

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

HOUSE BILL NO. 2402

By: Begley

AS INTRODUCED

An Act relating to public lands; amending 64 O.S. 1991, Section 293, as amended by Section 16, Chapter 190, O.S.L. 1992 (64 O.S. Supp. 1993, Section 293), which relates to oil and gas leases; requiring deposit of certain interest payments into certain fund; creating the Oil and Gas Royalty Interest Fund; providing for expenditure of fund; providing for distribution of fund; providing for codification; and providing an effective date.

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

SECTION 1. AMENDATORY 64 O.S. 1991, Section 293, as amended by Section 16, Chapter 190, O.S.L. 1992 (64 O.S. Supp. 1993, Section 293), is amended to read as follows:

Section 293. A. The royalty proceeds derived from the sale of oil or gas production under any oil and gas lease granted by the Commissioners of the Land Office shall be paid to the Commissioners pursuant to the terms of the Production Revenue Standards Act, ~~Sections 1 through 15 of this act~~ Section 570.1 et seq. of Title 52 of the Oklahoma Statutes.

B. Any interest earned on unpaid or late royalty proceeds from the sale of oil or gas production as provided for in the Production Revenue Standards Act, Section 570.1 et seq. of Title 52 of the Oklahoma Statutes, and any penalties assessed on unpaid or late royalty proceeds shall be deposited in the Oil and Gas Royalty Interest Fund. This subsection shall apply only to oil and gas leases granted by the Commissioners of the Land Office on school land or other public lands held for the benefit of the common schools of Oklahoma.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 293.1 of Title 64, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a fund to be designated the "Oil and Gas Royalty Interest Fund". The fund shall be subject to legislative appropriations and certification by the Board of Equalization. The fund shall consist of revenues deposited to the fund pursuant to subsection B of Section 293 of Title 64 of the Oklahoma Statutes and other revenues deposited to the fund by law. The fund shall be a continuing fund, not subject to fiscal year limitations.

B. Monies in the fund shall be expended as payments to any school district in this state which has state-owned land within the county in which the school district is located, that if the land were in private ownership would be classified as agricultural land and on which no state agency is making an in lieu of ad valorem payment.

C. Each school district in the county shall receive a portion of the fund equal to the percentage of the eligible state-owned land in each county in which the school district is located, as determined from reports compiled by the county assessor of each county listing the location and number of acres of such property in each county. The reports shall be filed with the Office of the

State Treasurer on or before December 31 of each year. Payments from the fund shall be made by the State Treasurer to the county treasurer not later than February 1 of each year. The county treasurer shall apportion the monies to the school districts in the county in proportion to the size of the school district.

SECTION 3. This act shall become effective September 1, 1994.

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