

1 ENGROSSED HOUSE  
2 BILL NO. 1075

By: Morrissette, Kouplen and  
Renegar of the House

3 and

4 Quinn of the Senate

5  
6  
7 An Act relating to cedar trees; amending 2 O.S. 2011,  
8 Sections 18-401, 18-403, 18-404, 18-406, 18-407, as  
9 amended by Section 19, Chapter 304, O.S.L. 2012 and  
10 18-408 (2 O.S. Supp. 2014, Section 18-407), which  
11 relate to the Eastern Red Cedar Registry Board Act;  
12 changing name of the act; terminating the Eastern Red  
13 Cedar Registry Board; providing for transfer to the  
14 Office of the Eastern Red Cedar Registry Coordinator;  
15 changing references to the Eastern Red Cedar Registry  
16 Board; creating the Office of the Eastern Red Cedar  
17 Registry Coordinator; moving administration, support  
18 and expenditure of funds related to the Eastern Red  
19 Cedar Registry Act from the Oklahoma Department of  
20 Agriculture, Food, and Forestry to the Department of  
21 Environmental Quality; deleting membership and  
22 appointments to the Board; providing for employment  
23 and authority of the Coordinator; providing for  
24 budgeting and funding of the salary of the  
Coordinator; authorizing receipt of certain funding;  
providing for deposit in the Eastern Red Cedar  
Revolving Fund; limiting expenditures; adding certain  
duties; creating the Oklahoma Resource Reclamation  
Act; providing for implementation of the act;  
defining terms; declaring the public interest in  
managing private lands in the state for certain  
purpose; specifying certain goals; providing for  
determination of infestation; requiring notification  
by the Oklahoma Tax Commission; allowing  
municipalities to create certain lists; authorizing  
the Tax Commission to post certain lists on its  
website; encouraging certain insurers to offer  
incentives for policyholders who implement a certain  
program; defining term; allowing an owner of certain  
property to have the property reclassified; directing  
the county assessor to reclassify certain property;

1 providing for reassessment upon certain conditions;  
2 providing in lieu tax treatment for certain property;  
3 requiring verification by the county assessor;  
4 setting limit on the number of acres that may be  
5 approved; requiring the county assessor to verify  
6 limit; directing the Oklahoma Tax Commission to keep  
7 certain records; requiring filing of approval and  
8 election with county assessor; setting in lieu tax  
9 rate; setting filing deadline; providing for payment  
10 to county treasurer; providing for apportionment  
11 according to existing millage levies; providing for  
12 in lieu tax treatment; disqualifying property for  
13 certain exemption; providing penalty for nonpayment;  
14 amending 68 O.S. 2011, Section 2805, which relates to  
15 ad valorem taxes; expanding list of in lieu taxes;  
16 allowing a tax credit for certain qualified biomass  
17 expenditures; defining terms; establishing amount of  
18 credit; allowing credit to be carried forward;  
19 allowing credit to be claimed separately in certain  
20 cases; authorizing the Oklahoma Tax Commission to  
21 promulgate rules; creating the Oklahoma Woody Biomass  
22 Energy Initiative Act of 2015; making legislative  
23 findings; defining certain term; creating the Woody  
24 Biomass Energy Initiative Council; establishing  
termination date; providing for membership; requiring  
appointments by a certain date; providing for  
meetings, a quorum, vacancies and staffing; providing  
for travel reimbursement; making reimbursement and  
staffing contingent upon funding; requiring the  
Council to comply with certain acts; specifying  
duties; authorizing the Council to apply for and use  
certain funds; amending 74 O.S. 2011, Section 85.44D,  
as amended by Section 757, Chapter 304, O.S.L. 2012  
(74 O.S. Supp. 2014, Section 85.44D), which relates  
to purchasing preferences for products made from  
Oklahoma-harvested trees; modifying certain date;  
requiring the Purchasing Division of the Office of  
Management and Enterprise Services to register  
certain manufacturers into the vendor registration  
system; directing the Division to waive certain fees;  
amending Section 2, Chapter 247, O.S.L. 2012 and  
Section 3, Chapter 247, O.S.L. 2012, as amended by  
Section 1, Chapter 232, O.S.L. 2014 (17 O.S. Supp.  
2014, Sections 802.2 and 802.3), which relate to the  
Oklahoma Energy Initiative Act; adding certain duties  
to the Oklahoma Energy Initiative relating to woody  
biomass energy production; expanding the membership

1 of the Oklahoma Energy Initiative Board; directing  
2 the Board to establish a woody biomass working group;  
3 repealing 2 O.S. 2011, Section 18-405, which relates  
4 to support, resources and supplies from the  
5 Department of Agriculture, Food, and Forestry;  
6 providing for codification; providing for  
7 noncodification; providing for recodification; and  
8 providing an effective date.

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

10 SECTION 1. AMENDATORY 2 O.S. 2011, Section 18-401, is  
11 amended to read as follows:

12 Section 18-401. Sections 3 through ~~9~~ 7 of this act shall be  
13 known and may be cited as the "Eastern Red Cedar Registry ~~Board~~  
14 Act".

15 SECTION 2. NEW LAW A new section of law not to be  
16 codified in the Oklahoma Statutes reads as follows:

17 The activities and operations of the Eastern Red Cedar Registry  
18 Board shall terminate on the effective date of this act. The Board  
19 shall cease to exist after the effective date of this act. All  
20 documents, records, property, fund balances, encumbrances,  
21 obligations and other resources of the Board shall be transferred to  
22 the Office of the Eastern Red Cedar Registry Coordinator. The  
23 Office of the Eastern Red Cedar Registry Coordinator shall succeed  
24 to any contractual rights and responsibilities incurred by the  
Board.

1 SECTION 3. AMENDATORY 2 O.S. 2011, Section 18-403, is  
2 amended to read as follows:

3 Section 18-403. A. There is hereby created the Office of the  
4 Eastern Red Cedar Registry Board Coordinator. The ~~Board Coordinator~~  
5 shall be under the authority of the ~~State Board of Agriculture~~  
6 Department of Environmental Quality. The ~~Board shall consist of the~~  
7 ~~following members:~~

8 ~~1. The Governor shall appoint three members as follows:~~

- 9 a. ~~one member representing a property owner in the state,~~
- 10 b. ~~one member engaged in the business of harvesting~~  
11 ~~Eastern Red Cedar trees in the state, and~~
- 12 c. ~~one member engaged in the business of manufacturing~~  
13 ~~products from Eastern Red Cedar trees;~~

14 ~~2. The Speaker of the House of Representatives shall appoint~~  
15 ~~two members as follows:~~

- 16 a. ~~one member with a background or experience in~~  
17 ~~marketing agricultural products, and~~
- 18 b. ~~one member with a background or experience in~~  
19 ~~renewable energy;~~

20 ~~3. The President Pro Tempore of the State Senate shall appoint~~  
21 ~~two members as follows:~~

- 22 a. ~~one member from a higher education institution in The~~  
23 ~~Oklahoma State System of Higher Education who~~  
24 ~~specializes in agricultural production, and~~

1           ~~b. one member from a higher education institution in The~~  
2           ~~Oklahoma State System of Higher Education who~~  
3           ~~specializes in forestry and forest management;~~

4           ~~4. The Commissioner of Agriculture, or a designee;~~

5           ~~5. The Executive Director of the Oklahoma Conservation~~  
6           ~~Commission;~~

7           ~~6. The Executive Director of the Department of Environmental~~  
8           ~~Quality, or designee;~~

9           ~~7. A member of the Corporation Commission, or designee; and~~

10           ~~8. A member appointed by and representing the Natural Resources~~  
11           ~~Conservation Service of the United States Department of Agriculture.~~

12           ~~B. The initial appointment for each member appointed by the~~  
13           ~~Governor shall be for progressive terms of one (1) through three (3)~~  
14           ~~years. The initial appointment for each member appointed by the~~  
15           ~~Speaker of the House of Representatives shall be for progressive~~  
16           ~~terms of one (1) and two (2) years. The initial appointment for~~  
17           ~~each member appointed by the President Pro Tempore of the State~~  
18           ~~Senate shall be for progressive terms of one (1) and two (2) years.~~  
19           ~~Subsequent appointments shall be for three-year terms. Members~~  
20           ~~shall continue to serve until their successors are appointed. Any~~  
21           ~~vacancy shall be filled in the same manner as the original~~  
22           ~~appointment. No member shall serve more than two consecutive terms~~  
23           ~~The Executive Director of the Department of Environmental Quality~~  
24           ~~shall employ a person in the position of the Eastern Red Cedar~~

1 Registry Coordinator. The position of the Coordinator shall be a  
2 state employee position subject to the Oklahoma Personnel Act. The  
3 Coordinator shall have authority as provided for in the Eastern Red  
4 Cedar Registry Act as well as any other authority established by the  
5 Executive Director. The salary of the Coordinator shall not be less  
6 than Thirty Thousand Dollars (\$30,000.00) nor more than Forty  
7 Thousand Dollars (\$40,000.00). All or part of the funds for the  
8 salary of the Coordinator may be from monies in the Eastern Red  
9 Cedar Revolving Fund created in Section 6 of this act. The  
10 Department of Environmental Quality is authorized to receive funding  
11 from private sources, such as private foundations, and grants from  
12 any state or federal entity to provide all or part of the funding  
13 for the salary and other expenses of the Coordinator. Any such  
14 monies received by the Department shall be deposited in the Eastern  
15 Red Cedar Revolving Fund. The Department may expend not more than  
16 one percent (1%) of the monies in the Eastern Red Cedar Revolving  
17 Fund each year for not more than a total of five (5) years for any  
18 administrative expenses associated with providing an office for the  
19 Coordinator incurred by the Department.

20 ~~C. The members of the Board appointed pursuant to paragraphs 1,~~  
21 ~~2 and 3 of subsection A of this section may nominate up to sixteen~~  
22 ~~persons who are residents of the state to serve on a citizens'~~  
23 ~~auxiliary group. The nominations shall be approved by a majority~~  
24 ~~vote of the Board. Members of the citizens' auxiliary group shall~~

1 ~~not have voting rights and privileges on the Board and shall serve~~  
2 ~~three-year terms. The citizens' auxiliary group will provide~~  
3 ~~information and feedback to the Board on issues related to the~~  
4 ~~Eastern Red Cedar tree and shall assist the Board in achieving its~~  
5 ~~duties as set forth in the Eastern Red Cedar Registry Board Act.~~

6 SECTION 4. AMENDATORY 2 O.S. 2011, Section 18-404, is  
7 amended to read as follows:

8 Section 18-404. A. The Office of the Eastern Red Cedar  
9 Registry Board Coordinator shall establish procedures and standards  
10 and oversee the following:

11 1. The administration of the Eastern Red Cedar Registry for  
12 Eastern Red Cedar trees in the state. The registry shall be a new  
13 online field registry developed in cooperation with the Oklahoma  
14 Department of Agriculture, Food, and Forestry. Private landowners  
15 in the state may register the location of their property, the level  
16 of infestation of Eastern Red Cedar trees on the property, and  
17 average size of the trees on the property. The Board Coordinator  
18 shall develop and implement an application and registration process  
19 for landowners;

20 2. Promote the harvesting of Eastern Red Cedar trees. Persons  
21 or entities involved in the harvesting of Eastern Red Cedar trees or  
22 the manufacturing of products from Eastern Red Cedar trees may apply  
23 for registration with the Board Coordinator. The Board Coordinator  
24

1 shall develop and implement ~~an~~ a field and online application and  
2 registration process for harvesters and manufacturers;

3 3. Maintain harvesting records of Eastern Red Cedar trees in  
4 the state;

5 4. Promote the development of new uses and markets for Eastern  
6 Red Cedar trees and Eastern Red Cedar products;

7 5. Promote marketing, research and education efforts concerning  
8 the Eastern Red Cedar tree and Eastern Red Cedar products;

9 6. Cooperate with any local, state, regional, or nationwide  
10 organization or agency engaged in work or activities consistent with  
11 the objectives of the Eastern Red Cedar Registry ~~Board~~ Act;

12 7. Assist communities located in any county in the state to  
13 organize and establish community-owned Eastern Red Cedar projects in  
14 the community and to recruit and locate private for-profit Eastern  
15 Red Cedar businesses in the community including but not limited to  
16 harvesting operations, biofuel plants, cedar oil manufacturing  
17 facilities, or other cedar product manufacturing facilities. The  
18 ~~Board~~ Coordinator shall assist in securing financing, infrastructure  
19 and other resources. The ~~Board~~ Coordinator shall also provide  
20 direction and assistance to the community-based projects and  
21 individually owned businesses on steps to take in order to qualify  
22 for existing sales tax credits and income tax credits;

1 8. Provide a process for the transfer of donated Eastern Red  
2 Cedar trees from landowners registered with the ~~Board~~ Coordinator to  
3 registered harvesters and manufacturers;

4 9. Establish a limit on the number of acres of private property  
5 and the number of harvesters that may be registered on the registry  
6 during a calendar year; ~~and~~

7 10. Travel to all counties in the state identified by the  
8 Oklahoma Department of Agriculture, Food, and Forestry as having  
9 known infestations or developing infestations of Eastern Red Cedar  
10 for the purpose of hosting community-based meetings to inform local  
11 governments and private landowners or lessors of land of the  
12 opportunities for cedar control;

13 11. Work with local governments and private landowners or  
14 lessors of land requesting assistance with referrals to existing  
15 resources and to assist in the development of a long-range  
16 management plan and in securing grants to assist with implementation  
17 of the long-range management plan;

18 12. Work with cedar associations to provide no-cost training in  
19 the area of cedar infestation control; and

20 13. Take any other actions necessary to implement the Eastern  
21 Red Cedar Registry ~~Board~~ Act.

22 B. The ~~Board~~ Coordinator and all landowners and harvesters  
23 registered with the ~~Board~~ Coordinator shall comply with all  
24 applicable provisions of Article 16 of Title 2 of the Oklahoma

1 Statutes, known as the Oklahoma Forestry Code, when managing and  
2 harvesting Eastern Red Cedar trees.

3 C. ~~The Board shall annually elect a chair from among the~~  
4 ~~members. The Board shall meet regularly, but in no case shall it~~  
5 ~~meet less than one time per calendar quarter, and shall meet at any~~  
6 ~~other times as called by the chair, or upon request of three or more~~  
7 ~~members of the Board.~~

8 ~~D.~~ Upon the availability of funds, the ~~Board~~ Coordinator shall  
9 prepare an annual report of all activities for each fiscal year.  
10 The annual report shall be filed with the Governor, Speaker of the  
11 House of Representatives, and the President Pro Tempore of the State  
12 Senate.

13 SECTION 5. AMENDATORY 2 O.S. 2011, Section 18-406, is  
14 amended to read as follows:

15 Section 18-406. A. Eastern Red Cedar trees removed from lands  
16 owned by any state agency or any person or entity with authority to  
17 remove the trees from state-owned lands may be provided to  
18 harvesters registered with the Office of the Eastern Red Cedar  
19 Registry ~~Board~~ Coordinator in a manner consistent with law.

20 B. A state agency may cooperate with the Office of the Eastern  
21 Red Cedar Registry ~~Board~~ Coordinator to issue permits to registered  
22 harvesters to allow the harvesting of Eastern Red Cedar trees on  
23 land owned by the state agency.  
24

1 SECTION 6. AMENDATORY 2 O.S. 2011, Section 18-407, as  
2 amended by Section 19, Chapter 304, O.S.L. 2012 (2 O.S. Supp. 2014,  
3 Section 18-407), is amended to read as follows:

4 Section 18-407. There is hereby created in the State Treasury a  
5 revolving fund ~~for the Eastern Red Cedar Registry Board~~ to be  
6 designated the "Eastern Red Cedar Revolving Fund". The fund shall  
7 be a continuing fund, not subject to fiscal year limitations, and  
8 shall consist of all monies received by the ~~State Board of~~  
9 Agriculture Department of Environmental Quality for the Office of  
10 the Eastern Red Cedar Registry Board Coordinator from the state  
11 income tax checkoff as provided for in Section ~~18-408~~ 7 of this  
12 ~~title act~~, the special license plate issued pursuant to Section  
13 1135.5 of Title 47 of the Oklahoma Statutes, any state-appropriated  
14 funds, federal funds, donations, grants, contributions, and gifts  
15 from any public or private source. All monies accruing to the  
16 credit of said fund are hereby appropriated and may be budgeted and  
17 expended by the ~~State Board of Agriculture~~ Department of  
18 Environmental Quality for payment of the salary of the Office of the  
19 Eastern Red Cedar Registry Coordinator for administrative expenses  
20 of the Department as authorized in Section 3 of this act and as  
21 otherwise directed by ~~the Eastern Red Cedar Registry Board~~ and for  
22 the purposes set forth in the Eastern Red Cedar Registry ~~Board~~ Act.  
23 Expenditures from said fund shall be made upon warrants issued by  
24 the State Treasurer against claims filed as prescribed by law with

1 the Director of the Office of Management and Enterprise Services for  
2 approval and payment.

3 SECTION 7. AMENDATORY 2 O.S. 2011, Section 18-408, is  
4 amended to read as follows:

5 Section 18-408. A. Each individual taxpayer required to file a  
6 state income tax return who desires to contribute to the Eastern Red  
7 Cedar Revolving Fund, as created in Section ~~8~~ 6 of this act, may  
8 designate the contribution on the appropriate income tax form. The  
9 contribution may not increase or decrease the income or liability of  
10 the taxpayer and may be made by reducing the income tax refund of a  
11 taxpayer by the amount designated or by accepting additional payment  
12 from the taxpayer by the amount designated, whichever is  
13 appropriate.

14 B. 1. The Oklahoma Tax Commission shall include on each state  
15 individual income tax return form for tax years beginning after  
16 December 31, 2010, an opportunity for the taxpayer to donate for the  
17 benefit of the Eastern Red Cedar Revolving Fund. The instructions  
18 accompanying the income tax form shall be provided to the Oklahoma  
19 Tax Commission by the Office of the Eastern Red Cedar Registry Board  
20 Coordinator and shall contain a description of the purpose for which  
21 the Eastern Red Cedar Revolving Fund was established and information  
22 on the use of monies from the income tax contribution.

23 2. Taxpayers who are entitled to refunds shall have the refunds  
24 reduced by the amount designated by the taxpayer. The Oklahoma Tax

1 Commission shall annually determine the total amount designated plus  
2 the amount received in excess payments and shall report the total  
3 amount to the Office of the State Treasurer. The State Treasurer  
4 shall credit the total amount to the Eastern Red Cedar Revolving  
5 Fund ~~created in Section 8 of this act~~ at the earliest possible time.

6 C. The incremental cost of administration of contributions  
7 shall be paid out of the fund to the Oklahoma Tax Commission from  
8 amounts received pursuant to this section before funds are expended  
9 for the purposes of the fund.

10 SECTION 8. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 5-2-101 of Title 27A, unless  
12 there is created a duplication in numbering, reads as follows:

13 Sections 8 through 11 of this act shall be known and may be  
14 cited as the "Oklahoma Resource Reclamation Act".

15 SECTION 9. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 5-2-102 of Title 27A, unless  
17 there is created a duplication in numbering, reads as follows:

18 The provisions of the Oklahoma Resource Reclamation Act shall be  
19 implemented in accordance with the provisions of Sections 22-110.1  
20 and 22-112.4 of Title 11 of the Oklahoma Statutes, also known as the  
21 Protect Property Rights Act.

22 SECTION 10. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 5-2-103 of Title 27A, unless  
24 there is created a duplication in numbering, reads as follows:

1 A. For purposes of the Oklahoma Resource Reclamation Act:

2 1. "Eastern Red Cedar" shall mean only the Juniperus Virginiana  
3 tree; and

4 2. "Infestation of Eastern Red Cedar" means not less than fifty  
5 trees five (5) feet in height per acre.

6 B. For the purposes of the Oklahoma Resource Reclamation Act,  
7 it is in the public interest that private occupied and unoccupied  
8 lands within the state be managed to:

9 1. Discourage the proliferation of wildfires;

10 2. Reduce and control the infestation of Eastern Red Cedar  
11 trees on lands;

12 3. Modify the growth of Eastern Red Cedar trees from areas  
13 within one hundred (100) feet of homes or other structures, so as to  
14 reduce the threat and severity of wildfires by creating a defensible  
15 zone in accordance with the Firewise Program guidelines adopted by  
16 the National Fire Protection Association;

17 4. Observe and protect all land-use rights of adjacent private  
18 property landowners and public property to include methods and  
19 programs to discourage passive land-management practices;

20 5. To protect water rights, including the demise of farm ponds,  
21 naturally occurring or manmade lakes, naturally occurring streams  
22 and adequate surface and subsurface water tables; and

23 6. To protect the real property rights of established  
24 categories of property as defined by the Oklahoma Tax Commission and

1 county assessors to include the preservation of grazing land,  
2 cropland, wildlife habitat, commercial stands of naturally occurring  
3 timberland consisting of valuable timbers other than Eastern Red  
4 Cedar trees at infestation levels.

5 C. It is in the public interest that local county and municipal  
6 governments, including county assessors, be allowed to engage the  
7 Oklahoma Tax Commission in a process of property-owner notification  
8 of the infestation of Eastern Red Cedar. A determination of  
9 infestation shall not require a census but shall be determined by  
10 observational analysis made by representatives of local governments  
11 gathering and recording observational and estimated infestation  
12 data. The data may be submitted to the Tax Commission, which shall  
13 upon receipt issue by mail a notification of infestation to the  
14 landowner of record. The notification shall include the data  
15 gathered by local governments. Nothing in this section shall  
16 prohibit a municipality from creating a list of the property owners  
17 or the designees of property owners of residential, commercial or  
18 leased real property to ensure the public safety and welfare of its  
19 citizens. The Tax Commission may post upon its website a list of  
20 private and public landowners which have been issued notices of  
21 infestation. The provisions of this section shall not subvert,  
22 preclude or interfere with the right of any public or private  
23 property owner under existing law to pursue damages and compensation  
24 in a court of law.

1 SECTION 11. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 5-2-104 of Title 27A, unless  
3 there is created a duplication in numbering, reads as follows:

4 Insurers duly licensed in the state writing property insurance  
5 are hereby encouraged to provide incentives to policyholders who  
6 implement and conform to Firewise Program guidelines adopted by the  
7 National Fire Protection Association, including creating a one-  
8 hundred-foot defensible zone free of *Juniperus Virginiana*, commonly  
9 known as the Eastern Red Cedar, around homes and other structures.

10 SECTION 12. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 2902.5 of Title 68, unless there  
12 is created a duplication in numbering, reads as follows:

13 A. As used in this section, "qualifying Eastern Red Cedar  
14 property" means property:

15 1. Either:

- 16 a. classified as cropland, improved pasture, native  
17 pasture or timber waste which does not have  
18 improvements such as a homestead exemption filed on  
19 the property and is infested with Eastern Red Cedar  
20 encroachment of more than fifty trees per acre which  
21 are at least five (5) feet tall or less than one (1)  
22 acre with half of the surface area containing Eastern  
23 Red Cedar in close proximity, or  
24

1           b.    classified as nonagricultural and which is infested  
2                   with Eastern Red Cedar encroachment of more than fifty  
3                   trees per acre which are at least five (5) feet tall  
4                   or less than one (1) acre with half of the surface  
5                   area containing Eastern Red Cedar in close proximity;

6           2.   Registered pursuant to the Eastern Red Cedar Registry Act;

7   and

8           3.   On which the owner is actively engaged in the removal of  
9   Eastern Red Cedar.

10          B.   As used in this section "Eastern Red Cedar" shall mean only  
11   the Juniperus Virginiana tree.

12          C.   An owner of qualifying Eastern Red Cedar property may apply  
13   to the county assessor for the county in which the property is  
14   located to have the property reclassified to timber waste or the  
15   lowest classification category allowed in the county.  If the county  
16   assessor verifies that the property is qualifying Eastern Red Cedar  
17   property, the county assessor shall reclassify the property at the  
18   regular interval of reassessment, with or without visual inspection,  
19   as timber waste.  The qualifying Eastern Red Cedar property shall  
20   remain at the reclassified category until the owner has removed the  
21   infestation of Eastern Red Cedar, at which time the county assessor  
22   may reassess the property and assign a different classification.  If  
23   the county assessor verifies that the property is free of  
24   infestation and has assigned a classification other than timber

1 waste the property owner may apply for the in lieu tax treatment  
2 pursuant to this section.

3 D. An owner of qualifying Eastern Red Cedar property who has  
4 removed the infestation may apply for the in lieu tax treatment for  
5 a single tax year pursuant to this section.

6 E. A total of not more than one thousand (1,000) acres of  
7 qualifying Eastern Red Cedar property statewide shall be approved at  
8 any one time for the in lieu tax treatment. Prior to approval of an  
9 application by an owner of qualifying Eastern Red Cedar property for  
10 the in lieu tax treatment, the county assessor shall report the  
11 number of acres seeking the in lieu tax treatment to the Oklahoma  
12 Tax Commission and verify with the Commission that the statewide cap  
13 of one thousand (1,000) acres has not been met. The Oklahoma Tax  
14 Commission shall keep a record of the total number of acres approved  
15 statewide during each tax year.

16 F. Beginning January 1, 2016, an owner of qualifying Eastern  
17 Red Cedar property that has been approved pursuant to subsection D  
18 of this section who then files an election with the county assessor  
19 of the county in which the property is located to be subject to the  
20 in lieu tax payment requirements imposed by this section shall be  
21 subject to an in lieu tax which shall be levied at the rate of One  
22 Dollar (\$1.00) per acre of qualifying Eastern Red Cedar property for  
23 the applicable tax year. An election authorized by this subsection  
24 shall be filed not later than March 15 of the applicable tax year.

1 Once the election to be subject to the in lieu tax treatment  
2 provided by this section has been filed, it shall be irrevocable and  
3 the in lieu tax treatment for the applicable tax year shall not be  
4 subject to modification.

5 G. The in lieu tax payment required by this section shall be  
6 paid to the county treasurer of the county or counties in which  
7 qualifying Eastern Red Cedar property is located not later than  
8 December 1 of the applicable tax year.

9 H. The revenue derived from the in lieu tax required by this  
10 section shall be apportioned by the county treasurer each year based  
11 upon the ratio that the millage levy of each local taxing  
12 jurisdiction in which the qualifying Eastern Red Cedar property is  
13 located bears to the total amount of all millage levies imposed by  
14 all local taxing jurisdictions in which the qualifying Eastern Red  
15 Cedar property is located. The provisions of this subsection shall  
16 be applicable to general fund millage levies, building fund millage  
17 levies and sinking fund millage levies imposed each year.

18 I. The payment of the tax imposed pursuant to the provisions of  
19 this section shall be in lieu of any and all ad valorem taxes that  
20 would otherwise be imposed as a result of the millage levied against  
21 the taxable value of the qualifying Eastern Red Cedar property for  
22 the applicable tax year.

23 J. If qualifying Eastern Red Cedar property is subject to the  
24 in lieu tax payment required by the provisions of this section, the

1 qualifying Eastern Red Cedar property owner shall not be eligible  
2 for the exemption for qualifying manufacturing concerns otherwise  
3 authorized pursuant to Section 2902 of Title 68 of the Oklahoma  
4 Statutes.

5 K. If the in lieu tax payment required by this section is not  
6 paid by December 31 of the applicable tax year, the principal amount  
7 of the in lieu tax payment shall bear interest at the rate of  
8 fifteen percent (15%) per annum and there shall be imposed an  
9 additional penalty of Five Hundred Dollars (\$500.00) for each month  
10 after December that the in lieu tax is not paid. The penalty shall  
11 accrue at the end of each month if the in lieu tax has not been paid  
12 as of that date. Interest and penalty shall be apportioned in the  
13 same manner as prescribed by this section for the principal amount  
14 of the in lieu tax payment.

15 SECTION 13. AMENDATORY 68 O.S. 2011, Section 2805, is  
16 amended to read as follows:

17 Section 2805. The following fees or taxes levied by the  
18 provisions of the Oklahoma Statutes shall be in lieu of ad valorem  
19 tax, whether in lieu of real property tax, personal property tax, or  
20 both as provided by law:

21 1. The registration fees and taxes imposed upon aircraft by  
22 Section 251 et seq. of Title 3 of the Oklahoma Statutes;  
23  
24

1           2. Registration fees for motor vehicles as provided in Section  
2 1103 of Title 47 of the Oklahoma Statutes, except as otherwise  
3 specifically provided;

4           3. The fee imposed upon transfers of used vehicles in lieu of  
5 the ad valorem tax upon inventories of used motor vehicles by  
6 Section 1137.1 of Title 47 of the Oklahoma Statutes;

7           4. The registration and license fees imposed upon vessels and  
8 motors pursuant to the Oklahoma Vessel and Motor Registration Act,  
9 Section 4001 et seq. of Title 63 of the Oklahoma Statutes;

10          5. The taxes levied upon the gross production of substances  
11 pursuant to Section 1001 of this title;

12          6. The taxes levied upon the gross production of substances  
13 pursuant to Section 1020 of this title;

14          7. The tax imposed upon gross receipts pursuant to Section 1803  
15 of this title;

16          8. The tax imposed upon certain textile products pursuant to  
17 Section 2001 of this title;

18          9. The tax imposed upon certain freight cars pursuant to  
19 Section 2202 of this title;

20          10. The tax imposed on certain parts of the inventories, both  
21 new and used items, owned and/or possessed for sale by retailers of  
22 farm tractors and other equipment pursuant to Sections ~~4~~ 5401  
23 through ~~4~~ 5404 of this ~~act~~ title;

1 11. The tax imposed upon inventories of new vehicles and  
2 certain vessels pursuant to Section 5301 of this title; ~~and~~

3 12. The tax imposed on qualifying Eastern Red Cedar property  
4 pursuant to Section 12 of this act; and

5 13. Such other fees or taxes as may be expressly provided by  
6 law to be in lieu of ad valorem taxation.

7 SECTION 14. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 2357.501 of Title 68, unless  
9 there is created a duplication in numbering, reads as follows:

10 A. For tax years beginning before January 1, 2025, there shall  
11 be allowed a one-time credit against the income tax imposed by  
12 Section 2355 of Title 68 of the Oklahoma Statutes for qualified  
13 biomass fuel property expenditures and qualified biomass heating  
14 property expenditure made after December 31, 2014.

15 B. As used in this section:

16 1. "Qualified biomass fuel property expenditure" means an  
17 expenditure for property which:

18 a. uses the burning of biomass fuel to heat a dwelling  
19 unit located in the state and used as a residence by  
20 the taxpayer, or to heat water for use in such a  
21 dwelling unit, and

22 b. has a thermal efficiency rating of at least seventy-  
23 five percent (75%) as measured by the higher heating  
24 value of the fuel;

1           2. "Qualified biomass heating property expenditure" means an  
2 expenditure for open-loop biomass heating property, including  
3 boilers or furnaces which operate at a thermal output efficiency of  
4 not less than sixty-five percent (65%) as measured by the higher  
5 heating value of the fuel and which provides thermal energy in the  
6 form of heat, hot water or steam for space heating, air  
7 conditioning, domestic hot water or industrial-process heat; and

8           3. "Biomass fuel" means any plant-derived fuel available on a  
9 renewable or recurring basis, including agricultural crops and  
10 trees, wood, wood waste, wood residues and plants including aquatic  
11 plants, grasses, residues, and fibers. The term shall include  
12 densified biomass fuels such as wood pellets.

13           C. The credit provided for in subsection A of this section  
14 shall be:

15           1. For qualified biomass fuel property expenditures as defined  
16 in paragraph 1 of subsection B of this section, thirty percent (30%)  
17 of the cost of the qualified biomass fuel property expenditure; and

18           2. For qualified biomass heating property expenditures as  
19 defined in paragraph 2 of subsection B of this section, thirty  
20 percent (30%) of the cost of the qualified biomass heating property  
21 expenditure.

22           D. If the tax credit allowed pursuant to subsection A of this  
23 section exceeds the amount of income taxes due or if there are no  
24 state income taxes due on the income of the taxpayer, the amount of

1 the credit not used as an offset against the income taxes of a  
2 taxable year may be carried forward as a credit against subsequent  
3 income tax liability for a period not to exceed five (5) years.

4 E. A husband and wife who file separate returns for a taxable  
5 year in which they could have filed a joint return may each claim  
6 only one-half (1/2) of the tax credit that would have been allowed  
7 for a joint return.

8 F. The Oklahoma Tax Commission is herein empowered to  
9 promulgate rules by which the purpose of this section shall be  
10 administered, including the power to establish and enforce penalties  
11 for violations thereof.

12 SECTION 15. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 5-3-101 of Title 27A, unless  
14 there is created a duplication in numbering, reads as follows:

15 Sections 15 and 16 of this act shall be known and may be cited  
16 as the "Oklahoma Woody Biomass Energy Initiative Act of 2015".

17 SECTION 16. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 5-3-102 of Title 27A, unless  
19 there is created a duplication in numbering, reads as follows:

20 A. The Legislature makes the following findings:

21 1. That Oklahoma has an abundance of biomass which is defined  
22 as organic material that is available on a renewable or recurring  
23 basis including:  
24

1 a. materials, precommercial thinnings, or invasive  
2 species from National Forest System land, Department  
3 of Defense lands or public lands, as defined by law,  
4 that:

5 (1) are byproducts of preventive treatments or are  
6 removed to reduce hazardous fuels, to reduce or  
7 contain disease or insect infestation or to  
8 restore ecosystem health,

9 (2) would not otherwise be used for higher-value  
10 products, and

11 (3) are harvested in accordance with applicable law  
12 and a state or federally approved sustainable  
13 forest management plan,

14 b. plant material from nonfederal land or land belonging  
15 to a Native American or Native Tribe that is held in  
16 trust by the United States or subject to a restriction  
17 against alienation imposed by the United States,  
18 including:

19 (1) feed grains,

20 (2) other agricultural commodities,

21 (3) other plants and trees harvested in accordance  
22 with applicable law and a state or federally  
23 approved sustainable forest management plan, and

24 (4) algae, and

1 c. residual material from nonfederal land or land  
2 belonging to a Native American or Native Tribe that is  
3 held in trust by the United States or subject to a  
4 restriction against alienation imposed by the United  
5 States, including:

6 (1) crop residue,

7 (2) other vegetative material including wood waste  
8 and wood residues,

9 (3) animal waste and byproducts including fats, oils,  
10 greases, and manure,

11 (4) gas derived from the biodegradation of solid  
12 waste, and

13 (5) the organic portion of municipal solid materials  
14 including all cellulosic residuals segregated  
15 from waste material, food waste, wastewater  
16 treatment plants and yard waste;

17 2. That for purposes of the Oklahoma Woody Biomass Energy  
18 Initiative Act of 2015, "woody biomass" means a material derived  
19 from trees, shrubs, bushes, grasses including switch grass,  
20 miscanthus or products made from woody plants;

21 3. That the *Juniperus Virginiana*, commonly known as the Eastern  
22 Red Cedar tree, is a native tree which, due to conditions, is  
23 encroaching upon ecosystems outside of its historic habitat at a  
24 rate of seven hundred (700) acres per day in Oklahoma, contributing

1 to loss of water, grazing lands and wildlife habitat, fire loss and  
2 allergic illness;

3 4. That the objectives of the provisions of the Eastern Red  
4 Cedar Registry Act do not include the development of a specific  
5 biomass energy use plan, but are specifically to assist state and  
6 private landowners with gaining information regarding the control of  
7 the Eastern Red Cedar tree and to provide educational support;

8 5. That woody biomass is a renewable energy source which can be  
9 used to diversify the energy portfolio of the state when converted  
10 to fuel known as biofuel and which can be pelleted or liquefied to  
11 mix with natural gas and coal and burned in energy-efficient  
12 boilers;

13 6. That based on a per million British Thermal Unit (BTU) by  
14 fuel type, the rates for biofuel from woody biomass averaged in 2010  
15 Two Dollars and fifty cents (\$2.50) for wood chips with forty  
16 percent (40%) moisture as compared with electricity which averaged  
17 Sixteen Dollars and fifty cents (\$16.50);

18 7. That in order for biofuel projects to be successful, there  
19 must be a sustainable supply of woody biomass and a well-developed  
20 supply-chain formula, making cover crops of switch grass or plants  
21 such as miscanthus that can be harvested and pelletized an essential  
22 part of the woody biomass statewide plan;

23 8. That harvested woody biomass can be produced for use as  
24 chips, pellets and other forms which have energy values higher than

1 all traditional fuel sources, with Eastern Red Cedar having a  
2 considerably higher BTU value;

3 9. That nearly every state in the United States now has some  
4 type of public woody biomass project operating in either pilot  
5 project or full-functioning form, with most focusing on the use of  
6 woody biomass as an economical energy resource or as a means to  
7 reduce energy costs for public facilities and state agencies which  
8 now account for nearly two-thirds (2/3) of all energy produced;

9 10. That under Section 35-206 of Title 11 of the Oklahoma  
10 Statutes the expenditure of funds for the purpose of conservation of  
11 electricity or natural gas by public agencies is in the public  
12 interest; and

13 11. That in Oklahoma woody biomass could be used to reduce  
14 energy costs for public facilities such as the state correctional  
15 facilities, and all other public facilities. The Department of  
16 Corrections paid these high energy costs while at the same time  
17 employees at the correctional facilities were forced to undergo  
18 furloughs and staffing reductions. Further, the Department of  
19 Corrections is authorized under Section 222 of Title 57 of the  
20 Oklahoma Statutes to use prisoners on public purpose projects  
21 including harvesting Eastern Red Cedar trees.

22 B. There is hereby created to continue until July 1, 2018, the  
23 Woody Biomass Energy Initiative Council.

24 C. The Council shall be composed of members as follows:

1           1. A member of the House of Representatives, appointed by the  
2 Speaker of the House of Representatives;

3           2. A member of the State Senate, appointed by the President Pro  
4 Tempore of the State Senate;

5           3. Two members who are engaged in the business of manufacturing  
6 or selling biofuel furnaces, one member to be appointed by the  
7 Speaker of the House of Representatives and one member to be  
8 appointed by the President Pro Tempore of the State Senate;

9           4. The Eastern Red Cedar Registry Coordinator;

10          5. The Executive Director of the Department of Environmental  
11 Quality, or designee;

12          6. An employee in the Forestry Services Division of the  
13 Oklahoma Department of Agriculture, Food, and Forestry appointed by  
14 the Commissioner of Agriculture;

15          7. The Director of the Department of Corrections, or designee;

16          8. The Director of the Oklahoma Department of Commerce, or  
17 designee;

18          9. A member appointed by the Director of the Oklahoma State  
19 Energy Office within the Oklahoma Department of Commerce and  
20 representing the Oklahoma Renewable Energy Council;

21          10. A member of the Corporation Commission, or designee;

22          11. The Executive Director of the Oklahoma Conservation  
23 Commission, or designee;

1           12. A member appointed by and representing the Natural  
2 Resources Conservation Service of the United States Department of  
3 Agriculture;

4           13. A member appointed by and representing the United States  
5 Environmental Protection Agency; and

6           14. A member appointed by and representing the United States  
7 Department of Energy.

8           D. Appointments to the Council shall be made within thirty (30)  
9 days after the effective date of this act. Meetings of the Council  
10 shall be held at least quarterly at the call of the chair. Members  
11 shall serve at the pleasure of their appointing authorities. A  
12 majority of the members of the Council shall constitute a quorum to  
13 transact business, but no vacancy shall impair the right of the  
14 remaining members to exercise all of the powers of the Council. A  
15 vacancy on the Council shall be filled by the original appointing  
16 authority. Contingent upon the availability of funding, the  
17 Department of Environmental Quality shall provide staff, support and  
18 information as requested by the Council.

19           E. Members of the Council shall receive no compensation for  
20 serving on the Council, but contingent upon the availability of  
21 funding shall receive travel reimbursement as follows:

22           1. State employees who are members of the Council shall be  
23 reimbursed for travel expenses incurred in the performance of their  
24

1 duties by their respective agencies in accordance with the State  
2 Travel Reimbursement Act;

3 2. Legislative members shall be reimbursed in accordance with  
4 Section 456 of Title 74 of the Oklahoma Statutes; and

5 3. All other members of the Council shall be reimbursed by the  
6 Department of Environmental Quality for travel expenses incurred in  
7 the performance of their duties in accordance with the State Travel  
8 Reimbursement Act.

9 F. The Council shall act in accordance with the provisions of  
10 the Oklahoma Open Meeting Act and the Oklahoma Open Records Act.

11 G. The Council shall:

12 1. Develop an Oklahoma Renewable Woody Biomass Energy Usage  
13 Plan which will:

- 14 a. include appropriate harvesting and fuel burning  
15 guidelines, equipment and techniques that are in  
16 compliance with any laws governing the use of biomass  
17 for energy production,
- 18 b. include recommendations for the creation of an  
19 adequate supply chain and adequate levels of available  
20 biomass from naturally occurring or cultivated cover  
21 crops,
- 22 c. take into consideration all environmental quality and  
23 energy standards,
- 24 d. include a funding plan for utilization,

- 1 e. identify state lands suitable for use in the  
2 production of biomass, and  
3 f. identify available private resources to implement the  
4 plan, including resources for implementing the duties  
5 of the Office of the Eastern Red Cedar Registry  
6 Coordinator;

7 2. Investigate the feasibility of constructing and installing  
8 woody biomass furnaces in correctional facilities operated by the  
9 Department of Corrections, public schools, and other state agencies,  
10 which furnaces can use woody biomass harvested exclusively within  
11 Oklahoma from state and private lands;

12 3. Investigate the feasibility of using woody biomass for the  
13 purpose of blending with natural gas, coal, cogeneration or  
14 gasification methods, as well as other emerging applications; and

15 4. Make recommendations to the Legislature and the Governor on  
16 the findings of the Council.

17 H. The Council is hereby authorized to make application for,  
18 seek and utilize any funds received including, but not limited to,  
19 any state or federal funds, grants including renewable energy grants  
20 available through the United States Department of Energy and the  
21 United States Department of Agriculture, or private donations.

22 SECTION 17. AMENDATORY 74 O.S. 2011, Section 85.44D, as  
23 amended by Section 757, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
24 2014, Section 85.44D), is amended to read as follows:

1 Section 85.44D A. It is the intent of the Legislature that all  
2 state agencies procure and use products or materials made from or  
3 utilizing materials from trees harvested in Oklahoma when such  
4 products or materials are available.

5 B. By ~~July 1, 2011~~ November 1, 2015, the Purchasing Division of  
6 the Office of Management and Enterprise Services when accepting bids  
7 for state purchases of products and materials shall give preference  
8 to the suppliers of wood products made from or products manufactured  
9 utilizing materials from trees harvested in Oklahoma if the price  
10 for the products and materials is not substantially higher than the  
11 price for other wood products and materials and the quality and  
12 grade requirements are otherwise comparable.

13 C. The Purchasing Division of the Office of Management and  
14 Enterprise Services shall register any manufacturer of products made  
15 from trees harvested in Oklahoma which is registered with the Office  
16 of the Eastern Red Cedar Registry Coordinator on the central  
17 purchasing vendor registration system for state agency purchasing,  
18 in the appropriate category or categories of commodities. The  
19 Division shall waive any registration fee for the manufacturer for  
20 the first year of registration.

21 D. By July 1, 2011, the Purchasing Division of the Office of  
22 Management and Enterprise Services shall promulgate rules and  
23 implement a program for extending state procurement specifications  
24

1 to products made from or manufactured utilizing materials from trees  
2 harvested in Oklahoma and identifying the products.

3 SECTION 18. AMENDATORY Section 2, Chapter 247, O.S.L.  
4 2012 (17 O.S. Supp. 2014, Section 802.2), is amended to read as  
5 follows:

6 Section 802.2 A. There is hereby created the Oklahoma Energy  
7 Initiative, referred to in this act as the Initiative, which shall  
8 serve as a strategic program designed to create, advance, and  
9 promote new and existing energy research and development efforts  
10 related to Oklahoma's core energy competencies by:

11 1. Promoting research and development in the areas of  
12 conventional and unconventional oil and natural gas development and  
13 production, CO<sub>2</sub> enhanced oil recovery, wind forecasting, advanced  
14 biofuels, biofuels from woody biomass, energy storage, water  
15 management, energy policy and economic analysis, energy system  
16 optimization, renewable energy integration into the electrical grid,  
17 and similar energy technologies;

18 2. Fostering communication and collaboration between state and  
19 federal governmental agencies, institutions of higher education,  
20 nonprofit research institutions, and private entities located  
21 throughout Oklahoma;

22 3. Advancing research and development programs that provide  
23 benefits to all industries and regions of the state;

1 4. Streamlining research and development efforts between  
2 private and public industry to create synergistic relationships that  
3 coordinate, not duplicate, research efforts;

4 5. Establishing Oklahoma as a regional resource and  
5 clearinghouse for transformative energy technologies in the areas of  
6 traditional energy and renewable resource research and development;

7 6. Developing a renewable woody biomass energy usage plan that  
8 will include appropriate harvesting and fuel-burning guidelines and  
9 techniques for the use of biomass for energy production;

10 7. Attracting best-in-class researchers to Oklahoma in  
11 competency areas aligned with Oklahoma's natural resource base;

12 ~~7.~~ 8. Coordinating with the Oklahoma Department of Commerce to  
13 enhance venture capital investment in energy-related research and  
14 business opportunities; and

15 ~~8.~~ 9. Promoting seed funding that can be leveraged against  
16 state, federal, and private-source funding to establish sufficient  
17 startup resources.

18 B. The Initiative may receive assistance from any state agency  
19 or public entity to implement the provisions of the Oklahoma Energy  
20 Initiative Act, including, but not limited to, administrative  
21 assistance, staffing or legal counsel and provision of office space  
22 or equipment as necessary. Assistance agreements may be made by  
23 memorandums of understanding or as otherwise provided by law.  
24

1 SECTION 19. AMENDATORY Section 3, Chapter 247, O.S.L.  
2 2012, as amended by Section 1, Chapter 232, O.S.L. 2014 (17 O.S.  
3 Supp. 2014, Section 802.3), is amended to read as follows:

4 Section 802.3 A. The Oklahoma Energy Initiative shall be  
5 administered and governed by the Oklahoma Energy Initiative Board,  
6 made up of representatives of the contributing institutions of the  
7 Initiative which initially shall be the University of Oklahoma,  
8 Oklahoma State University, Oklahoma City University, the University  
9 of Tulsa, and the Noble Foundation. Additional contributing  
10 institutions may be added at the discretion of the Board, as such  
11 institutions contribute to the purpose, objectives and research  
12 coordinated by the Initiative. Additional contributing institutions  
13 may include state, federal, and private agencies, institutions of  
14 higher education, nonprofit research institutions, and private  
15 entities.

16 B. The Board shall initially consist of ~~six (6)~~ thirteen (13)  
17 members as follows:

18 1. One member, who shall serve as the chair of the Board, shall  
19 be the Secretary of Energy and Environment or a member otherwise  
20 appointed by the Governor;

21 2. One member shall be the Vice President of Research from the  
22 University of Oklahoma or a member otherwise appointed by the  
23 President of the University of Oklahoma;

1           3. One member shall be the Vice President of Research from  
2 Oklahoma State University or a member otherwise appointed by the  
3 President of Oklahoma State University;

4           4. One member shall be the Vice President of Research from the  
5 University of Tulsa or a member otherwise appointed by the Governor;

6           5. One member shall be the Vice President of Research from  
7 Oklahoma City University or a member otherwise appointed by the  
8 Speaker of the House of Representatives; ~~and~~

9           6. One member who shall represent the Samuel Roberts Noble  
10 Foundation appointed by the President Pro Tempore of the Senate;

11           7. One member shall be an employee of the Oklahoma Department  
12 of Commerce appointed by the Director of the Oklahoma Department of  
13 Commerce;

14           8. One member shall have experience in the financing of public  
15 development projects to be appointed by the Governor;

16           9. One member shall have experience in marketing to be  
17 appointed by the Governor;

18           10. Two members who have served on a board of directors of a  
19 nonprofit entity and who have experience in strategic planning and  
20 board development; and

21           11. Two members who have served on a board of directors of a  
22 corporation located in Oklahoma who have experience in strategic  
23 planning and board development.

1 C. Board members shall serve for a term of four (4) years,  
2 which shall begin on January 1 of the first year of the appointment  
3 and end on December 31 of the fourth year. There shall be no limit  
4 to the number of consecutive terms served. If a vacancy should  
5 occur during a member's term, the appointing authority for the  
6 vacant position shall appoint a new member to fill the remainder of  
7 the unexpired term. Board members shall serve without compensation  
8 but may be eligible for necessary travel expenses pursuant to the  
9 State Travel Reimbursement Act.

10 D. The Board shall be responsible for establishing procedures  
11 for the Initiative and operations of the Board. The rules may  
12 provide for protection from public disclosure of trade secrets and  
13 proprietary information of any kind, including, but not limited to,  
14 data, processes and technology, as the Board determines necessary.

15 E. The Board shall undertake activities and commission  
16 programs, through the contributing institutions, to achieve the  
17 purpose and satisfy the objectives of the Initiative as provided in  
18 the Oklahoma Energy Initiative Act. The Board shall establish a  
19 working group of members which shall be responsible for developing  
20 the renewable woody biomass energy usage plan. The Board shall have  
21 authority to distribute funding for such activities and programs.  
22 The Board may employ staff as it deems necessary.

23 F. The Board shall prepare an annual, written report to  
24 summarize the annual progress of the Initiative, including summaries

1 of its programs and their progress and outcomes. The report shall  
2 be made available to the public and shall be distributed to the  
3 Governor, the President Pro Tempore of the Senate, and the Speaker  
4 of the House of Representatives.

5 G. The provisions of The Oklahoma Central Purchasing Act shall  
6 not apply to any project, activity or contract of the Initiative or  
7 the Board.

8 H. No Board member or any person acting on behalf of the Board  
9 or Initiative executing any contracts, commitments or agreements  
10 issued by or on behalf of the Oklahoma Energy Initiative shall be  
11 personally liable for the contracts, commitments, or agreements or  
12 be subject to any personal liability or accountability by reason  
13 thereof. No director or any person acting on behalf of the Board  
14 or Initiative shall be personally liable for damage or injury  
15 resulting from the performance of duties hereunder.

16 SECTION 20. REPEALER 2 O.S. 2011, Section 18-405, is  
17 hereby repealed.

18 SECTION 21. RECODIFICATION 2 O.S. 2011, Section 18-401,  
19 as amended by Section 1 of this act, shall be recodified as Section  
20 5-1-101 of Title 27A of the Oklahoma Statutes, unless there is  
21 created a duplication in numbering.

22 SECTION 22. RECODIFICATION 2 O.S. 2011, Section 18-402,  
23 shall be recodified as Section 5-1-102 of Title 27A of the Oklahoma  
24 Statutes, unless there is created a duplication in numbering.

1 SECTION 23. RECODIFICATION 2 O.S. 2011, Section 18-403,  
2 as amended by Section 3 of this act, shall be recodified as Section  
3 5-1-103 of Title 27A of the Oklahoma Statutes, unless there is  
4 created a duplication in numbering.

5 SECTION 24. RECODIFICATION 2 O.S. 2011, Section 18-404,  
6 as amended by Section 4 of this act, shall be recodified as Section  
7 5-1-104 of Title 27A of the Oklahoma Statutes, unless there is  
8 created a duplication in numbering.

9 SECTION 25. RECODIFICATION 2 O.S. 2011, Section 18-406,  
10 as amended by Section 5 of this act, shall be recodified as Section  
11 5-1-105 of Title 27A of the Oklahoma Statutes, unless there is  
12 created a duplication in numbering.

13 SECTION 26. RECODIFICATION 2 O.S. 2011, Section 18-407,  
14 as last amended by Section 6 of this act, shall be recodified as  
15 Section 5-1-106 of Title 27A of the Oklahoma Statutes, unless there  
16 is created a duplication in numbering.

17 SECTION 27. RECODIFICATION 2 O.S. 2011, Section 18-408,  
18 as amended by Section 7 of this act, shall be recodified as Section  
19 5-1-107 of Title 27A of the Oklahoma Statutes, unless there is  
20 created a duplication in numbering.

21 SECTION 28. This act shall become effective November 1, 2015.  
22  
23  
24

1 Passed the House of Representatives the 11th day of March, 2015.

2  
3 \_\_\_\_\_  
4 Presiding Officer of the House  
of Representatives

5 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2015.

6  
7  
8 \_\_\_\_\_  
9 Presiding Officer of the Senate