

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 HOUSE BILL 1370

By: Boles

6 AS INTRODUCED

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

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  
consist of monies received by the Corporation Commission as required  
by law to be deposited to the credit of said fund. The fund shall  
be a continuing fund not subject to fiscal year limitations and

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

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

22       B. Prior to July 1, 2026, the plugging fund shall be maintained  
23 at Five Million Dollars (\$5,000,000.00). If the plugging fund falls  
24 below the five-million-dollar maintenance level, the Corporation

1 Commission shall notify the Tax Commission that the plugging fund  
2 has fallen below the required maintenance level and that the excise  
3 tax which has been levied by subsection A of Section 1101 of Title  
4 68 of the Oklahoma Statutes and subsection A of Section 1102 of  
5 Title 68 of the Oklahoma Statutes which is credited and apportioned  
6 to the Corporation Commission Plugging Fund pursuant to Section 1103  
7 of Title 68 of the Oklahoma Statutes is to be imposed. Such  
8 additional excise tax shall be imposed and collected until such time  
9 as is necessary to meet the additional five-million-dollar  
10 maintenance level. The Tax Commission shall notify the persons  
11 responsible for payment of the excise tax on oil and gas of the  
12 imposition of such tax. The provisions of this subsection shall  
13 terminate on July 1, 2026 July 1, 2036.

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

16 Section 1103. A. 1. Prior to July 1, 20262025, and as  
17 provided in Section 1103.1 of this title, all monies derived from  
18 the levy of the excise tax on petroleum oil provided for by Section  
19 1101 of this title shall be deposited with the State Treasurer, who  
20 shall credit and apportion the same as follows:

21 a. eighty-two and six hundred thirty-four thousandths  
22 percent (82.634%) of said excise tax shall be credited  
23 to the General Revenue Fund of the State Treasury;  
24 provided, in each fiscal year beginning on or after

1                   July 1, 2013, the first One Million Three Hundred  
2                   Fifty Thousand Dollars (\$1,350,000.00) which would  
3                   otherwise have been apportioned to the General Revenue  
4                   Fund pursuant to this subparagraph shall be  
5                   transferred to the Oil and Gas Division Revolving Fund  
6                   of the Oklahoma Corporation Commission,

7                   b. ten and five hundred twenty-six thousandths percent  
8                   (10.526%) shall be credited and apportioned to a  
9                   separate and distinct fund to be known as the

10                  "Corporation Commission Plugging Fund", and

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

16                  2. Prior to July 1, ~~2026~~ 2025, and as provided in Section

17                  1103.1 of this title, all monies derived from the levy of the excise  
18                  tax on natural gas and/or casinghead gas provided for by Section  
19                  1102 of this title shall be deposited with the State Treasurer, who  
20                  shall credit and apportion the same as follows:

21                  a. eighty-two and six thousand forty-five ten thousandths  
22                  percent (82.6045%) of said excise tax shall be  
23                  credited to the General Revenue Fund of the State  
24                  Treasury; provided, in each fiscal year beginning on

1                   or after July 1, 2013, the first One Million Three  
2                   Hundred Fifty Thousand Dollars (\$1,350,000.00) which  
3                   would otherwise have been apportioned to the General  
4                   Revenue Fund pursuant to this subparagraph shall be  
5                   transferred to the Oil and Gas Division Revolving Fund  
6                   of the Oklahoma Corporation Commission,

7                   b. ten and five thousand five hundred fifty-five ten  
8                   thousandths percent (10.5555%) shall be credited and  
9                   apportioned to the Corporation Commission Plugging

10                  Fund, and

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

14                  3. Prior to July 1, ~~2026~~ 2025, and as provided in Section

15                  1103.1 of this title, all monies to accrue to The Interstate Oil  
16                  Compact Fund of Oklahoma under the provisions of this article,  
17                  together with all monies remaining unexpended in The Interstate Oil  
18                  Compact Fund of Oklahoma created under this subsection are hereby  
19                  appropriated and shall be used for the payment of the compensation  
20                  of the assistant representative of the State of Oklahoma on The  
21                  Interstate Oil Compact Commission, the compensation of such  
22                  clerical, technical and legal assistants as he or she may with the  
23                  consent of the Governor employ; the actual and necessary traveling  
24                  expenses of the assistant representative and employees, and of the

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

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

4              The provisions of this subsection shall terminate on June 30,  
5 2026 2025.

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

- 10       a. ninety-two and thirty-five hundredths percent (92.35%)  
11                  eight and one hundred forty-two thousandths percent  
12                  (8.142%) of said excise tax shall be credited and  
13                  apportioned to the General Revenue Fund of the State  
14                  Treasury; provided, in each fiscal year beginning on  
15                  or after July 1, 2013, the first One Million Three  
16                  Hundred Fifty Thousand Dollars (\$1,350,000.00) which  
17                  would otherwise have been apportioned to the General  
18                  Revenue Fund pursuant to this subparagraph shall be  
19                  transferred to the Oil and Gas Division Revolving Fund  
20                  of the Oklahoma Corporation Commission, and  
21       b. eighty-four and two hundred eight thousandths percent  
22                  (84.208%) of said excise tax shall be credited and  
23                  apportioned to the Corporation Commission Plugging  
24                  Fund, provided that the amount otherwise apportionable

1 pursuant to this subparagraph shall be capped at Ten  
2 Million Dollars (\$10,000,000.00) per state fiscal year  
3 and any amounts in excess of such cap shall instead be  
4 apportioned to the General Revenue Fund of the State  
5 Treasury, and

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

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

15 a. ninety-two and thirty-five hundredths percent (92.35%)  
16 seven and nine hundred six thousandths percent  
17 (7.906%) of said excise tax shall be credited and  
18 apportioned to the General Revenue Fund of the State  
19 Treasury; provided, in each fiscal year beginning on  
20 or after July 1, 2013, the first One Million Three  
21 Hundred Fifty Thousand Dollars (\$1,350,000.00) which  
22 would otherwise have been apportioned to the General  
23 Revenue Fund pursuant to this subparagraph shall be

transferred to the Oil and Gas Division Revolving Fund  
of the Oklahoma Corporation Commission, and  
eighty-four and four hundred forty-four thousandths  
percent (84.444%) of said excise tax shall be credited  
and apportioned to the Corporation Commission Plugging  
Fund, provided that the amount otherwise apportionable  
pursuant to this subparagraph shall be capped at Ten  
Million Dollars (\$10,000,000.00) per state fiscal year  
and any amounts in excess of such cap shall instead be  
apportioned to the General Revenue Fund of the State  
Treasury, and

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

3. Beginning on July 1, 2026 2025, all monies to accrue to The Interstate Oil Compact Fund of Oklahoma under the provisions of this article, together with all monies remaining unexpended in The Interstate Oil Compact Fund of Oklahoma created under this section are hereby appropriated and shall be used for the payment of the compensation of the assistant representative of the State of Oklahoma on The Interstate Oil Compact Commission, the compensation of such clerical, technical and legal assistants as he or she may by the consent of the Governor employ; the actual and necessary traveling expenses of the assistant representative and employees,

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

23 SECTION 3. This act shall become effective July 1, 2025.  
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1 SECTION 4. It being immediately necessary for the preservation  
2 of the public peace, health or safety, an emergency is hereby  
3 declared to exist, by reason whereof this act shall take effect and  
4 be in full force from and after its passage and approval.

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