

**Bill Summary**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 1232</b>
<b>Version:</b>	<b>INT</b>
<b>Request No.:</b>	<b>2777</b>
<b>Author:</b>	<b>Sen. Daniels</b>
<b>Date:</b>	<b>02/13/2020</b>

**Bill Analysis**

SB 1232 lengthens the timeframe in which the first payment of proceeds from oil and gas sales is to be made from 6 months to 12 months and modifies the way interest is calculated on those payments when not paid on time. The measure also states that persons remitting payment shall be entitled to a signed division order containing certain items outlined in the measure.

Prepared by: Kalen Taylor

**Fiscal Analysis**

FY'21 Impact: \$1,255,315.15

Full Year Impact: \$1,255,315.15

SB 1232, as introduced, will fiscally affect the Commissioner of Land Office. The following is a synopsis of the impact:

1. Moving first payment from 6 mos. to 12 mos. - \$927,878.31 – Added the royalties received under the current statute and then calculated what the CLO lost as an opportunity cost had it not received those royalties until after 12 months.
2. Permanent grace period - \$327,483.71 – Recalculated to no grace period as proposed and compared to current billing amount.
3. Division Order signature – No Impact. No change in procedure.

Prepared by: Commissioners of the Land Office