

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                   STATE OF OKLAHOMA

3                   1st Session of the 60th Legislature (2025)

4 COMMITTEE SUBSTITUTE  
FOR  
5 HOUSE BILL NO. 1370

By: Boles of the House

6                   and

7                   Green of the Senate

8

9                   COMMITTEE SUBSTITUTE

10                  An Act relating to Corporation Commission plugging  
11 fund; amending 17 O.S. 2021, Section 180.10, which  
12 relates to the Corporation Commission plugging fund;  
13 extending sunset; amending 68 O.S. 2021, Section  
14 1103, which relates to excise tax on oil and gas;  
15 modifying termination and start dates for certain  
16 taxes; modifying sales tax amount; providing that a  
certain percentage of the sales tax be credited and  
apportioned to the Interstate Oil Compact Fund of  
Oklahoma and the Corporation Commission Plugging  
Fund; providing cap on amount apportioned to the  
Corporation Commission Plugging Fund; providing an  
effective date; and declaring an emergency.

17

18

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

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

22                  Section 180.10. A. There is hereby created in the State  
23 Treasury a fund for the Corporation Commission to be designated the  
24 "Corporation Commission Plugging Fund". The plugging fund shall

1 consist of monies received by the Corporation Commission as required  
2 by law to be deposited to the credit of said fund. The fund shall  
3 be a continuing fund not subject to fiscal year limitations and  
4 shall not be subject to legislative appropriations. Expenditures  
5 from the plugging fund shall be made pursuant to the laws of this  
6 state and the statutes relating to the Corporation Commission. For  
7 each fiscal year, the Commission may expend not more than eight  
8 percent (8%) of the total amount deposited to the credit of the  
9 plugging fund during the previous fiscal year for the purpose of  
10 responding to occurrences of seeping natural gas as provided for in  
11 Section 317.1 of Title 52 of the Oklahoma Statutes. In addition,  
12 expenditures from the plugging fund may be made pursuant to the  
13 Oklahoma Central Purchasing Act, Section 85.1 et seq. of Title 74 of  
14 the Oklahoma Statutes, for purposes of immediately responding to  
15 emergency situations, within the Commission's jurisdiction, having  
16 potentially critical environmental or public safety impact.

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

1       B. Prior to July 1, ~~2026~~ 2031, the plugging fund shall be  
2 maintained at Five Million Dollars (\$5,000,000.00). If the plugging  
3 fund falls below the five-million-dollar maintenance level, the  
4 Corporation Commission shall notify the Tax Commission that the  
5 plugging fund has fallen below the required maintenance level and  
6 that the excise tax which has been levied by subsection A of Section  
7 1101 of Title 68 of the Oklahoma Statutes and subsection A of  
8 Section 1102 of Title 68 of the Oklahoma Statutes which is credited  
9 and apportioned to the Corporation Commission Plugging Fund pursuant  
10 to Section 1103 of Title 68 of the Oklahoma Statutes is to be  
11 imposed. Such additional excise tax shall be imposed and collected  
12 until such time as is necessary to meet the additional five-million-  
13 dollar maintenance level. The Tax Commission shall notify the  
14 persons responsible for payment of the excise tax on oil and gas of  
15 the imposition of such tax. The provisions of this subsection shall  
16 terminate on July 1, ~~2026~~ 2031.

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

19           Section 1103. A. 1. Prior to July 1, ~~2026~~ 2025, and as  
20 provided in Section 1103.1 of this title, all monies derived from  
21 the levy of the excise tax on petroleum oil provided for by Section  
22 1101 of this title shall be deposited with the State Treasurer, who  
23 shall credit and apportion the same as follows:

24

1           a. eighty-two and six hundred thirty-four thousandths  
2           percent (82.634%) of said excise tax shall be credited  
3           to the General Revenue Fund of the State Treasury;  
4           provided, in each fiscal year beginning on or after  
5           July 1, 2013, the first One Million Three Hundred  
6           Fifty Thousand Dollars (\$1,350,000.00) which would  
7           otherwise have been apportioned to the General Revenue  
8           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 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, 2026 2025, and as provided in Section

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

1           a. eighty-two and six thousand forty-five ten thousandths  
2           percent (82.6045%) of said 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          excise tax shall be credited and apportioned to The  
17          Interstate Oil Compact Fund of Oklahoma.

18        3. Prior to July 1, 2026 2025, and as provided in Section  
19        1103.1 of this title, all monies to accrue to The Interstate Oil  
20        Compact Fund of Oklahoma under the provisions of this article,  
21        together with all monies remaining unexpended in The Interstate Oil  
22        Compact Fund of Oklahoma created under this subsection are hereby  
23        appropriated and shall be used for the payment of the compensation  
24        of the assistant representative of the State of Oklahoma on The

1 Interstate Oil Compact Commission, the compensation of such  
2 clerical, technical and legal assistants as he or she may with the  
3 consent of the Governor employ; the actual and necessary traveling  
4 expenses of the assistant representative and employees, and of the  
5 Governor when traveling in the Governor's capacity as official  
6 representative of the State of Oklahoma on The Interstate Oil  
7 Compact Commission; all items of office expense including the cost  
8 of office supplies and equipment; such contributions as the Governor  
9 shall deem necessary and proper to pay to The Interstate Oil Compact  
10 Commission to defray its expenses; and such other necessary expenses  
11 as may be incurred in enabling the State of Oklahoma to fully  
12 cooperate in accomplishing the objects of the Interstate Compact to  
13 conserve oil and gas. The fund shall be disbursed by the State  
14 Treasurer upon sworn, itemized claims approved by the assistant  
15 representative and the Governor; provided, that if at the end of any  
16 fiscal year any part of the special fund shall remain unexpended,  
17 such balance shall be transferred by the State Treasurer to, and  
18 become a part of, the General Revenue Fund of the state for the  
19 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 2026 2025.

8       B. 1. Beginning on July 1, 2026 2025, all monies derived from  
9 the levy of the excise tax on petroleum oil provided for by Section  
10 1101 of this title shall be deposited with the State Treasurer, who  
11 shall credit and apportion the same as follows:

12       a. seven and sixty-five hundredths percent (7.65%) shall  
13           be credited and apportioned to the Interstate Oil  
14           Compact Fund of Oklahoma, and

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

1                   amount up to Ten Million Dollars (\$10,000,000.00)  
2                   shall be transferred to the Corporation Commission  
3                   Plugging Fund.

4                   b. ~~the remaining seven and sixty-five hundredths percent~~  
5                   ~~(7.65%) of said excise tax shall be credited and~~  
6                   ~~apportioned to a separate and distinct fund to be~~  
7                   ~~known as "The Interstate Oil Compact Fund of~~  
8                   ~~Oklahoma", which fund is hereby created.~~

9                  2. Beginning on July 1, ~~2026~~ 2025, all monies derived from the  
10                 levy of the excise tax on natural gas and/or casinghead gas provided  
11                 for by Section 1102 of this title shall be deposited with the State  
12                 Treasurer, who shall credit and apportion the same as follows:

13                 a. seven and sixty-five hundredths percent (7.65%) shall  
14                 be credited and apportioned to the Interstate Oil  
15                 Compact Fund of Oklahoma, and  
16                 b. ninety-two and thirty-five hundredths percent (92.35%)  
17                 of said excise tax shall be credited and apportioned  
18                 to the General Revenue Fund of the State Treasury;  
19                 provided, in each fiscal year beginning on or after  
20                 July 1, 2013 2025, the first One Million Three Hundred  
21                 Fifty Thousand Dollars (\$1,350,000.00) which would  
22                 otherwise have been apportioned to the General Revenue  
23                 Fund pursuant to this subparagraph shall instead be  
24                 transferred to the Oil and Gas Division Revolving Fund

1                   of the Oklahoma Corporation Commission, and second an  
2                   amount up to Ten Million Dollars (\$10,000,000.00)  
3                   shall be transferred to the Corporation Commission  
4                   Plugging Fund.

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

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

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

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

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

21  
22 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND NATURAL RESOURCES  
OVERSIGHT, dated 02/26/2025 - DO PASS, As Amended.  
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