

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

HOUSE BILL 1913

By: Peters (Ron)

AS INTRODUCED

An Act relating to oil and gas; amending 52 O.S. 2001, Sections 703, as amended by Section 1, Chapter 382, O.S.L. 2002 and 705 (52 O.S. Supp. 2004, Section 703), which relate to the Commission on Marginally Producing Oil and Gas Wells; changing calculation of the fee levied by the Commission; allowing the Commission to adjust the fee as needed; limiting amount of increase of the fee; requiring the Commission to review and establish fee on annual basis; and providing an effective date.

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

SECTION 1. AMENDATORY 52 O.S. 2001, Section 703, as amended by Section 1, Chapter 382, O.S.L. 2002 (52 O.S. Supp. 2004, Section 703), is amended to read as follows:

Section 703. A. To fund the activities of the Commission on Marginally Producing Oil and Gas Wells, a fee shall be levied for any production that is produced on or after January 1, 2006, in the an amount of ~~two-tenths of one cent (\$0.002) on each barrel of petroleum liquid and one-tenth of one cent (\$0.001) on each ten thousand (10,000) cubic feet of natural gas, including casinghead gas,~~ not more than seven-thousandths of one percent (0.007%) of the gross revenues received at the wellhead for oil, natural gas, casinghead gas or condensate produced from each well in the State of Oklahoma except for oil and gas production exempt from the payment of gross production tax pursuant to Section 1001 of Title 68 of the Oklahoma Statutes. If the amount of monies in the Commission on Marginally Producing Oil and Gas Wells Revolving Fund, created in Section 705 of this title, becomes more or less than the amount

needed to fund the activities of the Commission, the Commission may reduce the percentage collected as appropriate or may increase the percentage collected by not more than one-thousandth of one percent (0.001%) in one (1) year. The Commission shall annually review the Fund and establish the amount of the fee for the upcoming year.

B. The fee levied by subsection A of this section shall be deducted from the proceeds of production by the person remitting gross production tax to the Oklahoma Tax Commission pursuant to Section 1001 et seq. of Title 68 of the Oklahoma Statutes. Such fee shall be remitted to the Oklahoma Tax Commission in the same manner as is provided by law for the payment of gross production tax. However, the fee shall not be required to be paid until the accrued amount due from any person required to remit such fee reaches Twenty-five Dollars (\$25.00), except that any amount accrued for any calendar year shall be paid by January 31st of the following year. To defray the costs of receiving and depositing the fees levied by this section, the Oklahoma Tax Commission shall retain three percent (3%) of the fees received for deposit into the ~~Oklahoma Tax Commission~~ Revolving Reimbursement Fund created pursuant to Section 113 of Title 68 of the Oklahoma Statutes. The remaining monies received by the Oklahoma Tax Commission pursuant to this section shall be deposited in the Commission on Marginally Producing Oil and Gas Wells Revolving Fund created by Section 705 of this title.

C. The Commission on Marginally Producing Oil and Gas Wells shall be responsible for taking appropriate and necessary actions to collect any fee which is not paid or is not properly paid. The Oklahoma Tax Commission shall not be responsible for collecting any fee not remitted to the Oklahoma Tax Commission for deposit into the Commission on Marginally Producing Oil and Gas Wells Revolving Fund. The Oklahoma Tax Commission shall report to the Commission on Marginally Producing Oil and Gas Wells any information it obtains

regarding failure of any person to properly pay the fee due, including any documentation it may have of such failure.

D. The Oklahoma Tax Commission shall promulgate rules to establish such procedures and forms necessary for the remittance of the fee levied by this section.

E. The Commission shall be prohibited from utilizing any funds collected through the assessment authorized by this section for the purpose of influencing governmental action or policy, with the exception of recommending amendments to this act. Provided, however, the Commission shall be authorized to respond to any request for information from the Governor, any members of the Legislature, any public official or state agency.

SECTION 2. AMENDATORY 52 O.S. 2001, Section 705, is amended to read as follows:

Section 705. There is hereby created in the State Treasury a revolving fund for the Commission on Marginally Producing Oil and Gas Wells to be designated the "Commission on Marginally Producing Oil and Gas Wells Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of monies collected from ~~two-tenths of one cent (\$0.002) on each barrel of petroleum liquid and one-tenth of one cent (\$0.001) on each ten thousand (10,000) cubic feet of~~ an amount equal to seven-thousandths of one percent (0.007%) of the gross revenues received at the wellhead for oil, natural gas, including casinghead gas, and condensate produced from each well in the State of Oklahoma. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by said Commission for any and all necessary expenses for the operation of said Commission. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 3. This act shall become effective January 1, 2006.

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