237</td>
<td>$681,618,237</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Dedicated Funds</td>
<td>$475,118,990</td>
<td>$475,118,990</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intermediate Funds</td>
<td>$140,861,801</td>
<td>$140,861,801</td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Districts (carry forward and other misc. revenue)</td>
<td>$1,856,105,365</td>
<td>$1,856,105,365</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriated Funds</td>
<td>Dedicated Funds</td>
<td>Interagency Funds</td>
<td>Other Funds</td>
<td>Total</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------</td>
<td>------------------</td>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td>Oklahoma Teachers Retirement System Apportionment</td>
<td>$2,484,873,132</td>
<td>$2,882,683</td>
<td>$48,847</td>
<td>$8,213,441,913</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,484,873,132</strong></td>
<td><strong>$2,882,683</strong></td>
<td><strong>$48,847</strong></td>
<td><strong>$8,213,441,913</strong></td>
</tr>
</tbody>
</table>

**State Arts Council**

| FY'16 General Revenue Fund for Duties | $3,510,505 | $3,510,505 |
| Oklahoma Arts Council Arts Education Revolving Fund 200 for Duties | $215,625 | $215,625 |
| National Endowment for the Arts Federal Fund 440 for Duties | $800,000 | $800,000 |
| Americans for the Arts State Policy Pilot Program Grant for Duties | $10,000 | $10,000 |
| **TOTAL** | **$3,510,505** | **$215,625** | **$0** | **$4,536,130** |

**State Board of Career and Technology Education**

| FY'16 General Revenue for Duties | $128,277,188 | $128,277,188 |
| FY'14 Oklahoma Lottery Trust Fund for Education, General Operating Budgets of the Institutions, Construction Renovations or Repairs and Other Programs | $2,988,726 | $2,988,726 |
| Agency Relationship Revolving Fund 430 for Duties | $7,013,500 | $485,893,323 | $492,906,823 |
| Agency Special Account Fund 730 for Duties | $350,000 | $350,000 |
| **TOTAL** | **$133,872,467** | **$4,350,000** | **$8,513,500** | **$632,629,290** |

**Office of Educational Quality and Accountability**

| FY'16 General Revenue Fund for Duties | $1,332,470 | $1,332,470 |
| Special Cash Fund for Duties | $500,000 | $500,000 |
| Office of Educational Quality and Accountability Revolving Fund 200 for Duties | $25,000 | $25,000 |
EDUCATION

SECTION 2. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2016, the sum of Nine Hundred Ninety Million Seven Hundred Eight Thousand Eight Hundred Ninety Dollars ($990,708,890.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 3. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Education Reform Revolving Fund created in Section 34.89 of Title 62 of the Oklahoma Statutes the sum of Seven Hundred Twenty-eight Million Eight Hundred Thirty-five Thousand Five Hundred Sixty Dollars ($728,835,560.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 4. The State Board of Education is hereby authorized to expend during the fiscal year ending June 30, 2016, from the Common Education Technology Revolving Fund of the State Treasury the sum of Forty-seven Million Three Hundred Seventy-two Thousand Two Hundred Ninety-nine Dollars ($47,372,299.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 5. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Mineral Leasing Fund of the State Treasury for the fiscal year ending June 30, 2016, the sum of Three Million Eight Hundred Thousand Dollars ($3,800,000.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 6. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Mineral Leasing Fund of the State Treasury for the fiscal year ending June 30, 2014, the sum of One Million Six Hundred Two Thousand Five Hundred Ten Dollars ($1,602,510.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 7. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Oklahoma Education Lottery Trust Fund of the State Treasury for the fiscal year ending June 30, 2016, the sum of Twenty-four Million Four Hundred Fifty-three Thousand Two Hundred Eleven Dollars
($24,453,211.00) or so much thereof as may be necessary for the
financial support of public schools.

SECTION 8. There is hereby appropriated to the State Board of
Education from any monies not otherwise appropriated from the
Oklahoma Education Lottery Trust Fund of the State Treasury for the
fiscal year ending June 30, 2014, the sum of Four Million Nine
Hundred Sixty-two Thousand Seven Hundred Six Dollars ($4,962,706.00)
or so much thereof as may be necessary for the financial support of
public schools.

SECTION 9. There is hereby appropriated to the State Board of
Education from any monies not otherwise appropriated from the
General Revenue Fund of the State Treasury for the fiscal year
ending June 30, 2016, the sum of One Hundred Thirty Million One
Hundred Seventy-eight Thousand Two Hundred Twenty-six Dollars
($130,178,226.00) or so much thereof as may be necessary for the
support of public schools activities.

SECTION 10. There is hereby appropriated to the State Board of
Education from any monies not otherwise appropriated from the
General Revenue Fund of the State Treasury for the fiscal year
ending June 30, 2016, the sum of Two Hundred Sixty-seven Million
Five Hundred Fifty-nine Thousand Five Hundred Seventy-nine Dollars
($267,559,579.00) or so much thereof as may be necessary for the
Certified Employee Health Benefit Allowance.

SECTION 11. There is hereby appropriated to the State Board of
Education from any monies not otherwise appropriated from the
General Revenue Fund of the State Treasury for the fiscal year
ending June 30, 2016, the sum of One Hundred Forty-eight Million
Four Hundred Sixty-three Thousand Nine Hundred Eighty-six Dollars
($148,463,986.00) or so much thereof as may be necessary for the
Support Personnel Health Benefit Allowance.

SECTION 12. There is hereby appropriated to the State Board of
Education from any monies not otherwise appropriated from the
Special Cash Fund of the State Treasury the sum of Thirty-three
Million Dollars ($33,000,000.00) or so much thereof as may be
necessary for the purchase of textbooks and instructional materials.

SECTION 13. There is hereby appropriated to the State Board of
Education from any monies not otherwise appropriated from the
General Revenue Fund of the State Treasury for the fiscal year
ending June 30, 2016, the sum of Twenty-two Million Three Hundred
Ninety-nine Thousand Two Hundred Ninety-five Dollars ($22,399,295.00) or so much thereof as may be necessary for administrative and support functions of the State Department of Education.

SECTION 14. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Oklahoma Education Lottery Trust Fund of the State Treasury for the fiscal year ending June 30, 2016, the sum of Two Million Seven Hundred Seventeen Thousand Twenty-three Dollars ($2,717,023.00) or so much thereof as may be necessary for transfer to the School Consolidation Assistance Fund.

SECTION 15. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Oklahoma Education Lottery Trust Fund of the State Treasury for the fiscal year ending June 30, 2014, the sum of Five Hundred Fifty-one Thousand Four Hundred Twelve Dollars ($551,412.00) or so much thereof as may be necessary for transfer to the School Consolidation Assistance Fund.

SECTION 16. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Oklahoma Education Lottery Trust Fund of the State Treasury for the fiscal year ending June 30, 2016, the sum of Two Million Seven Hundred Seventeen Thousand Twenty-three Dollars ($2,717,023.00) or so much thereof as may be necessary for transfer to the Teachers' Retirement System Dedicated Revenue Revolving Fund.

SECTION 17. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Oklahoma Education Lottery Trust Fund of the State Treasury for the fiscal year ending June 30, 2014, the sum of Five Hundred Fifty-one Thousand Four Hundred Twelve Dollars ($551,412.00) or so much thereof as may be necessary for transfer to the Teachers' Retirement System Dedicated Revenue Revolving Fund.

SECTION 18. There is hereby appropriated to the Oklahoma Arts Council from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2016, the sum of Three Million Five Hundred Ten Thousand Five Hundred Five Dollars ($3,510,505.00) or so much thereof as may be necessary to perform the duties imposed upon the Oklahoma Arts Council by law.
may be necessary to be expended for lease payments pursuant to Section 345 of Title 73 of the Oklahoma Statutes for the fiscal year ending June 30, 2016.

SECTION 166. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Special Cash Fund of the State Treasury the sum of Twenty-eight Million Two Hundred Eighty-three Thousand Seven Hundred Twenty-four Dollars ($28,283,724.00) to be transferred to the Ad Valorem Reimbursement Fund, created pursuant to Section 193 of Title 62 of the Oklahoma Statutes, for the purpose of reimbursing counties for school districts that claim a loss of revenue due to a tax exemption granted pursuant to the provisions of Section 6B of Article X of the Oklahoma Constitution.

SECTION 167. There is hereby appropriated to the Oklahoma Educational Television Authority from any monies not otherwise appropriated from the Special Cash Fund of the State Treasury the sum of Three Hundred Eighty Thousand Dollars ($380,000.00) or so much thereof as may be necessary to perform the duties imposed upon the Oklahoma Educational Television Authority by law.

SECTION 168. There is hereby appropriated to the Military Department of the State of Oklahoma from any monies not otherwise appropriated from the Special Cash Fund of the State Treasury the sum of One Million Dollars ($1,000,000.00) or so much thereof as may be necessary to perform the duties imposed upon the Military Department of the State of Oklahoma by law.

SECTION 169. There is hereby appropriated to the Special Cash Fund of the State Treasury from any monies not otherwise appropriated from the County Improvement for Roads and Bridges Revolving Fund (285 Fund) the sum of Fifty Million Dollars ($50,000,000.00) for availability of appropriation.

SECTION 170. There is hereby appropriated to the Special Cash Fund of the State Treasury from any monies not otherwise appropriated from the C.L.E.E.T. Training Center Revolving Fund (215 Fund) the sum of One Hundred Thousand Dollars ($100,000.00) for availability of appropriation.

SECTION 171. There is hereby appropriated to the Special Cash Fund of the State Treasury from any monies not otherwise appropriated from the Department of Environmental Quality Revolving Fund.
Passed the House of Representatives the 20th day of May, 2015.

(By signature)

Presiding Officer of the House of Representatives

Passed the Senate the 22nd day of May, 2015.

(By signature)

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 22nd day of May, 2015, at 8:15 o'clock P M.

By: (Signature)

Audrey Rookwell

Approved by the Governor of the State of Oklahoma this 1st day of June, 2015, at 3:32 o'clock P M.

(By signature)

Mary Fallin
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 1st day of June, 2015, at 4:13 o'clock P M.

By: (Signature)

C. Benge
RE: H.B. 2244

SUBJECT: Apportionment of Motor Vehicle Fees, Taxes and Penalties

House Bill 2244 becomes effective July 1, 2015. This bill caps apportionments from the Oklahoma Vehicle License and Registration Act.

- Current law apportions 36.20% of the fees, taxes and penalties collected according to the Oklahoma Vehicle License and Registration Act to school districts.

- Section 1(B): For each year after July 1, 2015, 36.20% will be apportioned to school districts. In any year where the amount apportioned exceeds the amount apportioned in FY15, the excess will go to the General Revenue Fund.

Should you have any questions related to this bill, please contact Ms. Renee McWaters, Executive Director of State Aid, at (405) 521-3460 or Ms. Carolyn Thompson, Director of Government Affairs, at (405) 522-3520.

Amendment to: 47 O.S. 1104
An Act relating to motor vehicles; amending 47 O.S. 2011, Section 1104, as amended by Section 1, Chapter 347, O.S.L. 2012 (47 O.S. Supp. 2014, Section 1104), which relates to apportionment of motor vehicle fees, taxes and penalties; placing limits on certain apportionments; providing for distribution of amounts in excess of limits; removing certain deduction for certain apportionment; deleting certain minimum apportionment requirements; providing an effective date; and declaring an emergency.

SUBJECT: Apportionment of motor vehicle fees, taxes and penalties

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

SECTION 1. AMENDATORY 47 O.S. 2011, Section 1104, as amended by Section 1, Chapter 347, O.S.L. 2012 (47 O.S. Supp. 2014, Section 1104), is amended to read as follows:

Section 1104. A. Unless otherwise provided by law, all fees, taxes and penalties collected or received pursuant to the Oklahoma Vehicle License and Registration Act or Section 1-101 et seq. of this title shall be apportioned and distributed monthly by the Oklahoma Tax Commission in accordance with this section.

B. 1. The following percentages of the monies referred to in subsection A of this section shall be apportioned to the various school districts in accordance with paragraph 2 of this subsection:
a. from October 1, 2000, until June 30, 2001, thirty-five and forty-six one-hundredths percent (35.46%),

b. for the year beginning July 1, 2001, and ending June 30, 2002, thirty-five and ninety-one one-hundredths percent (35.91%), and

c. for the year beginning July 1, 2002, and all subsequent years through the year ending on June 30, 2015, thirty-six and twenty-one hundredths percent (36.20%), and

d. for the year beginning July 1, 2015, and all subsequent years, thirty-six and twenty-one hundredths percent (36.20%), but in no event shall the amount apportioned in any fiscal year pursuant to this subparagraph exceed the total amount apportioned for the fiscal year ending on June 30, 2015. Any amounts in excess of such limitation shall be placed to the credit of the General Revenue Fund.

2. The monies apportioned pursuant to subparagraphs a through c of paragraph 1 of this subsection shall be apportioned to the various school districts as follows:

a. except as otherwise provided in this subparagraph, each district shall receive the same amount of funds as such district received from the taxes and fees provided in this title in the corresponding month of the preceding year. Any district eligible for funds pursuant to the provisions of this section that was not eligible the preceding year shall receive an amount equal to the average daily attendance of the applicable year multiplied by the average daily attendance apportionment within such county for each appropriate month. For fiscal year 1995 and thereafter, any district which received less than twenty-five percent (25%) of the average apportionment of the monies made to school districts in this state based on average daily attendance in fiscal year 1995 shall receive an amount equal to the average daily attendance in the 1994-1995 school year multiplied by the average daily attendance apportionment within the
county in which the district is located for each appropriate month, and

b. any funds remaining unallocated following the allocation provided in subparagraph a of this paragraph shall be apportioned to the various school districts so that each district shall first receive the cumulative total of the monthly apportionments for which it is otherwise eligible under subparagraph a of this paragraph and then an amount based upon the proportion that each district's average daily attendance bears to the total average daily attendance of those districts entitled to receive funds pursuant to this section as certified by the State Department of Education.

Each district's allocation of funds shall be remitted to the county treasurer of the county wherein the administrative headquarters of the district are located.

No district shall be eligible for the funds herein provided unless the district makes an ad valorem tax levy of fifteen (15) mills and maintains nine (9) years of instruction and pursuant to the rules of the State Board of Education, is authorized to maintain ten (10) years of instruction.

C. 4. The following percentages of the monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the General Revenue Fund of the State Treasury:

a. from

1. From October 1, 2000, until June 30, 2001, forty-five and ninety-seven one-hundredths percent (45.97%) \(\pi_L\)

b. for

2. For the year beginning July 1, 2001, and ending June 30, 2002, forty-five and twenty-nine one-hundredths percent (45.29%) \(\pi_L\)

c. for
3. For the year beginning July 1, 2002, and for the subsequent fiscal years ending June 30, 2007, forty-four and eighty-four one-hundredths percent (44.84%) for

4. For the year beginning July 1, 2007, and ending June 30, 2008, thirty-nine and eighty-four one-hundredths percent (39.84%) for

5. For the year beginning July 1, 2008, and ending June 30, 2009, thirty-four and eighty-four one-hundredths percent (34.84%) for

6. For the period beginning July 1, 2009, and ending December 31, 2012, twenty-nine and eighty-four one-hundredths percent (29.84%) for

7. For the period beginning January 1, 2013, and ending June 30, 2013, twenty-nine and thirty-four one-hundredths percent (29.34%) for

8. For the year beginning July 1, 2013, and ending June 30, 2014, twenty-six and eighty-four one-hundredths percent (26.84%) and

9. For the year beginning July 1, 2014, and all subsequent years, twenty-four and eighty-four one-hundredths percent (24.84%)

2. In the event that additional monies are necessary pursuant to subsection N of this section, such additional monies shall be deducted from the monies apportioned to the General Revenue Fund.

D. The following percentages of the monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the State Transportation Fund:
1. From October 1, 2000, until June 30, 2001, thirty one-hundredths percent (0.30%); and

2. For the year beginning July 1, 2001, and all subsequent years through the year ending on June 30, 2015, thirty-one one-hundredths percent (0.31%); and

3. For the year beginning July 1, 2015, and all subsequent years, thirty-one one-hundredths percent (0.31%), but in no event shall the amount apportioned in any fiscal year pursuant to this paragraph exceed the total amount apportioned for the fiscal year ending on June 30, 2015. Any amounts in excess of such limitation shall be placed to the credit of the General Revenue Fund.

E. 1. The following percentages of the monies referred to in subsection A of this section shall be apportioned to the various counties as set forth in paragraph 2 of this section:

   a. from October 1, 2000, until June 30, 2001, seven and nine one-hundredths percent (7.09%),

   b. for the year beginning July 1, 2001, and ending June 30, 2002, seven and eighteen one-hundredths percent (7.18%), and

   c. for the year beginning July 1, 2002, and all subsequent years through the year ending on June 30, 2015, seven and twenty-four one-hundredths percent (7.24%), and

   d. for the year beginning July 1, 2015, and all subsequent years, seven and twenty-four one-hundredths percent (7.24%), but in no event shall the amount apportioned in any fiscal year pursuant to this subparagraph exceed the total amount apportioned for the fiscal year ending on June 30, 2015. Any amounts in excess of such limitation shall be placed to the credit of the General Revenue Fund.

2. The monies apportioned pursuant to subparagraphs a through c of paragraph 1 of this subsection shall be apportioned as follows: forty percent (40%) of such sum shall be distributed to the various counties in that proportion which the county road mileage of each county bears to the entire state road mileage as certified by the Transportation Commission and the remaining sixty percent (60%) of
such sum shall be distributed to the various counties on the basis which the population and area of each county bears to the total population and area of the state. The population shall be as shown by the last Federal Census or the most recent annual estimate provided by the United States Bureau of the Census. The funds shall be used for the purpose of constructing and maintaining county highways, provided, however, the county treasurer may deposit so much of the funds in the sinking fund as may be necessary for the retirement of interest and annual accrual of indebtedness created by the issuance of county or township bonds for road purposes. Such deposits to the sinking fund shall not exceed forty percent (40%) of the funds allocated to a county pursuant to this paragraph.

F. 1. The following percentages of the monies referred to in subsection A of this section shall be remitted to the county treasurers of the respective counties and by them deposited in a separate special revenue fund to be used by the county commissioners in accordance with paragraph 2 of this subsection:

a. from October 1, 2000, until June 30, 2001, two and fifty-three one-hundredths percent (2.53%),

b. for the year beginning July 1, 2001, and ending June 30, 2002, two and fifty-six one-hundredths percent (2.56%), and

c. for the year beginning July 1, 2002, and all subsequent years through the year ending on June 30, 2015, two and fifty-nine one-hundredths percent (2.59%), and

d. for the year beginning July 1, 2015, and all subsequent years, two and fifty-nine one-hundredths percent (2.59%), but in no event shall the amount apportioned in any fiscal year pursuant to this subparagraph exceed the total amount apportioned for the fiscal year ending on June 30, 2015. Any amounts in excess of such limitation shall be placed to the credit of the General Revenue Fund.

2. The monies apportioned pursuant to subparagraphs a through c of paragraph 1 of this subsection shall be used for the primary purpose of matching federal funds for the construction of federal aid projects on county roads, or constructing and maintaining county or township highways and permanent bridges of such counties. The
distribution of monies apportioned by this paragraph shall be made
upon the basis of the current formula based upon road mileage, area
and population as related to county road improvement and maintenance
costs. Provided, however, the Department of Transportation may
update the formula factors from time to time as necessary to account
for changing conditions.

G. 1. The following percentages of the monies referred to in
subsection A of this section shall be transmitted by the Tax
Commission to the various counties as set forth in paragraph 2 of
this subsection:

   a. from October 1, 2000, until June 30, 2001, three and
      fifty-five one-hundredths percent (3.55%),

   b. for the year beginning July 1, 2001, and ending June
      30, 2002, three and fifty-nine one-hundredths percent
      (3.59%), and

   c. for the year beginning July 1, 2002, and all
      subsequent years through the year ending on June 30,
      2015, three and sixty-two one-hundredths percent
      (3.62%), and

   d. for the year beginning July 1, 2015, and all
      subsequent years, three and sixty-two one-hundredths
      percent (3.62%), but in no event shall the amount
      apportioned in any fiscal year pursuant to this
      subparagraph exceed the total amount apportioned for
      the fiscal year ending on June 30, 2015. Any amounts
      in excess of such limitation shall be placed to the
      credit of the General Revenue Fund.

2. The monies apportioned pursuant to subparagraphs a through c
of paragraph 1 of this subsection shall be transmitted to the
various counties on the basis of a formula to be developed by the
Department of Transportation. Such formula shall be similar to that
currently used for the distribution of County Bridge Program Funds,
but also taking into consideration the effect of terrain and traffic
volume as related to county road improvement and maintenance costs.
Provided, however, the Department of Transportation may update the
formula factors from time to time as necessary to account for
changing conditions. The funds shall be transmitted to the various
county treasurers to be deposited in the county highway fund of
their respective counties.
H. 1. The following percentages of the monies referred to in subsection A of this section shall be apportioned to the various counties as set forth in paragraph 2 of this subsection:

a. from October 1, 2000, until June 30, 2001, eighty-one one-hundredths percent (0.81%),

b. for the year beginning July 1, 2001, and ending June 30, 2002, eighty-two one-hundredths percent (0.82%), and

c. for the year beginning July 1, 2002, and all subsequent years through the year ending on June 30, 2015, eighty-three one-hundredths percent (0.83%), and

d. for the year beginning July 1, 2015, and all subsequent years, eighty-three one-hundredths percent (0.83%), but in no event shall the amount apportioned in any fiscal year pursuant to this subparagraph exceed the total amount apportioned for the fiscal year ending on June 30, 2015. Any amounts in excess of such limitation shall be placed to the credit of the General Revenue Fund.

2. The monies apportioned pursuant to subparagraphs a through c of paragraph 1 of this subsection shall be apportioned to the various counties as follows:

a. each county shall receive the same amount of funds as such county received from the taxes and fees provided for in the 1985 fiscal year, and

b. any funds remaining unallocated following the allocation provided in subparagraph a of this paragraph shall be apportioned to the various counties based upon the proportion that each county's population bears to the total state population.

Each county's allocation of funds shall be remitted to the various county treasurers to be deposited in the general fund of the county and used for the support of county government.

I. 1. The following percentages of the monies referred to in subsection A of this section shall be apportioned to the various
cities and incorporated towns as set forth in paragraph 2 of this subsection:

a. from October 1, 2000, until June 30, 2001, three and four one-hundredths percent (3.04%),

b. for the year beginning July 1, 2001, and ending June 30, 2002, three and eight one-hundredths percent (3.08%), and

c. for the year beginning July 1, 2002, and all subsequent years through the year ending on June 30, 2015, three and ten one-hundredths percent (3.10%), and

d. for the year beginning July 1, 2015, and all subsequent years, three and ten one-hundredths percent (3.10%), but in no event shall the amount apportioned in any fiscal year pursuant to this subparagraph exceed the total amount apportioned for the fiscal year ending on June 30, 2015. Any amounts in excess of such limitation shall be placed to the credit of the General Revenue Fund.

2. The monies apportioned pursuant to subparagraphs a through c of paragraph 1 of this subsection shall be apportioned to the various cities and incorporated towns based upon the proportion that each city or incorporated town’s population bears to the total population of all cities and incorporated towns in the state. Such funds shall be remitted to the various county treasurers for allocation to the various cities and incorporated towns. All such funds shall be used for the construction, maintenance, repair, improvement and lighting of streets and alleys. Provided, however, the governing board of any city or town may, with the approval of the county excise board, transfer any surplus funds to the general revenue fund of such city or town whenever an emergency requires such a transfer.

J. The following percentages of the monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the Oklahoma Law Enforcement Retirement Fund:

1. From October 1, 2000, until June 30, 2001, one and twenty-two one-hundredths percent (1.22%);
2. For the year beginning July 1, 2001, and ending June 30, 2002, one and twenty-three one-hundredths percent (1.23%); and

3. For the year beginning July 1, 2002, and all subsequent years, one and twenty-four one-hundredths percent (1.24%).

K. Three one-hundredths of one percent (3/100 of 1%) of the monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the Wildlife Conservation Fund. Seventy-five percent (75%) of the funds shall be used for fish habitat restoration and twenty-five percent (25%) of the funds shall be used in the fish hatchery system for fish production.

L. 1. For the year beginning July 1, 2007, and ending June 30, 2008, five percent (5%) of monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the County Improvements for Roads and Bridges Fund as created in Section 507 of Title 69 of the Oklahoma Statutes.

2. For the year beginning July 1, 2008, and ending June 30, 2009, ten percent (10%) of monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the County Improvements for Roads and Bridges Fund as created in Section 507 of Title 69 of the Oklahoma Statutes.

3. For the period beginning July 1, 2009, and ending December 31, 2012, fifteen percent (15%) of monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the County Improvements for Roads and Bridges Fund as created in Section 507 of Title 69 of the Oklahoma Statutes.

4. For the period beginning January 1, 2013, and ending June 30, 2013, fifteen and fifty one-hundredths percent (15.50%) of monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the County Improvements for Roads and Bridges Fund as created in Section 507 of Title 69 of the Oklahoma Statutes.

5. For the year beginning July 1, 2013, and ending June 30, 2014, eighteen percent (18%) of monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the County Improvements for Roads and Bridges Fund as created in Section 507 of Title 69 of the Oklahoma Statutes.
6. For the year beginning July 1, 2014, and all subsequent years, twenty percent (20%) of monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the County Improvements for Roads and Bridges Fund as created in Section 507 of Title 69 of the Oklahoma Statutes.

7. For the year beginning July 1, 2015, and all subsequent years, twenty percent (20%) of monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the County Improvements for Roads and Bridges Fund as created in Section 507 of Title 69 of the Oklahoma Statutes, but in no event shall the total amount apportioned in any fiscal year pursuant to this paragraph exceed One Hundred Twenty Million Dollars ($120,000,000.00). Any amounts in excess of One Hundred Twenty Million Dollars ($120,000,000.00) shall be placed to the credit of the General Revenue Fund.

M. Monies allocated to counties by this section may be estimated by the county excise board in the budget for the county as anticipated revenue to the extent of ninety percent (90%) of the previous year's income from such source; provided, not more than fifteen percent (15%) can be encumbered during any month.

N. In no event shall the monies apportioned pursuant to subsections B, E, F, G, H, I and L of this section be less than the monies apportioned in the previous fiscal year.

O. Notwithstanding any other provisions of this section, for the fiscal year beginning July 1, 2003, the first One Hundred Thousand Dollars ($100,000.00) of the monies collected or received by the Tax Commission pursuant to the registration of motorcycles and mopeds in this state shall be placed to the credit of the Oklahoma Tax Commission Revolving Fund.

SECTION 2. This act shall become effective July 1, 2015.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and 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 House of Representatives the 20th day of May, 2015.

[Signature]
Presiding Officer of the House of Representatives

Passed the Senate the 22nd day of May, 2015.

[Signature]
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 22nd
day of May, 2015, at 8:15 o'clock P.M.
By: [Signature]

Approved by the Governor of the State of Oklahoma this 15th
day of June, 2015, at 3:33 o'clock P.M.

[Signature]
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 15th
day of June, 2015, at 4:13 o'clock P.M.
By: [Signature]

ENR. H. B. NO. 2244
RE: S.B. 335  
SUBJECT: Ad Valorem Tax

Senate Bill 335 becomes effective November 1, 2015. This bill requires the Oklahoma Tax Commission to provide lists of pipeline property and values by taxing jurisdiction to county assessors.

• Current law directs pipeline companies doing business in the state to submit a sworn statement or schedule to the Oklahoma Tax Commission, to include things such as the right-of-way, main line length and size, and the proportion in each city, school district and county, complete lists of all pumping stations, storage depots, machine shops and other buildings along with their location in the city, school district and county, etc.

• Section 1(B): Requires the Tax Commission to provide each assessor, listed on the aforementioned report, schedules which detail descriptions and corresponding values by taxing jurisdiction of all pipeline company property listed to ensure it is reported for, and the resulting tax revenues are attributed to the correct city, school district and county where the taxable property is located.

Should you have any questions related to this bill, please contact Ms. Renee McWaters, Executive Director of State Aid, at (405) 521-3460 or Ms. Carolyn Thompson, Director of Government Affairs, at (405) 522-3520.

Amendment to: 68 O.S. 2851
An Act

ENROLLED SENATE
BILL NO. 335

By: Fields of the Senate
and
Denney of the House

An Act relating to ad valorem tax; amending 68 O.S. 2011, Section 2851, which relates to property of pipeline companies; requiring Oklahoma Tax Commission to provide county assessor certain schedule for specified purpose; and providing an effective date.

SUBJECT: Ad valorem tax

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2851, is amended to read as follows:

Section 2851. A. Each pipeline company doing business in this state shall return to the Oklahoma Tax Commission a sworn statement or schedule as follows:

1. The right-of-way and main line, giving the entire length of main line in this and other states, showing the size of pipe and showing the proportion in each city, school district, and county, and the total in this state;

2. The total length of each lateral or branch line and the size of the pipe, together with the name of each city, school district, and county in which such lateral and branch lines are located;
3. A complete list giving location as to city, school district or county of all pumping stations, storage depots, machine shops, or other buildings together with all machinery, tools, tanks and material;

4. A statement or schedule showing the amount of its authorized capital stock and the number of shares into which the same is divided; the amount of capital stock paid up; the market value of such stock, or if it has no market value, then the actual value thereof, and the total amount of outstanding bonded indebtedness; and

5. A correct detailed statement of all other personal property, including oil in storage, and giving the location thereof.

B. Notwithstanding the provisions of Section 205 of this title, the Tax Commission shall provide the assessor for each county listed in the report, required by this section, schedules which detail descriptions and corresponding values by taxing jurisdiction of all pipeline company property listed in such reports to ensure that property is reported for, and resulting tax revenues are attributed to, the correct city, school district and county where taxable property is located.

SECTION 2. This act shall become effective November 1, 2015.
Passed the Senate the 30th day of April, 2015.

[Signature]
Presiding Officer of the Senate

Passed the House of Representatives the 8th day of April, 2015.

[Signature]
Presiding Officer of the House of Representatives

OFFICE OF THE GOVERNOR
Received by the Office of the Governor this 4th day of May, 2015, at 3:30 o'clock P M.

By: [Signature]

Approved by the Governor of the State of Oklahoma this 8th day of May, 2015, at 10:38 o'clock A M.

[Signature]
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE
Received by the Office of the Secretary of State this 8th day of May, 2015, at 3:21 o'clock P M.

By: [Signature]
RE: S.B. 498  
SUBJECT: Ad Valorem Tax  

Senate Bill 498 becomes effective January 1, 2017 (the effective date is amended in S.B. 85 from January 1, 2016 to January 1, 2017). This bill ends the ad valorem tax exemption for wind energy manufacturers.

• The Oklahoma Constitution allows for certain “qualifying manufacturing concerns” that locate or expand manufacturing facilities within the state to be exempt from ad valorem taxes upon new, expanded or acquired manufacturing facilities for a period of 5 years. Current state law allows for electric power generation by means of wind, to be a manufacturing concern.

• Section 2(C)(8): Exempts entities engaged in electric power generation by means of wind from being a qualified manufacturing concern, effective January 1, 2017. No initial applications for exemption can be filed or accepted for such concern on or after January 1, 2018.

Should you have any questions related to this bill, please contact Ms. Renee McWaters, Executive Director of State Aid, (405) 521-3460 or Ms. Carolyn Thompson, Director of Government Affairs, at (405) 522-3520.

Amendment to: 68 O.S. 2902
An Act

ENROLLED SENATE
BILL NO. 498

By: Mazzei, Brecheen, Allen, Shortey, Quinn, Halligan, Ford, Fields, Newberry, Bingman, Jech, Sharp and Stanislawski of the Senate

and

Sears, Faught, Sanders and Robert (Sean) of the House

An Act relating to revenue and taxation; creating the David Dank Tax Incentive Reform Act of 2015; amending 68 O.S. 2011, Section 2902, as amended by Section 1, Chapter 306, O.S.L. 2012 (68 O.S. Supp. 2014, Section 2902), which relates to exemptions for certain qualifying manufacturing concerns; providing that effective on specified date certain entities shall not be eligible for exemption; providing certain entities not to be defined as qualifying manufacturing concerns with respect to certain wind power assets; providing for noncodification; and providing an effective date.

SUBJECT: Ad valorem tax

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "David Dank Tax Incentive Reform Act of 2015".
SECTION 2. AMENDATORY 68 O.S. 2011, Section 2902, as amended by Section 1, Chapter 306, O.S.L. 2012 (68 O.S. Supp. 2014, Section 2902), is amended to read as follows:

Section 2902. A. Except as otherwise provided by subsection H of Section 3658 of this title pursuant to which the exemption authorized by this section may not be claimed, a qualifying manufacturing concern, as defined by Section 6B of Article X of the Oklahoma Constitution, and as further defined herein, shall be exempt from the levy of any ad valorem taxes upon new, expanded or acquired manufacturing facilities, including facilities engaged in research and development, for a period of five (5) years. The provisions of Section 6B of Article X of the Oklahoma Constitution requiring an existing facility to have been unoccupied for a period of twelve (12) months prior to acquisition shall be construed as a qualification for a facility to initially receive an exemption, and shall not be deemed to be a qualification for that facility to continue to receive an exemption in each of the four (4) years following the initial year for which the exemption was granted. Such facilities are hereby classified for the purposes of taxation as provided in Section 22 of Article X of the Oklahoma Constitution.

B. For purposes of this section, the following definitions shall apply:

1. "Manufacturing facilities" means facilities engaged in the mechanical or chemical transformation of materials or substances into new products and except as provided by paragraph 8 of subsection C of this section shall include:

   a. establishments which have received a manufacturer exemption permit pursuant to the provisions of Section 1359.2 of this title,
   b. facilities, including repair and replacement parts, primarily engaged in aircraft repair, building and rebuilding whether or not on a factory basis,
   c. establishments primarily engaged in computer services and data processing as defined under Industrial Group Numbers 5112 and 5415, and U.S. Industry Number 334611
and 519130 of the NAICS Manual, latest revision, and which derive at least fifty percent (50%) of their annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer, and as defined under Industrial Group Number 5142 of the NAICS Manual, latest revision, which derive at least eighty percent (80%) of their annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer. Eligibility as a manufacturing facility pursuant to this subparagraph shall be established, subject to review by the Oklahoma Tax Commission, by annually filing an affidavit with the Tax Commission stating that the facility so qualifies and such other information as required by the Tax Commission. For purposes of determining whether annual gross revenues are derived from sales to out-of-state buyers, all sales to the federal government shall be considered to be an out-of-state buyer,

d. for which the investment cost of the construction, acquisition or expansion of the manufacturing facility is Two Hundred Fifty Thousand Dollars ($250,000.00) or more. Provided, "investment cost" shall not include the cost of direct replacement, refurbish, repair or maintenance of existing machinery or equipment, and

e. establishments primarily engaged in distribution as defined under Industry Numbers 49311, 49312, 49313 and 49319 and Industry Sector Number 42 of the NAICS Manual, latest revision, and which meet the following qualifications:

(1) construction with an initial capital investment of at least Five Million Dollars ($5,000,000.00),

(2) employment of at least one hundred (100) full-time-equivalent employees, as certified by the Oklahoma Employment Security Commission,

(3) payment of wages or salaries to its employees at a wage which equals or exceeds one hundred
seventy-five percent (175%) of the federally mandated minimum wage, as certified by the Oklahoma Employment Security Commission, and

(4) commencement of construction on or after November 1, 2007, with construction to be completed within three (3) years from the date of the commencement of construction.

Eligibility as a manufacturing facility pursuant to this subparagraph shall be established, subject to review by the Tax Commission, by annually filing an affidavit with the Tax Commission stating that the facility so qualifies and containing such other information as required by the Tax Commission.

Provided, eating and drinking places, as well as other retail establishments, shall not qualify as manufacturing facilities for purposes of this section, nor shall centrally assessed properties.

Eligibility as a manufacturing facility pursuant to this subparagraph shall be established, subject to review by the Tax Commission, by annually filing an application with the Tax Commission stating that the facility so qualifies and containing such other information as required by the Tax Commission;

2. "Facility" and "facilities" means and includes the land, buildings, structures, improvements, machinery, fixtures, equipment and other personal property used directly and exclusively in the manufacturing process; and

3. "Research and development" means activities directly related to and conducted for the purpose of discovering, enhancing, increasing or improving future or existing products or processes or productivity.

C. The following provisions shall apply:

1. A manufacturing concern shall be entitled to the exemption herein provided for each new manufacturing facility constructed, each existing manufacturing facility acquired and the expansion of existing manufacturing facilities on the same site, as such terms
are defined by Section 6B of Article X of the Oklahoma Constitution and by this section;

2. Except as otherwise provided in paragraph 5 of this subsection, no manufacturing concern shall receive more than one five-year exemption for any one manufacturing facility unless the expansion which qualifies the manufacturing facility for an additional five-year exemption meets the requirements of paragraph 4 of this subsection and the employment level established for any previous exemption is maintained;

3. Any exemption as to the expansion of an existing manufacturing facility shall be limited to the increase in ad valorem taxes directly attributable to the expansion;

4. Except as provided in paragraphs 5 and 6 of this subsection, all initial applications for any exemption for a new, acquired or expanded manufacturing facility shall be granted only if:

   a. there is a net increase in annualized payroll of at least Two Hundred Fifty Thousand Dollars ($250,000.00) if the facility is located in a county with a population of fewer than seventy-five thousand (75,000), according to the most recent Federal Decennial Census, while maintaining or increasing payroll in subsequent years, or at least One Million Dollars ($1,000,000.00) if the facility is located in a county with a population of seventy-five thousand (75,000) or more, according to the most recent Federal Decennial Census, while maintaining or increasing payroll in subsequent years; provided the payroll requirement of this subparagraph shall be waived for claims for exemptions, including claims previously denied or on appeal on March 3, 2010, for all initial applications for exemption filed on or after January 1, 2004, and on or before March 31, 2009, and all subsequent annual exemption applications filed related to the initial application for exemption, for an applicant, if the facility has been located in Oklahoma for at least fifteen (15) years engaged in marine engine manufacturing as defined under U.S. Industry Number 333618 of the NAICS Manual, latest
revision, and has maintained an average employment of five hundred (500) or more full-time-equivalent employees over a ten-year period. Any applicant that qualifies for the payroll requirement waiver as outlined in the previous sentence and subsequently closes its Oklahoma manufacturing plant prior to January 1, 2012, may be disqualified for exemption and subject to recapture. For an applicant engaged in paperboard manufacturing as defined under U.S. Industry Number 322130 of the NAICS Manual, latest revision, union master payouts paid by the buyer of the facility to specified individuals employed by the facility at the time of purchase, as specified under the purchase agreement, shall be excluded from payroll for purposes of this section.

The Tax Commission shall verify payroll information through the Oklahoma Employment Security Commission by using reports from the Oklahoma Employment Security Commission for the calendar year immediately preceding the year for which initial application is made for base-line payroll, which must be maintained or increased for each subsequent year; provided, a manufacturing facility shall have the option of excluding from its payroll, for purposes of this section, payments to sole proprietors, members of a partnership, members of a limited liability company who own at least ten percent (10%) of the capital of the limited liability company or stockholder-employees of a corporation who own at least ten percent (10%) of the stock in the corporation. A manufacturing facility electing this option shall indicate such election upon its application for an exemption under this section. Any manufacturing facility electing this option shall submit such information as the Tax Commission may require in order to verify payroll information. Payroll information submitted pursuant to the provisions of this paragraph shall be submitted to the Tax Commission and shall be subject to the provisions of Section 205 of this title, and
b. the facility offers, or will offer within one hundred eighty (180) days of the date of employment, a basic health benefits plan to the full-time-equivalent employees of the facility, which is determined by the Department of Commerce to consist of the elements specified in subparagraph b of paragraph 1 of subsection A of Section 3603 of this title or elements substantially equivalent thereto.

For purposes of this section, calculation of the amount of increased payroll shall be measured from the start of initial construction or expansion to the completion of such construction or expansion or for three (3) years from the start of initial construction or expansion, whichever occurs first. The amount of increased payroll shall include payroll for full-time-equivalent employees in this state who are employed by an entity other than the facility which has previously or is currently qualified to receive an exemption pursuant to the provisions of this section and who are leased or otherwise provided to the facility, if such employment did not exist in this state prior to the start of initial construction or expansion of the facility. The manufacturing concern shall submit an affidavit to the Tax Commission, signed by an officer, stating that the construction, acquisition or expansion of the facility will result in a net increase in the annualized payroll as required by this paragraph and that full-time-equivalent employees of the facility are or will be offered a basic health benefits plan as required by this paragraph. If, after the completion of such construction or expansion or after three (3) years from the start of initial construction or expansion, whichever occurs first, the construction, acquisition or expansion has not resulted in a net increase in the amount of annualized payroll, if required, or any other qualification specified in this paragraph has not been met, the manufacturing concern shall pay an amount equal to the amount of any exemption granted, including penalties and interest thereon, to the Tax Commission for deposit to the Ad Valorem Reimbursement Fund;

5. If a facility fails to meet the payroll requirement of subparagraph a of paragraph 4 of this subsection, the payroll requirement shall be waived for claims for exemptions, including claims previously denied or on appeal on June 1, 2009, for all initial applications for exemption filed on or after January 1, 2004, and on or before March 31, 2009, and all subsequent annual
exemption applications filed related to such initial application for exemption, for an applicant, if the facility:

a. has been located for at least five (5) years as of March 31, 2009, in a county in Oklahoma with a population of six hundred thousand (600,000) or more;

b. is owned by an applicant that has been engaged in manufacturing as defined under U.S. Industry Numbers 323110, 323111, 323121 and 323122 of the NAICS Manual, latest revision;

c. is owned by an applicant that maintains a workforce of at least three hundred (300) employees on June 1, 2009;

d. is owned by an applicant that has filed multiple applications for exemption pursuant to this section and

e. is owned by an applicant that operates at least one facility in this state of at least seven hundred thirty thousand (730,000) square feet on June 1, 2009.

In the event that any applicant obtaining a waiver of the payroll requirement pursuant to this paragraph ceases to operate all of its facilities in this state on or before a date that is four (4) years after any initial application for an exemption is filed by such applicant, all sums of property taxes exempted under this paragraph through a waiver of the payroll requirement that relate to such application shall become due and payable as if such sums were assessed in the year in which the applicant ceases to operate all of its facilities in the state.

6. Any new, acquired or expanded automotive final assembly manufacturing facility which does not meet the requirements of paragraph 4 of this subsection shall be granted an exemption only if all other requirements of this section are met and only if the investment cost of the construction, acquisition or expansion of the manufacturing facility is Three Hundred Million Dollars ($300,000,000.00) or more and the manufacturing facility retains an average employment of one thousand seven hundred fifty (1,750) or
more full-time-equivalent employees in the year in which the exemption is initially granted and in each of the four (4) subsequent years only if an average employment of one thousand seven hundred fifty (1,750) or more full-time-equivalent employees is maintained in the subsequent year. Any property installed to replace property damaged by the tornado or natural disaster that occurred May 8, 2003, may continue to receive the exemption provided in this paragraph for the full five-year period based on the value of the previously qualifying assets as of January 1, 2003. The exemption shall continue in effect as long as all other qualifications in this paragraph are met. If the average employment of one thousand seven hundred fifty (1,750) or more full-time-equivalent employees is reduced as a result of temporary layoffs because of a tornado or natural disaster on May 8, 2003, then the average employment requirement shall be waived for year 2003 of the exemption period. Calculation of the number of employees shall be made in the same manner as required under Section 2357.4 of this title for an investment tax credit. As used in this paragraph, "expand" and "expansion" shall mean and include any increase to the size or scope of a facility as well as any renovation, restoration, replacement or remodeling of a facility which permits the manufacturing of a new or redesigned product;

7. Any new, acquired, or expanded computer data processing, data preparation, or information processing services provider classified in Industrial Group Number 7374 of the SIC Manual, latest revision, and U.S. Industry Number 514210 of the North American Industrial Classification System (NAICS) Manual, latest revision, may apply for exemptions under this section for each year in which new, acquired, or expanded capital improvements to the facility are made if:

a. there is a net increase in annualized payroll of the applicant at any facility or facilities of the applicant in this state of at least Two Hundred Fifty Thousand Dollars ($250,000.00), which is attributable to the capital improvements, or a net increase of Seven Million Dollars ($7,000,000.00) or more in capital improvements, while maintaining or increasing payroll at the facility or facilities in this state which are included in the application, and
b. the facility offers, or will offer within one hundred eighty (180) days of the date of employment of new employees attributable to the capital improvements, a basic health benefits plan to the full-time-equivalent employees of the facility, which is determined by the Department of Commerce to consist of the elements specified in subparagraph b of paragraph 1 of subsection A of Section 3603 of this title or elements substantially equivalent thereto; and

8. An Effective January 1, 2017, an entity engaged in electric power generation by means of wind, as described by the North American Industry Classification System, No. 221119, which does not meet the requirements of paragraph 4 of this subsection shall be granted an exemption only if all other requirements of this section are met and only if there is a net increase in annualized payroll at the facility of at least Two Hundred Fifty Thousand Dollars ($250,000.00) or a net increase of Two Million Dollars ($2,000,000.00) or more in capital improvements while maintaining or increasing payroll, shall not be defined as a qualifying manufacturing concern for purposes of the exemption otherwise authorized pursuant to Section 6B of Article X of the Oklahoma Constitution or qualify as a "manufacturing facility" as defined in this section. No initial application for exemption shall be filed by or accepted from an entity engaged in electric power generation by means of wind on or after January 1, 2018; and

9. An entity which has been granted an exemption for a time period which included calendar year 2009 but which did not meet the base-line payroll requirements of subparagraph a of paragraph 4 of this subsection during calendar year 2009, shall be allowed an exemption, to begin on January 1 of the first calendar year after January 1, 2012, for the number of years, including calendar year 2009, remaining in the entity's five-year exemption period, provided such entity attains or increases payroll at or above the base-line payroll established for the exemption which was in force during calendar year 2009.

D. 1. Except as provided in paragraph 2 of this subsection, the five-year period of exemption from ad valorem taxes for any qualifying manufacturing facility property shall begin on January 1
following the initial qualifying use of the property in the manufacturing process.

2. The five-year period of exemption from ad valorem taxes for any qualifying manufacturing facility, as defined in subparagraph c of paragraph 1 of subsection B of this section which is located within a tax incentive district created pursuant to the Local Development Act by a county having a population of at least five hundred thousand (500,000), according to the most recent Federal Decennial Census, shall begin on January 1 following the expiration or termination of the ad valorem exemption, abatement, or other incentive provided through the tax incentive district.

E. Any person, firm or corporation claiming the exemption herein provided for shall file each year for which exemption is claimed, an application therefor with the county assessor of the county in which the new, expanded or acquired facility is located. The application shall be on a form or forms prescribed by the Tax Commission, and shall be filed on or before March 15, except as provided in Section 2902.1 of this title, of each year in which the facility desires to take the exemption or within thirty (30) days from and after receipt by such person, firm or corporation of notice of valuation increase, whichever is later. In a case where completion of the facility or facilities will occur after January 1 of a given year, a facility may apply to claim the ad valorem tax exemption for that year. If such facility is found to be qualified for exemption, the ad valorem tax exemption provided for herein shall be granted for that entire year and shall apply to the ad valorem valuation as of January 1 of that given year. For applicants which qualify under the provisions of subparagraph b of paragraph 1 of subsection B of this section, the application shall include a copy of the affidavit and any other information required to be filed with the Tax Commission.

F. The application shall be examined by the county assessor and approved or rejected in the same manner as provided by law for approval or rejection of claims for homestead exemptions. The taxpayer shall have the same right of review by and appeal from the county board of equalization, in the same manner and subject to the same requirements as provided by law for review and appeals concerning homestead exemption claims. Approved applications shall be filed by the county assessor with the Tax Commission no later
than June 15, except as provided in Section 2902.1 of this title, of
the year in which the facility desires to take the exemption.
Incomplete applications and applications filed after June 15 will be
declared null and void by the Tax Commission. In the event that a
taxpayer qualified to receive an exemption pursuant to the
provisions of this section shall make payment of ad valorem taxes in
excess of the amount due, the county treasurer shall have the
authority to credit the taxpayer's real or personal property tax
overpayment against current taxes due. The county treasurer may
establish a schedule of up to five (5) years of credit to resolve
the overpayment.

G. Nothing herein shall in any manner affect, alter or impair
any law relating to the assessment of property, and all property,
real or personal, which may be entitled to exemption hereunder shall
be valued and assessed as is other like property and as provided by
law. The valuation and assessment of property for which an
exemption is granted hereunder shall be performed by the Tax
Commission.

H. The Tax Commission shall have the authority and duty to
prescribe forms and to promulgate rules as may be necessary to carry
out and administer the terms and provisions of this section.

SECTION 3. This act shall become effective January 1, 2016.
Passed the Senate the 15th day of May, 2015.

[Signature]
Presiding Officer of the Senate

Passed the House of Representatives the 16th day of April, 2015.

[Signature]
Presiding Officer of the House of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 18th day of May, 2015, at 2:55 o'clock P.M.

By: [Signature]
Audrey Zibert

Approved by the Governor of the State of Oklahoma this 20th day of May, 2015, at 1:24 o'clock P.M.

[Signature]
Mary Fallin
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 20th day of May, 2015, at 2:46 o'clock P.M.

By: [Signature]
C. Benge
RE: S.B. 847
SUBJECT: State Board of Education

Senate Bill 847 becomes effective July 1, 2015. This bill appropriates money to the State Board of Education from the Constitutional Reserve Fund.

• Section 1: Appropriates $75,000,000 from the Constitutional Reserve Fund (commonly known as the Rainy Day Fund) for the Financial Support of Public Schools (commonly known as the funding formula). This amount allows for the funding formula to receive the same amount for FY16 as it did in FY15 (see H.B. 2242).

Should you have any questions related to this bill, please contact Ms. Mathangi Shankar, Chief Financial Officer, at (405) 522-0162 or Ms. Carolyn Thompson, Director of Government Affairs, at (405) 522-3520.

New Law Not Codified
An Act

ENROLLED SENATE
BILL NO. 847

By: Jolley and Treat of the Senate

and

Sears and Casey of the House

An Act relating to the State Board of Education; making an appropriation; stating purpose; providing lapse dates; requiring and prohibiting certain budget procedures; providing an effective date; and declaring an emergency.

SUBJECT: State Board of Education

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

SECTION 1. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Constitutional Reserve Fund of the State Treasury, the sum of Seventy-five Million Dollars ($75,000,000.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 2. Appropriations made by this act, not including appropriations made for capital outlay purposes, may be budgeted for the fiscal year ending June 30, 2016 (hereafter FY-16), or may be budgeted for the fiscal year ending June 30, 2017 (hereafter FY-17). Funds budgeted for FY-16 may be encumbered only through June 30, 2016, and must be expended by November 15, 2016. Any funds remaining after November 15, 2016, and not budgeted for FY-17, shall lapse to the credit of the proper fund for the then current fiscal year. Funds budgeted for FY-17 may be encumbered only through June 30, 2017. Any funds remaining after November 15, 2017, shall lapse
to the credit of the proper fund for the then current fiscal year. These appropriations may not be budgeted in both fiscal years simultaneously. Funds budgeted in FY-16, and not required to pay obligations for that fiscal year, may be budgeted for FY-17, after the agency to which the funds have been appropriated has prepared and submitted a budget work program revision removing these funds from the FY-16 budget work program and after such revision has been approved by the Office of Management and Enterprise Services.

SECTION 3. This act shall become effective July 1, 2015.

SECTION 4. It being immediately necessary for the preservation of the public peace, health and 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 20th day of May, 2015.

Presiding Officer of the Senate

Passed the House of Representatives the 22nd day of May, 2015.

Presiding Officer of the House of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 22nd day of May, 2015, at 2:00 o'clock P.M.

By: Audrey Corensoff

Approved by the Governor of the State of Oklahoma this 15th day of June, 2015, at 3:37 o'clock P.M.

Mary Fallin
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 1st day of June, 2015, at 4:13 o'clock P.M.

By: Cherie Benge