

**BILL SUMMARY**  
1<sup>st</sup> Session of the 56<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 867</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>1849</b>
<b>Author:</b>	<b>Speaker McCall</b>
<b>Date:</b>	<b>5/19/2017</b>
<b>Impact:</b>	<b>OTC: FY-18: Anticipated positive impact of \$18,951 to the state on gross production tax collections at the 2% rate.</b>
	<b>OCC: FY-18: Fiscal impact is difficult to quantify for the state. Anticipated work load increase to agency.</b>

**Research Analysis**

**Pending**

Prepared By: Marcia Goff

**Fiscal Analysis**

Per the Oklahoma Tax Commission (OTC), there will be estimated increases in oil and gas production from the expanded use of long lateral lines. Based on this data and adjusting for the timing in gross production tax collections, the FY 18 anticipated fiscal impact on the gross production tax collections at the 2% rate are as follows:

Gas	\$ 6,230,000
Oil	<u>\$12,721,000</u>
Total	\$18,951,000

Apportionment:	GR Fund	\$9,475,500
	Counties	\$4,737,750
	Schools	\$4,737,750

Per the Oklahoma Corporation Commission (OCC), the measure is difficult to quantify due to the new type of drilling methods. The bill is anticipated to spur additional exploration activity within the state. More drilling predictably will increase demands on the agency staff; therefore, the agency resource requirements may increase accordingly. The Oil and Gas Conservation Division of the OCC is 75% funded by legislative appropriations.

Prepared By: Jenny Mobley

**Other Considerations**

None.

