

SENATE FLOOR VERSION

February 24, 2025

SENATE BILL NO. 897

By: Bergstrom

An Act relating to the Corporation Commission; amending 17 O.S. 2021, Section 180.10, which relates to the Corporation Commission Plugging Fund; modifying termination date of fund; updating statutory language; and providing an effective date.

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

SECTION 1. AMENDATORY 17 O.S. 2021, Section 180.10, is

amended to read as follows:

Section 180.10. A. There is hereby created in the State

Treasury a fund for the Corporation Commission to be designated the

"Corporation Commission Plugging Fund". The plugging fund shall

consist of monies received by the Corporation Commission as required

by law to be deposited to the credit of said the fund. The fund

shall be a continuing fund not subject to fiscal year limitations

and shall not be subject to legislative appropriations.

Expenditures from the plugging fund shall be made pursuant to the

laws of this state and the statutes relating to the Corporation

Commission. For each fiscal year, the Commission may expend not

more than eight percent (8%) of the total amount deposited to the

1 credit of the plugging fund during the previous fiscal year for the
2 purpose of responding to occurrences of seeping natural gas as
3 provided for in Section 317.1 of Title 52 of the Oklahoma Statutes.
4 In addition, expenditures from the plugging fund may be made
5 pursuant to the Oklahoma Central Purchasing Act, Section 85.1 et
6 seq. of Title 74 of the Oklahoma Statutes, for purposes of
7 immediately responding to emergency situations, within the
8 Commission's jurisdiction, having potentially critical environmental
9 or public safety impact. Warrants for expenditures from the fund
10 shall be drawn by the State Treasurer, based on claims signed by an
11 authorized employee of the Corporation Commission and approved for
12 payment by the Director of the Office of Management and Enterprise
13 Services. The provisions of this act or rules promulgated pursuant
14 thereto, shall not be construed to relieve or in any way diminish
15 the surety bonding requirements required by Section 318.1 of Title
16 52 of the Oklahoma Statutes.

17 B. Prior to July 1, 2026 July 1, 2031, the plugging fund shall
18 be maintained at Five Million Dollars (\$5,000,000.00). If the
19 plugging fund falls below the five-million-dollar maintenance level,
20 the Corporation Commission shall notify the Oklahoma Tax Commission
21 that the plugging fund has fallen below the required maintenance
22 level and that the excise tax which has been levied by subsection A
23 of Section 1101 of Title 68 of the Oklahoma Statutes and subsection
24 A of Section 1102 of Title 68 of the Oklahoma Statutes which is

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

9 | SECTION 2. This act shall become effective November 1, 2025.

10 | COMMITTEE REPORT BY: COMMITTEE ON REVENUE AND TAXATION
11 | February 24, 2025 - DO PASS

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