

1 ENGROSSED HOUSE  
2 BILL NO. 1370

3 By: Boles of the House

4 and

5 Green of the Senate

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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12  
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~~

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

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

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

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

22 | Passed the Senate the \_\_\_\_\_ day of \_\_\_\_\_, 2025.  
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25 | Presiding Officer of the Senate