

SB 1475

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THE STATE SENATE
Monday, February 25, 2008

Senate Bill No. 1475
As Amended

SENATE BILL NO. 1475 - By: BINGMAN, GUMM and MAZZEI of the Senate and JOHNSON (Rob) of the House.

[oil and gas - Sustaining Oklahoma's Energy Resources Act -
codification -
emergency]

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 290.1 of Title 52, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Sustaining Oklahoma's Energy Resources Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 290.2 of Title 52, unless there is created a duplication in numbering, reads as follows:

The Legislature finds that while oil and gas exploration has long been associated with the growth of our state and is responsible for supplying over twenty percent (20%) of our state's annual tax revenues there is no reinvestment mechanism to help ensure that current production levels, and thus high levels of tax revenues which support critical governmental functions, are sustained.

1 Resources devoted to upstream oil and gas research and
2 development and advances in production technologies are very
3 limited, even by large producers, and that information is largely
4 proprietary and unavailable to others in the industry.

5 The development of new technologies in oil and gas exploration
6 and production will facilitate the recovery of vast reserves of oil
7 and gas located in new and previously discovered fields and new
8 technologies will be critical for the continued development of gas
9 shales, coalbed methane and tight sands which are found in our
10 state.

11 In addition to seeking new oil and gas fields, maintaining and
12 increasing our marginal well production is critical to our state's
13 energy future. Advances in oilfield technology which will lower
14 costs and maximizes production will ensure sustained oil and gas
15 revenues for our state.

16 By creating and funding the Sustaining Oklahoma's Energy
17 Resources Board, our state will be recognized nationally and
18 internationally for developing new technologies that will create
19 additional wealth for our citizens and increase our nation's energy
20 security.

21 SECTION 3. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 290.3 of Title 52, unless there
23 is created a duplication in numbering, reads as follows:

1 A. There is hereby created the Sustaining Oklahoma's Energy
2 Resources Board. The purpose of the Board is to direct state and
3 private funds for oil and gas research and development projects.
4 The Board shall oversee projects to develop new technologies capable
5 of maximizing the existing oil and gas production in this state and
6 facilitate the discovery and development of new exploration fields.

7 B. The Board shall be composed as follows:

8 1. Two independent producers, one small oil producer and one
9 larger natural gas producer to be appointed by the President Pro
10 Tempore of the Oklahoma State Senate;

11 2. Two independent producers, one small oil producer and one
12 larger natural gas producer to be appointed by the Speaker of the
13 Oklahoma House of Representatives;

14 3. Three well service industry representatives appointed by the
15 Governor;

16 4. Three representatives appointed by the Presidents of the
17 University of Oklahoma, Oklahoma State University and the University
18 of Tulsa; and

19 5. The Secretary of Energy, who shall serve as the chair of the
20 Board.

21 C. Members of the Board shall receive no compensation for their
22 service but may be eligible for necessary and actual travel
23 reimbursement in accordance with the State Travel Reimbursement Act.

1 Appointments to the Board shall be made within ninety (90) days
2 following the effective date of this act. Appointments to the Board
3 shall be for two-year terms and appointees shall be eligible to
4 serve for no more than two consecutive terms. Members shall serve
5 at the pleasure of their appointing authority. Vacancies on the
6 Board shall be filled by the original appointing authority within
7 thirty (30) days following such vacancy. The Secretary of Energy
8 shall call the first meeting of the Board and determine a meeting
9 schedule.

10 D. The Board is authorized to promulgate rules and shall be
11 responsible for establishing procedures and operations of the Board.
12 Such procedures and operations shall be established as rules
13 promulgated by the Board pursuant to the requirements of the
14 Administrative Procedures Act. Such rules may provide for
15 protection from public disclosure of trade secrets and proprietary
16 information of any kind, including, but not limited to, data,
17 processes and technology, as the Board determines necessary.

18 E. The Secretary of Energy shall be responsible for
19 administration of public and private funds appropriated or donated
20 to this Board pursuant to the requirements of state law and the
21 provisions of this act. The Board may receive assistance and
22 cooperation from any other state entity as they deemed necessary and
23 appropriate.

1 SECTION 4. It being immediately necessary for the preservation
2 of the public peace, health and safety, an emergency is hereby
3 declared to exist, by reason whereof this act shall take effect and
4 be in full force from and after its passage and approval.

5 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-20-08 - DO
6 PASS, As Amended and Coauthored.