

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL NO. 519

By: David

6 AS INTRODUCED

7 An Act relating to the Oil and Gas Division Revolving
8 Fund; amending 17 O.S. 2011, Section 57, as amended
9 by Section 57, Chapter 304, O.S.L. 2012 (17 O.S.
10 Supp. 2018, Section 57), which relates to the
11 revolving fund; prohibiting transfers and uses of
12 deposits to fund; amending 68 O.S. 2011, Section
13 1103, as last amended by Section 4, Chapter 153,
14 O.S.L. 2016 (68 O.S. Supp. 2018, Section 1103), which
15 relates to deposit, apportionment and use of proceeds
16 of tax; modifying crediting of certain funds;
17 updating statutory language; and providing an
18 effective date.

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

16 SECTION 1. AMENDATORY 17 O.S. 2011, Section 57, as
17 amended by Section 57, Chapter 304, O.S.L. 2012 (17 O.S. Supp. 2018,
18 Section 57), is amended to read as follows:

19 Section 57. A. There is hereby created in the State Treasury a
20 revolving fund for the Corporation Commission, to be designated the
21 "Oil and Gas Division Revolving Fund". The fund shall be a
22 continuing fund, not subject to fiscal year limitations, and shall
23 consist of all monies designated for deposit to ~~said~~ the fund. All
24 monies accruing to the credit of ~~said~~ the fund are hereby

1 appropriated and may be budgeted and shall be expended by the
2 Corporation Commission for the purposes of expeditious prevention
3 and abatement of oil and gas pollution, the protection of
4 correlative rights and the prevention of waste. Expenditures from
5 ~~said~~ the fund shall be made upon warrants issued by the State
6 Treasurer against claims filed as prescribed by law with the
7 Director of the Office of Management and Enterprise Services for
8 approval and payment. No money shall be transferred or expended by
9 the Corporation Commission for any other purpose than that
10 authorized by this section.

11 B. Except as otherwise authorized in this section, no monies
12 deposited in the Oil and Gas Division Revolving Fund shall be
13 transferred for any purpose to any other state agency or any account
14 of the Corporation Commission or be used for the purpose of
15 contracting with any other state agency or reimbursing any other
16 state agency for any expense.

17 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1103, as
18 last amended by Section 4, Chapter 153, O.S.L. 2016 (68 O.S. Supp.
19 2018, Section 1103), is amended to read as follows:

20 Section 1103. A. 1. Prior to July 1, 2021, and as provided in
21 Section 1103.1 of this title, all monies derived from the levy of
22 the excise tax on petroleum oil provided for by Section 1101 of this
23 title shall be deposited with the State Treasurer, who shall credit
24 and apportion the same as follows:

- 1 a. eighty-two and six hundred thirty-four thousandths
2 percent (82.634%) of ~~said~~ the excise tax shall be
3 credited to the ~~General Revenue Fund of the State~~
4 ~~Treasury; provided, in each fiscal year beginning on~~
5 ~~or after July 1, 2013, the first One Million Three~~
6 ~~Hundred Fifty Thousand Dollars (\$1,350,000.00) which~~
7 ~~would otherwise have been apportioned to the General~~
8 ~~Revenue Fund pursuant to this subparagraph shall be~~
9 ~~transferred to the~~ Oil and Gas Division Revolving Fund
10 of the Oklahoma Corporation Commission,
11 b. ten and five hundred twenty-six thousandths percent
12 (10.526%) shall be credited and apportioned to a
13 separate and distinct fund to be known as the
14 "Corporation Commission Plugging Fund", and
15 c. the remaining six and eighty-four hundredths percent
16 (6.84%) of ~~said~~ the excise tax shall be credited and
17 apportioned to a separate and distinct fund to be
18 known as "The Interstate Oil Compact Fund of
19 Oklahoma", which fund is hereby created.

20 2. Prior to July 1, 2021, and as provided in Section 1103.1 of
21 this title, all monies derived from the levy of the excise tax on
22 natural gas and/or casinghead gas provided for by Section 1102 of
23 this title shall be deposited with the State Treasurer, who shall
24 credit and apportion the same as follows:

- 1 a. eighty-two and six thousand forty-five ten thousandths
2 percent (82.6045%) of ~~said~~ the excise tax shall be
3 credited to the ~~General Revenue Fund of the State~~
4 ~~Treasury; provided, in each fiscal year beginning on~~
5 ~~or after July 1, 2013, the first One Million Three~~
6 ~~Hundred Fifty Thousand Dollars (\$1,350,000.00) which~~
7 ~~would otherwise have been apportioned to the General~~
8 ~~Revenue Fund pursuant to this subparagraph shall be~~
9 ~~transferred to the~~ Oil and Gas Division Revolving Fund
10 of the Oklahoma Corporation Commission,
11 b. ten and five thousand five hundred fifty-five ten
12 thousandths percent (10.5555%) shall be credited and
13 apportioned to the Corporation Commission Plugging
14 Fund, and
15 c. six and eighty-four hundredths percent (6.84%) of ~~said~~
16 the excise tax shall be credited and apportioned to
17 The Interstate Oil Compact Fund of Oklahoma.

18 3. Prior to July 1, 2021, and as provided in Section 1103.1 of
19 this title, all monies to accrue to "The Interstate Oil Compact Fund
20 of Oklahoma" under the provisions of this article, together with all
21 monies remaining unexpended in "The Interstate Oil Compact Fund of
22 Oklahoma" created under this subsection are hereby appropriated and
23 shall be used for the payment of the compensation of the assistant
24 representative of the State of Oklahoma on "The Interstate Oil

1 Compact Commission", the compensation of such clerical, technical,
2 and legal assistants as he or she may with the consent of the
3 Governor employ; the actual and necessary traveling expenses of the
4 assistant representative and employees, and of the Governor when
5 traveling in the Governor's capacity as official representative of
6 the State of Oklahoma on "The Interstate Oil Compact Commission";
7 all items of office expense, including the cost of office supplies
8 and equipment; such contributions as the Governor shall deem
9 necessary and proper to pay to "The Interstate Oil Compact
10 Commission" to defray its expenses; and such other necessary
11 expenses as may be incurred in enabling the State of Oklahoma to
12 fully cooperate in accomplishing the objects of the Interstate
13 Compact to conserve oil and gas. The fund shall be disbursed by the
14 State Treasurer upon sworn, itemized claims approved by the
15 assistant representative and the Governor; provided, that if at the
16 end of any fiscal year any part of the special fund shall remain
17 unexpended, such balance shall be transferred by the State Treasurer
18 to, and become a part of, the General Revenue Fund of the state for
19 the ensuing fiscal year. Provided, further, that if the State of
20 Oklahoma withdraws from the Interstate Compact to conserve oil and
21 gas, any unencumbered monies in "The Interstate Oil Compact Fund of
22 Oklahoma" shall be transferred to and become a part of the General
23 Revenue Fund of the State Treasury and thereafter the excise tax on
24 petroleum oil, natural gas and/or casinghead gas levied by this

1 article shall be levied, collected and deposited in the General
2 Revenue Fund of the State Treasury.

3 4. All monies to accrue to the Corporation Commission Plugging
4 Fund are hereby appropriated and shall be used for payment of
5 expenses related to the statutory purpose of the fund.

6 The provisions of this subsection shall terminate on June 30,
7 2021.

8 B. 1. Beginning on July 1, 2021, all monies derived from the
9 levy of the excise tax on petroleum oil provided for by Section 1101
10 of this title shall be deposited with the State Treasurer, who shall
11 credit and apportion the same as follows:

- 12 a. ninety-two and thirty-five hundredths percent (92.35%)
13 of ~~said~~ the excise tax shall be credited and
14 apportioned to the ~~General Revenue Fund of the State~~
15 ~~Treasury; provided, in each fiscal year beginning on~~
16 ~~or after July 1, 2013, the first One Million Three~~
17 ~~Hundred Fifty Thousand Dollars (\$1,350,000.00) which~~
18 ~~would otherwise have been apportioned to the General~~
19 ~~Revenue Fund pursuant to this subparagraph shall be~~
20 ~~transferred to the~~ Oil and Gas Division Revolving Fund
21 of the Oklahoma Corporation Commission, and
22 b. the remaining seven and sixty-five hundredths percent
23 (7.65%) of ~~said~~ the excise tax shall be credited and
24 apportioned to a separate and distinct fund to be

1 known as "The Interstate Oil Compact Fund of
2 Oklahoma", which fund is hereby created.

3 2. Beginning on July 1, 2021, all monies derived from the levy
4 of the excise tax on natural gas and/or casinghead gas provided for
5 by Section 1102 of this title shall be deposited with the State
6 Treasurer, who shall credit and apportion the same as follows:

- 7 a. ninety-two and thirty-five hundredths percent (92.35%)
8 of ~~said the~~ excise tax shall be credited and
9 apportioned to the ~~General Revenue Fund of the State~~
10 ~~Treasury; provided, in each fiscal year beginning on~~
11 ~~or after July 1, 2013, the first One Million Three~~
12 ~~Hundred Fifty Thousand Dollars (\$1,350,000.00) which~~
13 ~~would otherwise have been apportioned to the General~~
14 ~~Revenue Fund pursuant to this subparagraph shall be~~
15 ~~transferred to the~~ Oil and Gas Division Revolving Fund
16 of the Oklahoma Corporation Commission, and
17 b. seven and sixty-five hundredths percent (7.65%) of
18 ~~said the~~ excise tax shall be credited and apportioned
19 to The Interstate Oil Compact Fund of Oklahoma.

20 3. Beginning on July 1, 2021, all monies to accrue to "The
21 Interstate Oil Compact Fund of Oklahoma" under the provisions of
22 this article, together with all monies remaining unexpended in "The
23 Interstate Oil Compact Fund of Oklahoma" created under this
24 subsection are hereby appropriated and shall be used for the payment

1 of the compensation of the assistant representative of the State of
2 Oklahoma on "The Interstate Oil Compact Commission", the
3 compensation of such clerical, technical, and legal assistants as he
4 or she may with the consent of the Governor employ; the actual and
5 necessary traveling expenses of the assistant representative and
6 employees, and of the Governor when traveling in the Governor's
7 capacity as official representative of the State of Oklahoma on "The
8 Interstate Oil Compact Commission"; all items of office expense,
9 including the cost of office supplies and equipment; such
10 contributions as the Governor shall deem necessary and proper to pay
11 to "The Interstate Oil Compact Commission" to defray its expenses;
12 and such other necessary expenses as may be incurred in enabling the
13 State of Oklahoma to fully cooperate in accomplishing the objects of
14 the Interstate Compact to conserve oil and gas. The fund shall be
15 disbursed by the State Treasurer upon sworn, itemized claims
16 approved by the assistant representative and the Governor; provided,
17 that if at the end of any fiscal year any part of the special fund
18 shall remain unexpended, such balance shall be transferred by the
19 State Treasurer to, and become a part of, the General Revenue Fund
20 of the State Treasury for the ensuing fiscal year. Provided,
21 further, that if the State of Oklahoma withdraws from the Interstate
22 Compact to conserve oil and gas, any unencumbered monies in "The
23 Interstate Oil Compact Fund of Oklahoma" shall be transferred to and
24 become a part of the General Revenue Fund of the State Treasury and

1 thereafter the excise tax on petroleum oil, natural gas and/or
2 casinghead gas levied by this article shall be levied, collected and
3 deposited in the General Revenue Fund of the State Treasury.

4 SECTION 3. This act shall become effective November 1, 2019.

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