

# Legislative Process Handbook State of Oklahoma



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# Oklahoma State Government - Elections

Every Two Years Voter Choose:	Every Four Years Voters Choose (Non-Presidential Years):	Every Six Years Voters Choose:
24 State Senators (half of the State Senate, even or odd-numbered seats)	8 statewide officers: Governor Lieutenant Governor Attorney General State Treasurer Superintendent of Public Instruction Insurance Commissioner State Auditor and Inspector Labor Commissioner	3 Corporation Commissioners  2 U.S. Senators (elected for six-year terms and elected on a staggered basis)
101 State Representatives (entire State House of Representatives)		
5 Members of Congress (entire U.S. House of Representatives)		

## Election Dates

Primary elections are held on the fourth Tuesday of July in even numbered years. Runoff primary elections are held on the fourth Tuesday in August. Both primary and runoff primary elections are closed elections. A closed election is one in which an elector is given a ballot containing only the names of the members of his or her party seeking an office.

General elections are held on the first Tuesday following the first Monday in November of even numbered years. General elections are open elections in which each elector is given a ballot containing the names of all persons seeking office. All terms of statewide offices begin in mid-January following the general election in November, except for legislators whose terms begin 15 days after the election.

## Judicial Elections and Qualifications

The Oklahoma court system is made up of the Supreme Court, the Court of Criminal Appeals, the Court of Civil Appeals, and 77 District Courts. Administrative services for the court system are provided by the Administrative Office of the Courts.

Unlike most states, Oklahoma has two courts of last resort. The Supreme Court determines all issues of a civil nature; and the Oklahoma Court of Criminal Appeals decides all criminal matters.

The Oklahoma Supreme Court is a constitutional tribunal consisting of nine Justices. Each Justice is selected from one of nine judicial districts and sits for a six-year term. Each Justice must be at least 30 years old, shall have been a qualified elector in the appropriate district for at least one year immediately prior to the appointment, and have been a licensed practicing attorney or judge of a court of record for five years preceding appointment. The Justices must maintain their status as licensed attorneys while holding office. Justices are appointed by the Governor from the list of candidates presented by the Judicial Nominating Commission. Applicants for appointment to the Supreme Court are subjected to extensive investigation by the Oklahoma State Bureau of Investigation and to intensive interviews by the Judicial Nominating Commission (a constitutional commission consisting of attorneys and non-attorneys). The Justices stand for retention on a six-year rotating schedule. The retention ballot appears on general election ballots and is a nonpartisan, noncompetitive election process. If a Justice resigns or dies during a term, vacancies are filled by gubernatorial appointment from the appropriate Supreme Court judicial district. Newly appointed Justices who serve more than one year must stand for retention at the next regular general election.

# Oklahoma Legislature

Oklahoma's bicameral Legislature is composed of 48 members of the State Senate and 101 members of the House of Representatives. Regular sessions of the Legislature begin on the first Monday in February at noon each year. Regular sessions must be adjourned by 5 p.m. on the last Friday in May every year. In odd-numbered years, the regular session will also include one day in January. The Legislature will meet to organize itself at noon on the first Tuesday after the first Monday in January and will recess no later than 5 pm that same day. Normally, the Legislature is in session Monday through Thursday. Extraordinary sessions may be called by the Governor or by the Legislature itself.

Legislatures are identified by consecutive numbers. For example, the 2016 session was the Second Session of the 55th Legislature. The 2017 session is designated as the First Session of the 56th Legislature.

The requirements for service as a legislator are outlined in Article V, Section 17 of the Oklahoma Constitution. Members of the Oklahoma House of Representatives must be at least 21 years of age, and members of the State Senate must be at least 25 at the time of their election. Legislators must be qualified electors in their districts and reside in their districts before and during their term of office. It is not required that persons filing for a state legislative meet the age requirement at the time they file, which is in early June, unless a special election is required. They must comply with residential and age provisions before they take office.

Each house of the Legislature organizes independently to function during the legislative session. By law, the Lieutenant Governor is president of the Senate, but the role is limited to presiding over special sessions and casting the deciding vote in case of a tie. The law also provides the Senate will elect a President Pro Tempore and the House of Representatives will elect a Speaker of the House. State Senators serve staggered four-year terms. Senators in even-numbered districts were elected in 2006. Those in odd-numbered districts were elected in 2016, and will be up for reelection in 2020. Members of the House of Representatives serve two-year terms and are up for reelection every even-numbered year.

Legislators are paid \$38,400 annually and certain necessary expenses. The President Pro Tempore of the State Senate and the Speaker of the House of Representatives are paid an additional \$17,932 annually, and the majority floor leaders, the minority floor leaders and the Appropriations and Budget Chair of each house are paid an additional \$12,369 per year.

The Legislature occupies part of the second, and all of the third, fourth, and fifth floors of the State Capitol. The Senate is on the east side of the rotunda, and the House of Representatives is on the west side. House staff has offices on the basement, first and sixth floors. Joint sessions are held in the House chamber. Chambers for both houses are on the fourth floor, with visitor's galleries on the fifth floor. The telephone number for the Senate is (405) 524-0126. The telephone number for the House of Representatives is (405) 521-2711 or (800) 522-8502.

**To find your legislators, go to:**

# Committees

If it were not for committees, the Legislature would probably be in session year round. It would take that long for the entire Senate and the entire House of Representatives to scrutinize and take public testimony on every bill. Fortunately, however, the workload in each house is divided among several subunits. These subunits are the standing committees. Their primary role in the legislative process is to thoroughly examine the bills assigned to them and recommend if these bills should become law.

There are various standing committees and standing subcommittees in the Oklahoma House of Representatives and Senate for the 56th Legislature. The Speaker of the House and the President Pro Tempore of the Senate, with advice from the members of leadership, picks the members and the Chair and Vice Chair of each committee. Most legislators are members of at least three committees, though some serve on more than three committees. The President Pro Tempore, the Speaker and Speaker Pro Tempore are ex officio members of all standing committees.

Following the introduction and first reading of a bill in either house, the presiding officer assigns it to a committee with the second reading. The committees are divided by subject matter. Generally speaking, this means all the bills dealing with one subject are assigned to the same committee. For example, there are transportation committees in both houses which ordinarily receive bills regarding state highways, railroads, aviation, and other topics related to transportation. However, the committee assignment of a particular bill is not always predictable due to the fact that the presiding officers may assign any bill to any committee, with the exception of budget matters and rules changes.

Once a bill is assigned to a committee, the chair decides when the bill will be heard, and the bill is placed on the agenda for that particular meeting. An agenda is prepared for each meeting. It contains not only the date, time and location of the meeting, but also a list of bills likely to be discussed by the committee at that particular time. Pursuant to House Rules, the meeting notice must be posted 48 hours in advance of the meeting. This is to give legislators, lobbyists, and other interested parties enough notice so they can be in attendance at the meeting when the bill is acted upon.

The committees in the Senate and the House meet during certain weeks each legislative day during the time allotted for committees and prior to and following the daily session. The Legislature uses an extensive system of deadlines that determines when the committees must act on bills from their house of origin and those from the opposite chamber. As the legislative session progresses, some of the committees are unable to complete their work within the allotted time and must schedule additional meetings. Each House committee is staffed by several House staff members, including research, legal and fiscal staff.

Committee meetings are open to the public. They are all held in meeting rooms within the State Capitol. Seating is available on a first come, first serve basis. When controversial bills are discussed, meetings usually draw large crowds. At other times, few people are present beyond the committee members, staff and the press. The Senate has two of its five committee rooms with streaming audio and video for public viewing on the internet.

Committees usually discuss several bills at each of their meetings. The same general procedure is routinely followed on each bill, though there are extenuating circumstances which might alter it, and the chair is free to run the meeting as he or she sees fit.

First of all, the legislator sponsoring the bill, or someone he or she designates, presents the bill. This involves explaining the bill and the reason why it was introduced. Following that presentation, the committee may take public testimony on the bill. The testimony comes from a variety of sources. Most often, it comes from lobbyists, agency officials, or individuals hired to promote the views of a group, organization, or industry on measures considered by the Legislature. Other legislators also sometimes wish to share their views with the public. Finally, it comes from members of the general public. Anyone is free to express an opinion during the committee process, whether they are in favor of a bill or against it, at the discretion of the Committee Chair.

Upon completion of the public testimony, members of the committee discuss the bill. Some committee members ask questions of those who have testified. Others express their opinions on the merit of the bill. Still others offer amendments to the bill they think will improve it. At times, amendments are offered which change the bill entirely - sometimes not to suit the intent of the bill's sponsors. These amendments may involve deleting the entire content of the bill following the enacting clause and replacing it with different material.

Next, the committee must make their recommendation on if the bill is worthy of continuing in the legislative process. Below are the recommendations a committee makes:

## **1** **DO** **PASS**

which means the committee recommends the bill pass in its original form.

## **2** **DO** **PASS** **AS**

which means the committee recommends the bill pass, not in its original form, but in an altered form set out by the committee according to amendments adopted in committee.

## **AMENDED**

## **3** **DO** **NOT** **PASS**

which means the committee feels it is important for the bill to be considered by the entire House, but the committee does not recommend its passage.

**To find committee calendars, go to:**

# Types of Legislation

**Legislation which originates in the Senate is numbered consecutively beginning with "1":**

SB 1      SJR 1      SCR 1      SR 1

**Legislation which originates in the House is numbered consecutively beginning with "100":**

HB 1001      HJR 1001      HCR 1001      HR 1001

## **Bills**

- have the force and effect of law
- must be passed by both chambers
- must be signed by the Governor (except when the measure submits a question to a vote of the people)
- generally proposes changes to the Oklahoma Statutes

## **Joint Resolutions**

- have the force and effect of law
- must be passed by both chambers
- must be signed by the Governor (except when the measure submits a question to a vote of the people)
- often will not become part of the Oklahoma Statutes

## **Concurrent Resolutions**

- do not have the force and effect of law
- must be passed by both chambers
- are not signed by the Governor
- will not become part of the Oklahoma Statutes
- are used to express the will or opinion of both chambers

## **Simple Resolutions**

- do not have the force and effect of law
- must pass only the chamber which introduced the measure
- are not signed by the Governor
- will not become part of the Oklahoma Statutes
- are used to express the will or opinion of one chamber



# Reading a Bill or Resolution

Measures being considered by the Oklahoma State Legislature pass through a variety of forms.

## **Introduced Version**

The bill or resolution, as filed, has the heading, "AS INTRODUCED". The measure is introduced in this form and remains this way until it is reported out of committee in the first chamber.

## **Committee Version**

After a measure has been heard by a committee and reported to the floor for further consideration, it is printed with changes made in committee highlighted in bold.

## **Engrossed Version**

A verified copy of the bill or resolution, complete with any committee or floor amendments, is executed after Third Reading. An Engrossed Version passed by one chamber is filed for committee work in the second chamber, then in the same form as above for floor action.

## **Conference Committee Substitute**

Frequently, bills pass the two houses in different forms and go to conference committees to have the differences resolved. A report signed by conferees and a conference committee substitute that resembles the committee version will be considered by both chambers.

## **Enrolled Version**

A verified, final copy of the identical bill or resolution passed by both chambers and ready for the Governor's signature or veto is filed.

## **Bills being considered by the Legislature can do any one or any combination of the following:**

Create new law

Amend existing law

Repeal existing law

Appropriate money or  
set budgetary limits

Most often, bills amend existing law. The changes are easy to determine since what is being changed is denoted by strikeouts in the case of language being removed or underlines for new language. The most notable exception is for new law or non-codified sections which have no strikeouts or deletions.

# The State Budget (in comparison to your budget)

In the last few years, Oklahoma has faced severe budget shortfalls, which have reduced critical services. We have heard talk about revolving funds, off-the-top spending, structural imbalances and dozens of other terms capitol insiders use to describe the budget crunch.

All of that sounds complicated, but if you break down its major components, the state budget is not unlike the personal budgets that families manage. Simply put, you need your income to be greater than your expenses. If it isn't, you are in trouble.

Think of the state's total revenue as the income someone might receive from two jobs. The state earns income from collections in the form of several major tax categories, including income, sales, motor vehicle and gross production taxes. Those are permanent sources of revenue, like a full-time job. Cigarette, franchise and other smaller taxes are like a second, part-time job.



Combined, those two "jobs" account for the money coming into the state. The money going out in the form of expenditures is mostly accounted for by various state agencies. Each state agency is like a bill that needs to be paid each month. You pay a mortgage, car payment, and insurance bills. The state pays the Department of Transportation, Department of Education, Oklahoma Health Care Authority and other agencies to perform core government services.

In a good year, a working Oklahoman might get a bonus on their full-time job, which could allow them to cut hours on their part-time job. They don't need the extra money to pay the bills, so why work the extra hours?

Similarly, the state has experienced some good times over the years because of economic development or oil and gas booms. That has occasionally produced excess revenue, which in some cases has gone into the Rainy Day Savings Account. Many times, however, that money has been returned to taxpayers in the form of tax cuts, fee reductions, or other reforms that reduce state revenue in future years.

Now here's where things get tricky. Let's say a family is going through an economic rough patch, and they need to increase their hours at their part time job by working a few extra shifts. That may not be ideal, but it is one way to balance their budget.

The state, however, can't do that. Because of the Oklahoma Constitution, cuts made to state revenue in the form of tax cuts are permanent unless the Legislature votes by three-fourths of the membership to increase taxes.

With revenue being difficult to raise, the Legislature often turns to budget cuts. Some lawmakers say that's a good thing. Oklahoma families must control their spending; why shouldn't the state?

That's a fair point, but here is the truth of the matter: our state government is not like a family that has bought a Ferrari and now must return it. We are like a family living in a house with a leaky roof and no heat, driving our kids around in a car that is about to break down. The solution to that problem is not less spending; it is investment with proper revenue.

Legislators must decide whether to make cuts to the budget or bring in the additional revenue to provide services by raising certain taxes. We hope supporters of Oklahoma Institute for Child Advocacy and a functional government will take the time to contact their legislators and voice support for reasonable policies that raise revenue and help our state agencies stay afloat.

# Governor's Actions on Legislation

Upon receiving a bill or joint resolution which has passed both chambers of the Oklahoma Legislature, the Governor may:

## **Approve the measure**

- by signing it within five days from receipt

## **Allow the measure passed prior to the last five days of a session to become law without approval**

- by keeping it five days (Sundays excepted) without taking official action
- the Legislature must be in Session

## **Veto the measure**

- by returning it within five days (Sundays excepted) with objections
- the Legislature must be in Session, thereby providing an opportunity to override

## **Pocket Veto the measure for bills passed during the last five days of a session**

- by keeping it fifteen days without taking official action and not returning it to the Legislature

To find signed bills go to:



# Glossary of Legislative Terms

Following is a glossary of specialized terms frequently encountered in the Oklahoma Legislature. Like most other organizations, a grasp of the jargon is required to understand the proceedings on the floor or in committee. This list is by no means comprehensive.

**ACT** A measure passed by both houses of the Legislature and approved by the Governor, or which has become effective without the Governor's signature, thus becoming law.

**ADJOURNMENT** Termination of a daily session, occurring at the close of each legislative day upon the completion of business, with the hour and day of the next meeting being set prior to adjournment.

**ADOPTION** Approval or acceptance, usually applied to amendments, committee reports, and resolutions.

**ADVANCING A BILL** To terminate consideration of amendments or debate by moving to the vote which is a prior motion.

**AMENDMENT** Any alternation made or proposed to be made in a bill, motion, or clause thereof by adding, changing, substituting, or omitting.

**AUTHOR** The member sponsoring a measure introduced in either house (sometimes called "Principal author").

**BILL** A draft of proposed law introduced in the Legislature for consideration.

**BIPARTISAN** Usually associated with issues in which members from both parties set aside political differences to support an issue or issues.

**CALL OF THE HOUSE** Procedure used to compel attendance of members and to compel those in attendance to remain in the chamber.

**CALL TO ORDER** The action of the presiding officer that brings the Legislature officially into session. It may also be used to call a disorderly member(s) to order.

**CAUCUS** A common term for the official organization of each party in each house, other group or like interests; can also be used as a verb meaning "to meet".

**CHAMBER** Official places where a legislative body meets.

**CONSTITUENT** A citizen residing within the district of a legislator.

**CONVENE** The assembling of the Legislature or either house thereof.

**DEBATE** Discussion of a matter according to parliamentary rules.

**DIVISION** A method of voting or a motion requesting a show of hands or other action when the outcome of a voice vote is unclear or in dispute.

**EFFECTIVE DATE** Provisions of a bill that specify when the entire act or portions thereof become effective as law - synonymous to "operative date".

**EMERGENCY CLAUSE** A section in a bill which allows the measure to become effective immediately upon the signature of the Governor. A bill without the emergency clause becomes effective 90 days after *sine die* adjournment, unless a later date is specified therein.

**ENACTING CLAUSE** The opening language of a bill beginning "Be It Enacted by the People of the State of Oklahoma."

**ENGROSSMENT** An official copy of a bill or resolution as passed by one house, with all changes and amendments included. The opposite house's amendments for an engrossed measure will also undergo engrossment.

**ENROLLMENT** The final official copy of a bill or resolution as passed by both houses of the Legislature, with amendments of the second house (and the conference committee, if applicable) included.

**EX OFFICIO** Persons who are members of a board or committee by virtue of an office held within the organization. The Speaker and Speaker Pro Tempore are ex officio members of all committees within the House of Representatives.

**FILIBUSTER** Prolonged debate for the purpose of delaying or preventing action by the Legislature (not allowed by House rules).

**FINAL ACTION** Most often means Third or Fourth Readings, but it can also refer to the situation provided by House rules that defeats a measure by debating it on Third or Fourth Reading and prohibits House consideration of a similar measure during the remainder of the Legislature.

**FISCAL IMPACT** The additional or reduced costs or revenues of a measure to the state or other parties. The fiscal impact of a measure can be a key factor or influence in many legislative debates on bills which neither appropriate funds nor raise revenues.

**FLOOR** That portion of the chamber reserved for members and others granted floor privileges. Also, when a member has been recognized to speak by the presiding officer, the member is said to "have the floor."

**INTERIM** The period from adjournment sine die of one regular legislative session to the commencement of the next legislative session.

**JOINT SESSION** A combined meeting of both houses in one chamber.

**LAW** An act of the Legislature that has been signed by the Governor or, if vetoed, the veto overridden by the Legislature.

**LEGISLATIVE DAY** A day on which the Legislature convened and actually engaged in business.

**LEGISLATURE** Two houses or assemblies, which when considered as a whole, constitute a body with the task of promulgation of law (Nebraska's unicameral Senate is the exception); or, the two-year term that such bodies may meet (i.e., the 50th Oklahoma Legislature will meet during the 2017-18 regular sessions).

**LOBBYIST** A person who, voluntarily or for a fee, represents the lobbyist or others in opposing or promoting legislation or other official acts.

**MOTION** A formal proposal for a procedural action, such as to consider, to amend, to lay on the table, to reconsider, to recess, or to adjourn.

**POINT OF ORDER** An objection raised by a legislator in which it is charged that the rules of procedure are being violated and a demand that the rules be enforced.

**PRECEDENT** A previous ruling on a parliamentary matter or a long-standing practice or custom of a house.

**PREVIOUS QUESTION** A non-debatable motion which, if approved, cuts off further debate or additional amendments, and brings the pending matter to an immediate vote.

**QUORUM** The required number of members present to transact business.

**REPEAL** To delete from the statutes an existing section of law. Legislative measures will provide only statutory citations for laws being repealed in the "repealer clause" found near the end of the measure.

**SESSION** The period during which the Legislature meets.

**SIMPLE MAJORITY** One member more than half of those voting on a matter.

**SINE DIE ADJOURNMENT** Adjournment without day being set for reconvening. Final adjournment.

**SPEAKER** A representative elected by other members to preside over the House, with powers and duties prescribed by law and House rules. The individual presiding over the House of Representatives while in session is addressed as Mr. or Madam Speaker, even if the person is not the elected Speaker.

**SPEAKER PRO TEMPORE** A representative elected by the members to preside in the absence of the Speaker.

**STANDING COMMITTEE** A committee established in a house for consideration of legislation.

**STATE OF THE STATE MESSAGE** The customary delivery of the Governor's budget message and legislative priorities at the beginning of a regular session.

**STATUS** The location of a measure in the legislative process.

**STATUTES** Compilation of all State laws presently in effect, prepared in volumes by West Publishing Company. These include the seven-volume 2001 Oklahoma Statutes and the supplement containing the revisions since 2001.

**TITLE** A concise statement accurately expressing the contents of a bill, prepared as a preface to the bill, as required by the constitution.

**VETO** The action of the Governor in disapproving a measure.



**Oklahoma Institute for Child Advocacy  
Mission Statement:  
Creating awareness, taking action and changing  
policy to improve the health, safety and  
well-being of Oklahoma's children.**



# Legislative Page Program

Each year, hundreds of students from across the State have the opportunity take part in the Oklahoma Senate or House of Representatives High School Page Program. Each legislative body runs their own program to allow students the opportunity to see firsthand the process at work and assist with the work at the capitol. Pages are assigned for one week, Monday through Thursday, during the legislative session beginning the first Monday in February through the last Friday in May.

Each legislator has a limited number of page appointments for the legislative session. An interested student should contact their State Senator or Representative to express their interest in serving as page. Contact should be made well before the session begins as spots are filled quickly due to high demand. Each legislator's office usually has its own criteria for selection beyond the requirements of the overall program. Specific questions about the qualifications can be directed directly to the legislator's office.

Pages begin their duties on Monday morning with an orientation session to become familiar with the Capitol building and their duties for the week. Other mornings, Pages will hear a guest speaker or attend a meeting. Each day begins at 8 a.m. and ends at 4:30 p.m. Monday through Wednesday and 2:30 p.m. on Thursday.

Serving as a Page includes working in the House or Senate Chamber each day during session, running errands for the legislators and staff and taking part in the House or Senate Page Mock Legislature.

Hotel accommodations and chaperons are provided for students living outside of the Oklahoma City metro area. Hotel Pages are bused to and from the hotel every day. All Pages are responsible for their own lunch and dinner. A snack bar is located inside the Capitol for lunch purchases, or students may bring a lunch.

Pages are not permitted to leave the Capitol building during work hours and are closely supervised at all times.

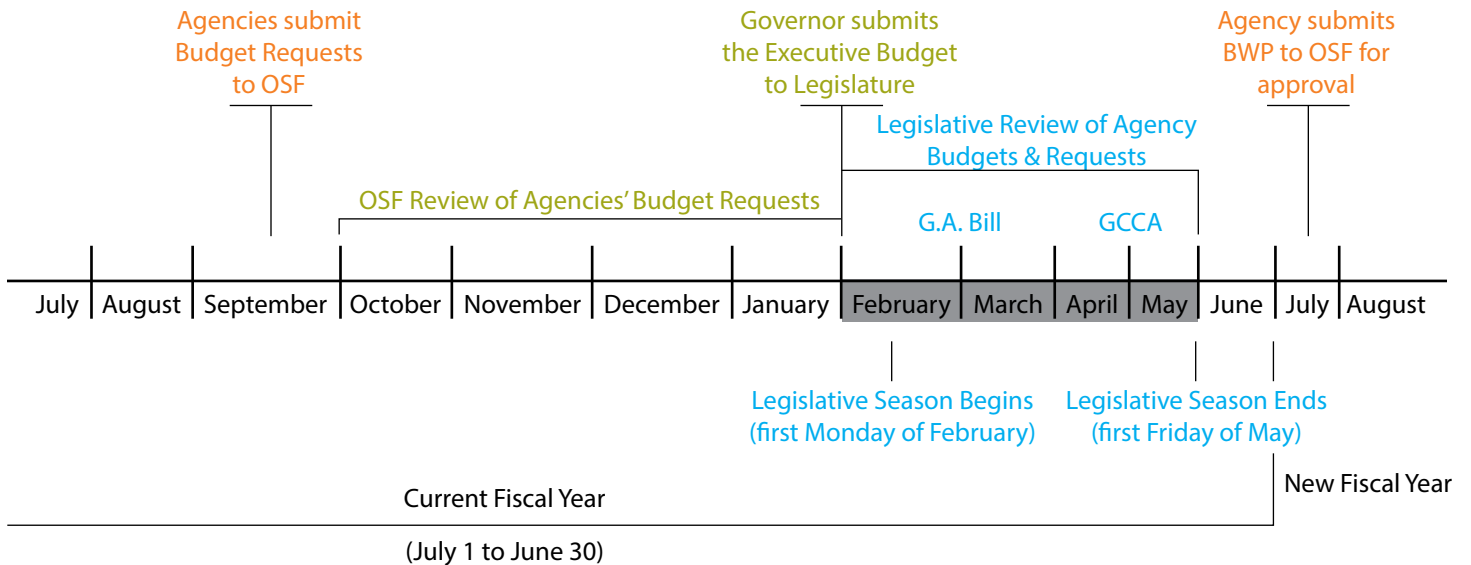
## **Dress Code**

- Professional appearance is expected.
- Ladies should wear blouses and slacks. Sheer, backless, sleeveless, low-cut or midriff garments are not appropriate. The chamber is cool so sweaters or light jackets may be needed.
- Gentlemen are required to wear a dress shirt, a tie, a suit or sports coat and slacks.
- Hats or caps are not appropriate. Comfortable shoes are highly recommended and athletic shoes are acceptable. All visible tattoos must be covered.

## **To Apply**

- The House Page Program is open to high school sophomores, juniors and seniors. To request an application to serve as a House Page, contact your local State Representative's office by calling the Oklahoma House of Representatives at (405) 521-2711 or toll free at (800) 522-8502.
- The Senate Page Program is for Oklahoma high school students in 11th and 12th grades who are at least 16 years of age. For further information about the Senate Page Program contact: Senate Intern and Page Program Coordinator (405) 521-5661

# Overview of the Oklahoma Appropriations Process



## PHASES OF THE OKLAHOMA APPROPRIATIONS PROCESS

The State budget can be divided into three stages: executive preparation and submission to the legislature; approval by the legislature and the executive; and budgetary execution by the agencies.

### Preparation

- Although the state fiscal year begins July 1 and ends on June 30, the appropriations process for a particular fiscal year begins in September of the prior year. During that month, Oklahoma's 123 agencies submit budget requests to the **Office of State Finance** (OSF) and the Legislature.
- Through these requests agencies suggest their appropriations levels, outline their plans for spending all types of funds, and submit data on performance measurements.
- On the first day of legislative session, the first Monday of February, the Governor proposes **executive budget recommendations** to the Legislature for approval. The recommendations serve as the Governor's fiscal and policy priorities for the year.
- The Equalization Board meets between 35-45 days prior to each session for preliminary certification of funds. The board is charged with certifying amounts of all revenues available for legislative appropriation in a given year. It meets again in February to update revenue estimates and finalize the Legislature's appropriation authority.
  - The Equalization Board consists of the Governor, Lieutenant Governor, Attorney General, State Treasurer, State Auditor and Inspector, State Superintendent of Public Instruction, and President of the Agriculture Board. The Office of State Finance staffs the board with support provided by the **Oklahoma Tax Commission**.

## Approval

- Each session the appropriations committees of the Senate and the House of Representatives review the requests from the agencies and the Governor's recommendations. The appropriations committees of each chamber work in subcommittees separated by issue areas, such as Education and Public Safety.
- In mid-session, the Legislature approves a General Appropriations (GA) Bill to provide the base budgets of all agencies.
- Legislative decision-making on incremental changes to budgets, however, does not begin in earnest until April, several months after the session convenes. At this point the Legislature refines its priorities to reflect the limited monies available.

## GCCA

- Final spending decisions by the Legislature are made by the General Conference Committee on Appropriations, or GCCA. GCCA is structured much like the standing appropriations committees of each house, with subcommittees responsible for a group of agencies that perform similar functions.
- A key distinction of the GCCA is that its membership consists of House and Senate members. The two houses negotiate spending priorities and produce a unified budget together.
- The first step of the GCCA consists of the House and Senate leadership agreeing on how much of the total budget is allocated to the GCCA subcommittees. This agreement is known as subcommittee allocations.
- Once these allocation amounts are set, the subcommittees negotiate on the funding needs identified by the agencies within each subcommittee.
- Once GCCA subcommittees agree on a particular agency budget, the appropriations staffs draft appropriations reconciliation bills. An appropriations bill normally articulate agency spending limits, total personnel hiring limits, and the maximum salaries of directors.
- The bills are then approved by a majority of both houses, the appropriations bill is sent to the Governor.

## Governor's Action

- During a legislative session, the Governor is given five working days to enact or veto all or part of the bill (Oklahoma's Governor has authority to line-item veto part of appropriations bills). After session adjourns, the Governor has 15 working days to sign or veto a bill; no action by the Governor constitutes a "pocket veto" of the legislation.
- The Oklahoma Constitution mandates that each fiscal year's budget be balanced. As a safeguard against revenue shortfalls, the Oklahoma Constitution states that appropriations cannot exceed 95% of projected revenues (the remaining 5% is held in reserve during the fiscal year, and made available for appropriation as cash at the beginning of the next fiscal year).

## Execution

- Once a budget is enacted into law, each agency submits a Budget Work Program (BWP) for the coming fiscal year to OSF, which can reject a BWP if it exceeds spending caps or otherwise does not reflect the intent of legislation.
- Once an agency BWP is approved, any changes to categories or amounts of expenditures must be approved by the Joint Legislative Committee on Budget and Program Oversight.
- The Contingency Review Board (CRB), composed of the Governor, Senate President Pro Tempore, and the Speaker of the House, is authorized to make limited changes to agency budgets when the Legislature is not in session, a period known as the interim.
- At any time during the fiscal year, the Legislature can request that agency expenditures be reviewed and audited to ensure compliance with statutory intent.

# Explanation of Links in Oklahoma Appropriations Process Overview Chart

## **Agencies Submit Budget Requests to OSF**

Among its other statutory duties, the Office of State Finance (OSF) is the executive agency responsible for preparing the Governor's budget document. OSF also reviews and recommends the annual budgets for each state agency. The submission of the budget request to OSF marks the beginning of the appropriations process. OSF requires that all state agencies submit their budget needs for the next fiscal year in September.

## **OSF Review of the Agency Budget Requests**

The budget staff of the Office of State Finance (OSF) reviews the budgets and requests of all the state agencies. With the direction of the Governor's Office, OSF prioritizes funding and policy issues to develop a comprehensive executive budget. This process begins with the submission of the agency budget requests in September and culminates with the publication of the executive budget prior to the beginning of Legislative Session, the first Monday of February.

## **Governor submits the Executive Budget to the Legislature**

Each year, on the first day of Legislative Session, the first Monday of February, the Governor submits his or her budget to the Legislature. The executive budget outlines the Governor's fiscal and policy priorities for government operation for the next fiscal year. According to the State Constitution, the proposed budget must be balanced. A balanced budget occurs when total revenues equal total expenditures for a fiscal year.

## **Legislative Review of Agency Budgets and Requests**

During Legislative Session the Committees on Appropriations of each House operates through smaller subcommittees that take a more comprehensive view of government operations by issue area (such as the Education Subcommittee and the Natural Resources and Regulatory Services Subcommittee). These subcommittees meet separately to consider the budget requests of the various state agencies as well as consider new government program proposals.



The Legislature is also empowered with the role of government oversight. The Legislature often commissions special studies and convenes hearings during the interim, when the Legislature is not formally in Session (the period between June and January), to review the implementation of state law and the orderly operations of government.

## **G.A. Bill**

The General Appropriations (G.A.) Bill contains the base appropriations of each state agency. Typically, this legislation is approved in March. Passage of the bill assures that government operations will begin on July 1, the first day of the fiscal year.

## **GCCA**

The General Conference Committee on Appropriations (GCCA) is a continuing conference committee which makes final spending decisions. GCCA is structured much like the standing appropriations committees of each house, with subcommittees responsible for certain issue areas of government operation (such as Public Safety & Judiciary and Health & Human Services). A key distinction of the GCCA is that its membership consists of both House and Senate members. The two houses negotiate spending priorities together and produce a unified budget. Final budget decisions are typically made in May, before the conclusion of Legislative Session.



## **Agency Submits BWP to OSF for Approval**

Agencies are required submit a Budget Work Program (BWP) to the Office of State Finance (OSF) by July 1, the beginning of the fiscal year for review. The BWP outlines the agency's intended operating and capital expenditures, sources of all funding, as well as the allocation of personnel for the duration of the fiscal year. If the BWP meets the intent of the Legislature and the guidelines established by law, OSF then approves the implementation of the BWP.

**Information can be found at [oksenate.gov/committees/appropriations/approp\\_process.htm](https://oksenate.gov/committees/appropriations/approp_process.htm)**

# A View of Oklahoma's State Tax Structure

As the old saying goes, taxes and death are the two certainties in life. Taxes are the dues we pay for living in our democracy. This breakdown of the tax structure in Oklahoma should help you understand more about the state budget process. This does not count matching federal dollars and fees collected, and any changes in one area will shift percentages. Many other factors go into the state budget, but this is a basic overview of the key points in Oklahoma's tax collections.

Income taxes are the largest source of revenue for state government, bringing in about 36% of state tax receipts. Oklahoma enacted an individual income tax in 1915 and then a corporate income tax in 1931.

Oklahoma has a progressive income tax for individuals and couples based on earnings, in which the tax rate increases from .5% to 5%. The Oklahoma corporate income tax is a flat rate of 6% for all corporations, regardless of earnings.

Oklahoma's sales tax was first enacted in 1933 as a temporary 1% tax for the support of public schools. Two years later, the tax was renewed, with revenues being deposited into the state's General Fund. In 1939, the sales tax rate was increased to two percent with the revenues directed to fund public assistance programs. This rate remained unchanged until the 1980's when the tax rate was gradually doubled from 2% to 4% and directed to the General Revenue Fund. In 1990, the passage of the "Education Reform and Revenue Act," also known as House Bill 1017, increased the rate to the present 4.5%. State sales taxes are now the second largest source of revenue for the state government, accounting for approximately 28% of total state revenue.

Sales taxes can be raised locally and are the primary funding source for municipalities. The state also levies a gross production tax, which brings in about 12% of the state budget revenue. This takes the form of an excise tax, with the amount based upon the sale price of oil and natural gas. While this was established at 7% up until 2004, the Legislature reduced this to 2% in 2014 for the highest performing years of the wells.

In addition, these are other taxes collected by the state and their collections as a percentage of the budget:

- Motor Vehicle Excise Tax – 8%
- Motor Fuel Excise Tax – 6%
- Tobacco Tax – 4%
- Insurance Premium Excise Tax – 2%
- Alcoholic Beverage Excise Tax – 1%

In 1933, the Oklahoma Constitution was amended to prohibit state-level taxation of property, known as ad valorem taxes. The bulk of property taxes in Oklahoma go to schools and county governments, with a small amount allowed for certain municipal uses.

In 2012, Oklahomans approved State Question 766 to ban intangible business taxes. This included patents, inventions, formulas, designs, and trade secrets; licenses, franchises, and contracts; land leases, mineral interests, and insurance policies; custom computer software; and trademarks, trade names and brand names.

We hope this helps you stay informed. Please engage your legislators so they make the best decisions on where your dollars are spent.

# Constitutional Reserve Fund

The Oklahoma Constitution mandates the creation of a Constitutional Reserve Fund (often referred to as the “Rainy Day Fund”). All revenues collected by the Oklahoma Tax Commission in excess of the revenue estimate made by the Oklahoma State Board of Equalization are deposited into the Fund. This process continues until the Fund reaches the Constitutional cap of 15% of the prior year’s General Revenue Fund. All revenues not necessary to maintain the Constitutional cap are deposited into the General Revenue Fund.

The Constitutional Reserve Fund can only be used under the following conditions:

- 3/8 of the fund can be used if General Revenue fails to meet the estimate in the current fiscal year
- 3/8 of the fund can be used if General Revenue is projected to decline from one year to the next
- 1/4 of the fund can be used if there is an emergency declaration by the Governor and a 2/3 vote in both the Senate and House of Representatives, or this same 1/4 can be used without the Governor’s declaration if there is a 3/4 vote by Senate and House of Representatives.

## Information about OICA and links to our other data and resources:

- [Legislative Toolkit](#)
- [KIDS COUNT link to Oklahoma KIDS COUNT Data Center](#)
- [General link](#)



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