

1 ENGROSSED HOUSE
2 BILL NO. 1370

By: Boles of the House

3 and

4 Green of the Senate

5
6 [Corporation Commission Plugging Fund - sunset -
7 excise tax on oil and gas - taxes - sales tax
8 amount - Interstate Oil Compact Fund of Oklahoma -
9 cap - effective date -
10 emergency]

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

14 SECTION 1. AMENDATORY 17 O.S. 2021, Section 180.10, is
15 amended to read as follows:

16 Section 180.10. A. There is hereby created in the State
17 Treasury a fund for the Corporation Commission to be designated the
18 "Corporation Commission Plugging Fund". The plugging fund shall
19 consist of monies received by the Corporation Commission as required
20 by law to be deposited to the credit of said fund. The fund shall
21 be a continuing fund not subject to fiscal year limitations and
22 shall not be subject to legislative appropriations. Expenditures
23 from the plugging fund shall be made pursuant to the laws of this
24 state and the statutes relating to the Corporation Commission. For

1 each fiscal year, the Commission may expend not more than eight
2 percent (8%) of the total amount deposited to the credit of the
3 plugging fund during the previous fiscal year for the purpose of
4 responding to occurrences of seeping natural gas as provided for in
5 Section 317.1 of Title 52 of the Oklahoma Statutes. In addition,
6 expenditures from the plugging fund may be made pursuant to the
7 Oklahoma Central Purchasing Act, Section 85.1 et seq. of Title 74 of
8 the Oklahoma Statutes, for purposes of immediately responding to
9 emergency situations, within the Commission's jurisdiction, having
10 potentially critical environmental or public safety impact.

11 Warrants for expenditures from the fund shall be drawn by the State
12 Treasurer, based on claims signed by an authorized employee of the
13 Corporation Commission and approved for payment by the Director of
14 the Office of Management and Enterprise Services. The provisions of
15 this act or rules promulgated pursuant thereto, shall not be
16 construed to relieve or in any way diminish the surety bonding
17 requirements required by Section 318.1 of Title 52 of the Oklahoma
18 Statutes.

19 B. Prior to July 1, ~~2026~~ 2031, the plugging fund shall be
20 maintained at Five Million Dollars (\$5,000,000.00). If the plugging
21 fund falls below the five-million-dollar maintenance level, the
22 Corporation Commission shall notify the Tax Commission that the
23 plugging fund has fallen below the required maintenance level and
24 that the excise tax which has been levied by subsection A of Section

1 1101 of Title 68 of the Oklahoma Statutes and subsection A of
2 Section 1102 of Title 68 of the Oklahoma Statutes which is credited
3 and apportioned to the Corporation Commission Plugging Fund pursuant
4 to Section 1103 of Title 68 of the Oklahoma Statutes is to be
5 imposed. Such additional excise tax shall be imposed and collected
6 until such time as is necessary to meet the additional five-million-
7 dollar maintenance level. The Tax Commission shall notify the
8 persons responsible for payment of the excise tax on oil and gas of
9 the imposition of such tax. The provisions of this subsection shall
10 terminate on July 1, ~~2026~~ 2031.

11 SECTION 2. AMENDATORY 68 O.S. 2021, Section 1103, is
12 amended to read as follows:

13 Section 1103. A. 1. Prior to July 1, ~~2026~~ 2025, and as
14 provided in Section 1103.1 of this title, all monies derived from
15 the levy of the excise tax on petroleum oil provided for by Section
16 1101 of this title shall be deposited with the State Treasurer, who
17 shall credit and apportion the same as follows:

18 a. eighty-two and six hundred thirty-four thousandths
19 percent (82.634%) of said excise tax shall be credited
20 to the General Revenue Fund of the State Treasury;
21 provided, in each fiscal year beginning on or after
22 July 1, 2013, the first One Million Three Hundred
23 Fifty Thousand Dollars (\$1,350,000.00) which would
24 otherwise have been apportioned to the General Revenue

1 Fund pursuant to this subparagraph shall be
2 transferred to the Oil and Gas Division Revolving Fund
3 of the Oklahoma Corporation Commission,

4 b. ten and five hundred twenty-six thousandths percent
5 (10.526%) shall be credited and apportioned to a
6 separate and distinct fund to be known as the

7 "Corporation Commission Plugging Fund", and

8 c. the remaining six and eighty-four hundredths percent
9 (6.84%) of said excise tax shall be credited and
10 apportioned to a separate and distinct fund to be
11 known as "The Interstate Oil Compact Fund of
12 Oklahoma", which fund is hereby created.

13 2. Prior to July 1, ~~2026~~ 2025, and as provided in Section
14 1103.1 of this title, all monies derived from the levy of the excise
15 tax on natural gas and/or casinghead gas provided for by Section
16 1102 of this title shall be deposited with the State Treasurer, who
17 shall credit and apportion the same as follows:

18 a. eighty-two and six thousand forty-five ten thousandths
19 percent (82.6045%) of said excise tax shall be
20 credited to the General Revenue Fund of the State
21 Treasury; provided, in each fiscal year beginning on
22 or after July 1, 2013, the first One Million Three
23 Hundred Fifty Thousand Dollars (\$1,350,000.00) which
24 would otherwise have been apportioned to the General

1 Revenue Fund pursuant to this subparagraph shall be
2 transferred to the Oil and Gas Division Revolving Fund
3 of the Oklahoma Corporation Commission,

4 b. ten and five thousand five hundred fifty-five ten
5 thousandths percent (10.5555%) shall be credited and
6 apportioned to the Corporation Commission Plugging
7 Fund, and

8 c. six and eighty-four hundredths percent (6.84%) of said
9 excise tax shall be credited and apportioned to The
10 Interstate Oil Compact Fund of Oklahoma.

11 3. Prior to July 1, ~~2026~~ 2025, and as provided in Section
12 1103.1 of this title, all monies to accrue to The Interstate Oil
13 Compact Fund of Oklahoma under the provisions of this article,
14 together with all monies remaining unexpended in The Interstate Oil
15 Compact Fund of Oklahoma created under this subsection are hereby
16 appropriated and shall be used for the payment of the compensation
17 of the assistant representative of the State of Oklahoma on The
18 Interstate Oil Compact Commission, the compensation of such
19 clerical, technical and legal assistants as he or she may with the
20 consent of the Governor employ; the actual and necessary traveling
21 expenses of the assistant representative and employees, and of the
22 Governor when traveling in the Governor's capacity as official
23 representative of the State of Oklahoma on The Interstate Oil
24 Compact Commission; all items of office expense including the cost

1 of office supplies and equipment; such contributions as the Governor
2 shall deem necessary and proper to pay to The Interstate Oil Compact
3 Commission to defray its expenses; and such other necessary expenses
4 as may be incurred in enabling the State of Oklahoma to fully
5 cooperate in accomplishing the objects of the Interstate Compact to
6 conserve oil and gas. The fund shall be disbursed by the State
7 Treasurer upon sworn, itemized claims approved by the assistant
8 representative and the Governor; provided, that if at the end of any
9 fiscal year any part of the special fund shall remain unexpended,
10 such balance shall be transferred by the State Treasurer to, and
11 become a part of, the General Revenue Fund of the state for the
12 ensuing fiscal year. Provided, further, that if the State of
13 Oklahoma withdraws from the Interstate Compact to conserve oil and
14 gas, any unencumbered monies in The Interstate Oil Compact Fund of
15 Oklahoma shall be transferred to and become a part of the General
16 Revenue Fund of the State Treasury and thereafter the excise tax on
17 petroleum oil, natural gas and/or casinghead gas levied by this
18 article shall be levied, collected and deposited in the General
19 Revenue Fund of the State Treasury.

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

23 The provisions of this subsection shall terminate on June 30,
24 ~~2026~~ 2025.

1 B. 1. Beginning on July 1, ~~2026~~ 2025, all monies derived from
2 the levy of the excise tax on petroleum oil provided for by Section
3 1101 of this title shall be deposited with the State Treasurer, who
4 shall credit and apportion the same as follows:

5 a. seven and sixty-five hundredths percent (7.65%) shall
6 be credited and apportioned to The Interstate Oil
7 Compact Fund of Oklahoma, and

8 b. ninety-two and thirty-five hundredths percent (92.35%)
9 of said excise tax shall be credited and apportioned
10 to the General Revenue Fund of the State Treasury;
11 provided, in each fiscal year beginning on or after
12 July 1, ~~2013~~ 2025, the first One Million Three Hundred
13 Fifty Thousand Dollars (\$1,350,000.00) which would
14 otherwise have been apportioned to the General Revenue
15 Fund pursuant to this subparagraph shall instead be
16 transferred to the Oil and Gas Division Revolving Fund
17 of the Oklahoma Corporation Commission, and second an
18 amount up to Ten Million Dollars (\$10,000,000.00)
19 shall be transferred to the Corporation Commission
20 Plugging Fund.

21 ~~b.~~ ~~the remaining seven and sixty-five hundredths percent~~
22 ~~(7.65%) of said excise tax shall be credited and~~
23 ~~apportioned to a separate and distinct fund to be~~
24

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

3 2. Beginning on July 1, ~~2026~~ 2025, all monies derived from the
4 levy of the excise tax on natural gas and/or casinghead gas provided
5 for 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. seven and sixty-five hundredths percent (7.65%) shall
8 be credited and apportioned to The Interstate Oil
9 Compact Fund of Oklahoma, and

10 b. ninety-two and thirty-five hundredths percent (92.35%)
11 of said excise tax shall be credited and apportioned
12 to the General Revenue Fund of the State Treasury;
13 provided, in each fiscal year beginning on or after
14 July 1, ~~2013~~ 2025, the first One Million Three Hundred
15 Fifty Thousand Dollars (\$1,350,000.00) which would
16 otherwise have been apportioned to the General Revenue
17 Fund pursuant to this subparagraph shall instead be
18 transferred to the Oil and Gas Division Revolving Fund
19 of the Oklahoma Corporation Commission, and second an
20 amount up to Ten Million Dollars (\$10,000,000.00)
21 shall be transferred to the Corporation Commission
22 Plugging Fund.

1 b. ~~seven and sixty-five hundredths percent (7.65%) of~~
2 ~~said excise tax shall be credited and apportioned to~~
3 ~~The Interstate Oil Compact Fund of Oklahoma.~~

4 3. Beginning on July 1, ~~2026~~ 2025, all monies to accrue to The
5 Interstate Oil Compact Fund of Oklahoma under the provisions of this
6 article, together with all monies remaining unexpended in The
7 Interstate Oil Compact Fund of Oklahoma created under this
8 subsection are hereby appropriated and shall be used for the payment
9 of the compensation of the assistant representative of the State of
10 Oklahoma on The Interstate Oil Compact Commission, the compensation
11 of such clerical, technical and legal assistants as he or she may
12 with the consent of the Governor employ; the actual and necessary
13 traveling expenses of the assistant representative and employees,
14 and of the Governor when traveling in the Governor's capacity as
15 official representative of the State of Oklahoma on The Interstate
16 Oil Compact Commission; all items of office expense including the
17 cost of office supplies and equipment; such contributions as the
18 Governor shall deem necessary and proper to pay to The Interstate
19 Oil Compact Commission to defray its expenses; and such other
20 necessary expenses as may be incurred in enabling the State of
21 Oklahoma to fully cooperate in accomplishing the objects of the
22 Interstate Compact to conserve oil and gas. The fund shall be
23 disbursed by the State Treasurer upon sworn, itemized claims
24 approved by the assistant representative and the Governor; provided,

1 that if at the end of any fiscal year any part of the special fund
2 shall remain unexpended, such balance shall be transferred by the
3 State Treasurer to, and become a part of, the General Revenue Fund
4 of the State Treasury for the ensuing fiscal year. Provided,
5 further, that if the State of Oklahoma withdraws from the Interstate
6 Compact to conserve oil and gas, any unencumbered monies in The
7 Interstate Oil Compact Fund of Oklahoma shall be transferred to and
8 become a part of the General Revenue Fund of the State Treasury and
9 thereafter the excise tax on petroleum oil, natural gas and/or
10 casinghead gas levied by this article shall be levied, collected and
11 deposited in the General Revenue Fund of the State Treasury.

12 SECTION 3. This act shall become effective July 1, 2025.

13 SECTION 4. It being immediately necessary for the preservation
14 of the public peace, health or safety, an emergency is hereby
15 declared to exist, by reason whereof this act shall take effect and
16 be in full force from and after its passage and approval.

17 Passed the House of Representatives the 5th day of March, 2025.

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Presiding Officer of the House
of Representatives

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Passed the Senate the _____ day of _____, 2025.

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Presiding Officer of the Senate