

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 HOUSE BILL 1330

By: Perryman

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6 AS INTRODUCED

7 An Act relating to the disposal of deleterious
8 substances; requiring certain metering of certain
9 disposed fluids; requiring the maintenance of certain
10 logs for certain minimum period; requiring logs be
11 made available to certain state agencies; requiring
12 logs include certain minimum information; requiring
13 evidence concerning chain of custody; defining term;
14 stating purpose; levying tax upon disposal of liquid
15 deleterious substances; establishing tax amount per
16 barrel; requiring certain collection of tax;
17 providing schedule for remittance; authorizing the
18 establishment of procedures, forms and applications;
19 providing for certain deduction against certain
20 taxes; authorizing the promulgation of rules related
21 to certain guidelines; providing for codification;
22 and providing an effective date.

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

24 SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 155 of Title 52, unless there is
created a duplication in numbering, reads as follows:

A. The Corporation Commission shall require commercial
injection or disposal wells to be metered so as to record the volume
of fluids disposed of in the well.

1 B. The Corporation Commission shall require the operator of a
2 commercial injection or disposal well to keep and make available
3 upon request of the Corporation Commission or Oklahoma Tax
4 Commission a log of all loads of deleterious substances disposed at
5 the well. The log shall be kept on file for a period of at least
6 five (5) years. The log of record shall include, at a minimum, the
7 amount, the location of the source, and the operator or owner of the
8 source of the deleterious substance. The operator shall also
9 require the hauler of the deleterious substance to submit evidence
10 of chain of custody of the deleterious substance. The chain of
11 custody evidence shall be included in the log of record.

12 C. For purposes of this section, "deleterious substances" means
13 any chemical, saltwater, oil field brine, waste oil, waste
14 emulsified oil, basic sediment, mud or injurious substance produced
15 or used in the drilling, development, production, transportation,
16 refining and processing of oil, gas or brine mining.

17 SECTION 2. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 1050 of Title 68, unless there
19 is created a duplication in numbering, reads as follows:

20 A. In order to protect public health and preserve the
21 expectation of future disposal capabilities of areas local to
22 commercial injection or disposal well sites, there is hereby levied
23 upon liquid deleterious substance disposed of in a commercial
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1 injection or disposal well located in this state a tax equal to five
2 cents (\$0.05) per barrel.

3 B. The operator of a commercial injection or disposal well
4 shall:

5 1. Collect the tax provided for in this section for all
6 deleterious substances disposed of in the operator's injection or
7 disposal well; and

8 2. Remit such collections to the Oklahoma Tax Commission on a
9 quarterly basis within one (1) month following the close of each
10 quarter, for each barrel of liquid deleterious substance disposed of
11 during the preceding quarter.

12 C. The Oklahoma Tax Commission shall establish reporting and
13 payment procedures, including forms and applications, which shall be
14 submitted with the payment of the tax provided for in this section.

15 D. For purposes of this section, "deleterious substances" means
16 any chemical, saltwater, oil field brine, waste oil, waste
17 emulsified oil, basic sediment, mud or injurious substance produced
18 or used in the drilling, development, production, transportation,
19 refining and processing of oil, gas or brine mining.

20 SECTION 3. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 1001.5 of Title 68, unless there
22 is created a duplication in numbering, reads as follows:

23 A. Producers subject to the tax levied in Section 2 of this act
24 may deduct the cost of such taxes paid from the gross value when

1 computing the gross value, of associated production, subject to the
2 taxes levied pursuant to Sections 1001 and 1101 of Title 68 of the
3 Oklahoma Statutes.

4 B. The Oklahoma Tax Commission shall promulgate rules which
5 establish guidelines to implement the provisions of this section
6 including requirements to submit any additional information as
7 deemed necessary to implement and administer this deduction.

8 SECTION 4. This act shall become effective January 1, 2018.

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