

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	SB 731
Version:	ENGR
Request Number:	
Author:	Rep. Calvey
Date:	4/20/2017
Impact:	Corp. Comm.: FY 18: Agency anticipates \$0 fiscal impact with current language. CLO-Up to \$20.9 million decrease to beneficiaries-FY-18, and no collections in this area thereafter

Research Analysis

SB 731 provides that, in cases of unmarketable title, an oil and gas operator may deem related royalty proceeds to be abandoned, and remit those proceeds to the Unclaimed Property Fund. The measure also provides exceptions to the standard time period when proceeds must be paid, including when mineral owners elect to take their share of production in kind or cannot be located and those proceeds have been remitted to the Unclaimed Property Fund. Additionally, the bill removes a requirement that proceeds from sale of oil or gas production not timely paid earn compound interest. Those proceeds would receive simple interest at a rate of 12%.

Prepared By: Sean Webster

Fiscal Analysis

The measure, with language as written, per the Oklahoma Corporation Commission, has \$0 anticipated fiscal impact to their legislative monies.

Specific to the Commissioners of the Land Office (CLO), their personnel provide that changes in the measure would necessitate an estimated up to \$20.9 million decrease in funds distributions to their education related beneficiaries as related to these royalty interest collections, including the compounded interest provision for FY-18, with no collections in this area in the future.

Prepared By: Andrea Kearney and Jenny Mobley

Other Considerations

None