

ENGROSSED HOUSE
BILL NO. 1653

By: Rice and Thornbrugh of
the House

and

Easley of the Senate

An Act relating to oil and gas; amending Section 4, Chapter 257, O.S.L. 1992, as amended by Section 4, Chapter 184, O.S.L. 1993, and Section 5, Chapter 257, O.S.L. 1992, as amended by Section 5, Chapter 184, O.S.L. 1993 (52 O.S. Supp. 1994, Sections 288.4 and 288.5), which relate to the Oklahoma Energy Resources Board; adding certain qualification for companies represented on the Board; deleting certain qualification for members; modifying reimbursement to members; authorizing Board to employ an attorney; amending 74 O.S. 1991, Section 18c, as amended by Section 47, Chapter 382, O.S.L. 1994 (74 O.S. Supp. 1994, Section 18c), which relates to employment of attorneys by boards, commissions or officers; adding the Oklahoma Energy Resources Board to entities allowed to employ an attorney; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 4, Chapter 257, O.S.L. 1992, as amended by Section 4, Chapter 184, O.S.L. 1993 (52 O.S. Supp. 1994, Section 288.4), is amended to read as follows:

Section 288.4 A. The Oklahoma Energy Resources Board shall be composed of at least eighteen (18) members. The eighteen members shall be independent oil producers, six to be appointed by the Governor, six to be appointed by the President Pro Tempore of the Senate and six to be appointed by the Speaker of the House of Representatives. The Governor, President Pro Tempore and Speaker of the House of Representatives shall make appointments of independent producers from a list of names of independent producers which do business in the state submitted by qualified independent producer associations.

B. The members of the Board shall:

1. Be at least twenty-five (25) years of age; and
2. ~~Be a resident of the State of Oklahoma; and~~
3. Have at least five (5) years of active experience in the oil industry.

C. The initial term of office for independent producer members of the Board shall be as follows: six members for one (1) year, six members for two (2) years and six members for three (3) years.

For the initial appointments of independent producers, each appointing authority shall make two appointments for one-year terms, two appointments for two-year terms and two appointments for three-year terms. Thereafter, the terms of the independent producer members shall be for three (3) years.

D. The six independent producer members of the Board whose initial term of office is for one (1) year shall serve until October 1, 1993, at which time their terms shall expire and will be replaced by the members appointed to three-year terms under subsection E of this section.

E. On October 1, 1993, six members shall be appointed to the Board who represent major oil companies which do business in the state, two to be appointed by the Governor, two to be appointed by the President Pro Tempore of the Senate and two to be appointed by the Speaker of the House of Representatives.

F. After October 1, 1993, the Board shall be composed of eighteen (18) members, twelve of which shall be independent producers and six shall be representatives of major oil companies.

G. Vacancies shall be filled for the unexpired term of office in the same manner as the original appointment. The independent producer members and major oil company members may be removed from office by a majority vote of the three appointing authorities in a manner as provided by law.

H. After October 1, 1993, the independent producer and major oil company members of the Board appointed pursuant to subsections A and E of this section may by majority vote appoint a maximum of three representatives from each of the following producer-related areas to serve as members of the Board: one member from a royalty owner association and two members representing crude oil purchasing companies. These additional members shall have full voting rights and privileges and will serve three-year terms. They may be removed from the Board by a majority vote of the independent producer and major oil company members of the Board appointed pursuant to subsections A and E of this section.

I. The Board shall at its first meeting elect one of its members as chairperson, who shall preside over meetings of the Board and perform such other duties as may be required by the Board. The first meeting of the Board shall be called by the Governor.

J. No member of the Board shall receive a salary ~~or~~ ~~reimbursement~~ for duties performed as a member of the Board however, members are eligible to receive reimbursement for expenses and

travel reimbursement as provided in the State Travel Reimbursement Act, ~~Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.~~

SECTION 2. AMENDATORY Section 5, Chapter 257, O.S.L. 1992, as amended by Section 5, Chapter 184, O.S.L. 1993 (52 O.S. Supp. 1994, Section 288.5), is amended to read as follows:

Section 288.5 The Oklahoma Energy Resources Board shall have the following powers, duties and responsibilities:

1. To administer and enforce the provisions of the Oklahoma Energy Education and Marketing Act;
2. To establish an office for the Board within the State of Oklahoma;
3. To elect a chairperson and whatever other officers may be necessary to direct operations of the Board;
4. To employ personnel as shall be deemed necessary to carry out the purpose and provisions of this act including but not limited to an attorney to provide legal assistance to the Board, and to prescribe their duties and fix their compensation;
5. To establish and administer the Energy Resources Revolving Fund;
6. To approve or disapprove the budget of the Board;
7. To promulgate rules as it deems necessary to carry out the provisions of this act;
8. To enter into contracts or agreements for studies, research projects, experimental work, supplies or other services to carry out the purposes of the Oklahoma Energy Education and Marketing Act, and incur those expenses necessary to carry out said purpose. Any such contract or agreement shall provide that:
 - a. the person entering the contract or agreement on behalf of the Board shall develop and submit to the Board a plan or project together with a budget or budgets that shows estimated costs to be incurred for the plan or project,

b. the person entering the contract or agreement shall keep accurate records of all of its transactions, account for funds received and expended, and make periodic reports to the Board of activities conducted, and such other reports as the Board may require;

9. To keep accurate records of all financial transactions performed pursuant to this act. These records shall be audited annually by an independent auditor and an annual report shall be compiled and presented to the Governor;

10. To cooperate with any private, local, state or national commission, organization, agency or group and to make contracts and agreements for joint programs beneficial to the oil industry;

11. To accept donations, grants, contributions and gifts from any public or private source and deposit such in the Energy Resources Revolving Fund;

12. To approve or disapprove the investment of any monies in the Energy Resources Revolving Fund pursuant to Section 288.10 of this title; and

13. To keep an accurate record of all assessments collected.

SECTION 3. AMENDATORY 74 O.S. 1991, Section 18c, as amended by Section 47, Chapter 382, O.S.L. 1994 (74 O.S. Supp. 1994, Section 18c), is amended to read as follows:

Section 18c. Subject to the exceptions hereinafter set out, no state officer, board or commission, except the Corporation Commission, the Board of Managers of the State Insurance Fund, the Oklahoma Tax Commission, the Commissioners of the Land Office, the Oklahoma Public Welfare Commission also known as the Commission for Human Services, the Board of Corrections, the Oklahoma Health Care Authority, the Department of Public Safety, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Alcoholic Beverage Laws Enforcement Commission, the Transportation Commission, the Oklahoma Energy Resources Board and the Office of Public

Affairs, shall have authority to employ or appoint attorneys to advise or represent said officer, board or commission, in any matter, and all the legal duties of such officer, board or commission shall devolve upon and are hereby vested in the Attorney General; provided that the Governor shall have authority to employ special counsel to protect the rights or interest of the state as provided in Section 6 of this title; and provided further, that liquidation agents of banks shall have the authority to employ local counsel, with the consent of the Bank Commissioner and the Attorney General and the approval of the district court. At the request of any state officer, board or commission, except the Corporation Commission, the Board of Managers of the State Insurance Fund, Oklahoma Tax Commission and the Commissioners of the Land Office, the Grand River Dam Authority, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Alcoholic Beverage Laws Enforcement Commission and the Interstate Oil and Gas Compact Commission, the Attorney General shall defend any action in which they may be sued in their official capacity, and at their request the Attorney General shall have authority to institute suits in the name of the State of Oklahoma on their relation, provided after investigation he is convinced there is sufficient legal merit to justify the action. Provided however, any officer, board, or commission which has the authority to employ or appoint attorneys may request that the Attorney General defend any action arising pursuant to the provisions of the Governmental Tort Claims Act. Provided further, that nothing in this section shall be construed to repeal or affect the provisions of the statutes of this state pertaining to attorneys and legal advisors of the several commissions and departments of state last hereinabove mentioned, and all acts and parts of acts pertaining thereto shall be and remain in full force and effect.

SECTION 4. This act shall become effective July 1, 1995.

SECTION 5. 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 27th day of February, 1995.

Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1995.

President of the Senate