HB 1360

THE HOUSE OF REPRESENTATIVES
Wednesday, February 28, 2007

House Bill No. 1360

HOUSE BILL NO. 1360 - By: COOKSEY of the House and BROGDON of the Senate.

An Act relating to oil and gas; amending 52 O.S. 2001, Section 703, as amended by Section 1, Chapter 382, O.S.L. 2002 (52 O.S. Supp. 2006, Section 703), which relates to levying fees to fund the Commission on Marginally Producing Oil and Gas Wells; modifying fees; updating statutory language; 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. 2006, 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 in the amount of ~~two-tenths of one cent ($0.002)~~ three and five-tenths of one cent ($0.0035) on each barrel of petroleum liquid and ~~one-tenth of one cent ($0.001) on each ten thousand (10,000)~~ fifteen thousandths of one cent ($0.00015) on each one thousand (1,000) cubic feet (Mcf) of natural gas, including casinghead gas, 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.

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~~ The 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~~ the 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 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~~ the failure.

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

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 on Marginally Producing Oil and Gas Wells 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~~ 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. This act shall become effective January 1, 2008.

COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND TECHNOLOGY, dated 02-27-07 - DO PASS, As Coauthored.

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