

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3054 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by
inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Brad Boles

Adopted: _____

Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

PROPOSED COMMITTEE
SUBSTITUTE
FOR
HOUSE BILL NO. 3054

By: Boles

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to gross production tax; amending 68 O.S. 2021, Section 1001.1, which relates to property exempt from ad valorem taxation due to payment of gross production tax; modifying exempt property to include flowlines and gathering lines; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 1001.1, is amended to read as follows:

Section 1001.1 The Oklahoma Tax Commission shall adopt rules and regulations which establish guidelines for the determination of property exempt from ad valorem taxation pursuant to the provisions of subsections KG and LH of Section 1001 of this title. Said guidelines shall include, but are not limited to, the following:

1. "Producing leases" means wells or leases or production units which have had production during any of the previous three (3) calendar years which is subject to the gross production tax levied

1 by Section 1001 of this title and which have not been abandoned or
2 required to be plugged as required by law on or before January 1 of
3 the year for which the assessment or valuation is made;

4 2. "Payment of gross production tax" means payment of the tax
5 levied by Section 1001 of this title on production during any of the
6 three (3) calendar years immediately prior to January 1 of the year
7 for which the assessment or valuation is made; and

8 3. Property exempt from ad valorem tax pursuant to the
9 provisions of subsections KG and LH of Section 1001 of this title
10 shall include, but is not limited to:7

11 a. lease production tanks,

12 b. lease production meters,

13 c. flowlines and gathering lines going from the wellhead
14 either to the first sales meter that is the point of
15 custody transfer or to the boundary of the production
16 unit, whichever distance is shorter, and

17 d. disposal systems, including all materials and
18 equipment of disposal systems and the lines
19 transporting the waste materials, serving one or more
20 wells, which are not for commercial purposes.

21 Provided, the exemption shall include the wellbore and non-
22 recoverable down-hole material, including casing, actually used in
23 the commercial disposal of waste materials produced with such oil or
24 gas. Such exempt property shall remain exempt as long as the

property is essential to the production of oil and gas in commercial quantities. The county assessor shall be notified when such property becomes nonexempt.

SECTION 2. This act shall become effective November 1, 2024.

59-2-10352 AO 02/21/24