

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

HOUSE BILL NO. 2454

By: Seikel

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 1991, Section 1001.1, which relates to certain property exempt ad valorem tax; providing exception to certain property used in the production of certain minerals which is exempt from ad valorem tax; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 1991, Section 1001.1, is amended to read as follows:

Section 1001.1 The Oklahoma Tax Commission shall adopt rules and regulations which establish guidelines for the determination of property exempt from ad valorem taxation pursuant to the provisions of subsections (j) and (k) of Section 1001 of this title. Said guidelines shall include, but are not limited to, the following:

1. "Producing leases" means:
 - a. wells which have had production during the previous calendar year which is subject to the gross production tax levied by Section 1001 of this title and which have not been abandoned or required to be plugged as

required by law on or before January 1 of the year for which the assessment or valuation is made, or

- b. wells which have had production which is subject to the gross production tax levied by Section 1001 of this title during at least one of the first three (3) months of the year for which the assessment or valuation is made;

2. "Payment of gross production tax" means payment of the tax levied by Section 1001 of this title on production during the calendar year immediately prior to January 1 of the year for which the assessment or valuation is made or on production during at least one of the first three (3) months of the year for which the assessment or valuation is made; and

3. Property exempt from ad valorem tax pursuant to the provisions of subsections (j) and (k) of Section 1001 of this title shall include, ~~but is not limited to,~~ lease production tanks, lease production meters, and lease disposal systems which are not for commercial purposes. Such exempt property shall remain exempt as long as the property is essential to the production of oil and gas in commercial quantities. Under no circumstances shall dehydrators, separators, compressors, compressor stations or any other property beyond the first metering point from each well head be considered exempt pursuant to the provisions of subsections (j) and (k) of Section 1001 of this title. The county assessor shall be notified when such property becomes nonexempt.

SECTION 2. This act shall become effective July 1, 1994.

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.

