STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

COMMITTEE SUBSTITUTE
FOR
SENATE BILL 2173 By: Boren

COMMITTEE SUBSTITUTE

An Act relating to agriculture; creating the Landowner Energy Negotiation, Agricultural Preservation, and Orphaned Well Mitigation Education Act of 2026; providing short title; stating legislative findings; defining terms; creating the Landowner Energy Negotiation, Agricultural Preservation, and Orphaned Well Mitigation Education Program within the Oklahoma Cooperative Extension Service; prescribing duties and program purposes; requiring reporting; granting rulemaking authority; establishing fees for energy land remediation and education; providing for collection and distribution of fees; creating a revolving fund; authorizing land stewardship credits; authorizing rulemaking; providing for the promulgation of rules; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4200 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. This act shall be known and may be cited as the "Landowner Energy Negotiation, Agricultural Preservation, and Orphaned Well Mitigation Education Act of 2026".

B. 1. The Legislature finds that landowners across this state require improved access to high-quality professional education to effectively negotiate oil, gas, wind, and solar energy agreements.

2. The Legislature further finds that the rapid expansion of utility-scale wind and solar development necessitates education, training, and professional development to ensure agricultural operations, including grazing, crop production, and soil conservation, may be preserved alongside energy production.

3. The Legislature additionally recognizes the need for improved landowner awareness regarding environmental, safety, and financial strategies posed by orphaned and abandoned oil and gas wells.

4. It is the intent of the Legislature to support landowners through the Oklahoma Cooperative Extension Service by providing educational resources that promote informed negotiation, dual-use land management, agricultural preservation, the voluntary conservation and protection of soil and water resources for beneficial use, and environmental stewardship.

5. The Legislature further finds that agricultural producers and rural landowners face increasing challenges related to the availability of water for beneficial use, including groundwater and

surface water management, and that land use decisions associated with energy development may affect the conservation and protection of water resources.

6. The Legislature recognizes that the conservation and protection of water resources for beneficial use, consistent with existing law, is essential to the long-term viability of agriculture, grazing, soil health, and rural economies, and that education and technical assistance may assist landowners in voluntarily incorporating water-protective practices into energy-related land use agreements.

C. As used in this section:

1. "Abandoned or orphaned well" shall have the same meaning as "abandoned well" as defined in Section 53.3 of Title 17 of the Oklahoma Statutes;

2. "Dual-use land management" means land management strategies that allow agricultural activities, including grazing, crop cultivation, pasture improvement, or soil conservation, to continue on land leased for or impacted by wind or solar energy infrastructure;

3. "Extension Service" means the Oklahoma State University Cooperative Extension Service and Langston University Cooperative Extension Service;

4. "Landowner" means the legal owner of surface rights to real property within this state; and

5. “Water conservation” means voluntary practices and management strategies that promote the beneficial use of water and the conservation or protection of groundwater and surface water resources, consistent with the authority of the Oklahoma Water Resources Board and existing water rights law, including efficient water use, soil moisture retention, runoff reduction, and prevention of contamination.

D. There is hereby established within the Extension Service the Landowner Energy Negotiation, Agricultural Preservation, and Orphaned Well Mitigation Education Program. The program shall provide education, legal assistance, and training to landowners related to energy development and agricultural compatibility and the voluntary conservation of soil and water resources, provided that nothing in this act shall be construed to regulate water rights, water use, or water allocation.

E. The Extension Service shall administer the program and may use funds collected pursuant to this section for the following purposes:

1. Development and delivery of professional education, legal assistance, and training programs for landowners regarding:

   a. negotiation of oil and gas leases, surface use agreements, and related energy contracts,

   b. negotiation of wind energy leases and turbine siting agreements, including impacts on agricultural operations, access roads, drainage, and long-term land value,

c. negotiation of solar energy leases, including ground cover requirements, panel spacing and height, panel technology requirements, fencing, vegetation management, and livestock-compatible or agrivoltaics system layouts,

d. incorporation of agricultural preservation clauses, dual-use provisions, land restoration requirements, and decommissioning assurances into energy contracts,

e. legal and financial considerations associated with energy development on privately owned agricultural land,

f. evaluation of risks and obligations related to energy infrastructure on agricultural property,

g. negotiation of timelines and procedures for dismantling energy-related equipment and any potentially necessary land restoration requirements,

h. negotiation of clear ownership, responsibilities, and procedures for any necessary repairs of energy-related equipment during the life of the lease, and

i. voluntary practices related to the conservation and protection of groundwater and surface water resources, including educational discussion of lease provisions addressing water use during construction or operation, protection of water wells regulated under state law, drainage alteration, erosion control, stormwater management, and post-construction land restoration, provided that such education does not alter, impair, or adjudicate any existing water right;

2. Creation and dissemination of educational, legal assistance, and professional development materials, including model contract provisions, negotiation guides, and decision-support tools related to energy development and agricultural compatibility including informational discussion of potential water conservation considerations, provided such materials are educational in nature and do not confer regulatory authority or modify existing law;

3. Conducting workshops, field demonstrations, or educational programming related to:

a. agricultural co-location with wind and solar energy, including grazing under solar arrays, wind-compatible grazing systems, and soil protection during construction,

b. identification, reporting, and remediation options related to orphaned and abandoned oil and gas wells, and

c. voluntary soil and water conservation practices related to energy development, including soil moisture protection, runoff and drainage management, protection of water wells and recharge areas, vegetative cover systems, and drought-resilient land management practices, presented for educational purposes only;

4. Supporting Extension Service personnel, including the hiring or training of specialists with expertise in renewable energy contracting, agricultural dual-use systems, energy law, soil and water conservation practices consistent with existing water law, and environmental remediation; and

5. Conducting outreach in rural and agricultural communities with high levels of oil, gas, wind, or solar development, or concentrations of orphaned or abandoned wells.

F. In administering the program, the Extension Service shall coordinate with the Corporation Commission, county governments, agricultural producer organizations, tribal governments, and other relevant public or private stakeholders.

G. On or before December 31 of each year, the Extension Service shall electronically submit a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives that includes:

1. An accounting of expenditures made pursuant to this section;

2. The number of landowners served;

3. Outcomes related to energy negotiation literacy;

4. Adoption of agricultural dual-use practices;

5. Improvements in the landowner engagement related to orphaned or abandoned well reporting;

6. Recommendations that shall be made publicly available on the Extension Service’s website; and

7. Educational outcomes related to voluntary soil and water conservation practices, including landowner participation in water-protective programming or incorporation of informational water-related considerations into energy-related land use agreements.

H. The Extension Service may adopt policies and procedures to implement the provisions of this section.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4201 of Title 2, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Agriculture, Food, and Forestry to be designated the “Landowner Energy Negotiation Revolving Fund”. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Department from the fees authorized pursuant to Section 3 of this act provided for the purpose of supporting the Landowner Energy Negotiation, Agricultural Preservation, and Orphaned Well Mitigation Education Program. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Department for the purpose provided for in this act. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4202 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Commission" means the Corporation Commission;

2. "Cooperative Extension Service" means the Oklahoma State University Cooperative Extension Service and the Langston University Cooperative Extension Service;

3. "Department" means the Oklahoma Department of Agriculture, Food, and Forestry;

4. "Disturbed acreage" means the total surface area within this state that is occupied or materially altered by an energy project; and

5. "Renewable energy project" means a facility or infrastructure used for the generation or storage of electricity from renewable resources, including wind energy facilities, solar energy facilities, battery or energy storage facilities, and collection or transmission infrastructure associated with a renewable energy project.

B. 1. The Corporation Commission may promulgate rules to levy and collect a State Energy Land Remediation and Education Fee on energy projects located within this state.

2. The fee shall be assessed annually and shall not exceed Twenty-five Dollars ($25.00) per acre of disturbed acreage, beginning on the date construction commences and continuing until the date of decommissioning or completion of site reclamation.

3. The fee authorized by this section shall be a fee on acres disturbed and not a tax on energy, shall be reasonably related to land disturbance impacts, and shall not regulate the siting, permitting, or operation of energy facilities.

C. 1. All fees authorized pursuant to this section shall be deposited in the Landowner Energy Negotiation Revolving Fund established in Section 2 of this act.

2. Not less than eighty percent (80%) of all monies deposited to the fund shall be distributed to the Cooperative Extension Services, and such monies shall be divided equally as follows:

a. fifty percent (50%) to the Oklahoma State University Cooperative Extension Service, apportioned equally to counties in which there is an Oklahoma State University Cooperative Extension Service office located, and

b. fifty percent (50%) to the Langston University Cooperative Extension Service, apportioned equally to counties in which there is a Langston University Cooperative Extension Service office located.

3. Monies distributed pursuant to paragraph 2 of this subsection shall be used solely to support the Landowner Energy Negotiation, Agricultural Preservation, and Orphaned Well Mitigation Education Program created pursuant to Section 1 of this act, including education, outreach, and land stewardship support for landowners affected by renewable energy development, agricultural dual-use practices, water conservation, or abandoned or orphaned oil and gas wells.

4. Not more than ten percent (10%) of all monies collected pursuant to this section may be retained by the Department for the administration of the Landowner Energy Negotiation Revolving Fund established in Section 2 of this act.

5. Not more than ten percent (10%) of all monies collected pursuant to this section may be retained by the Commission for the purpose of administering this section, including fee collection, verification of disturbed acreage, processing of stewardship credits, auditing, reporting, and rulemaking.

D. 1. The owner or operator of a renewable energy project shall be eligible for a stewardship credit if the project incorporates agrivoltaic or dual-use land management practices.

2. Eligible practices may include:

a. grazing of livestock beneath or around renewable energy facilities,

b. cultivation of crops, pollinator habitats, or native vegetation compatible with energy infrastructure,

c. soil health practices that prevent erosion or compaction, or

d. site design that preserves agricultural productivity during the operational life of the project.

3. The Commission shall establish a credit of fifty percent (50%) of the annual per-acre fee for acreage actively managed using approved agrivoltaic or dual-use practices.

4. Eligibility for a credit shall be demonstrated through documentation, site management plans, or technical verification or certification from the Oklahoma Department of Agriculture, Food, and Forestry.

E. The Oklahoma Department of Agriculture, Food, and Forestry shall promulgate rules in consultation with the Corporation Commission, the Oklahoma State University Cooperative Extension Service, and the Langston University Cooperative Extension Service as necessary to implement and administer the fund established in Section 2 of this act.

F. Nothing in this section shall be construed to authorize this state to prohibit renewable energy projects or to impose operational standards unrelated to the assessment or administration of the fee.

SECTION 4. This act shall become effective November 1, 2026.

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