

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL NO. 519

By: David

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5  
6 AS INTRODUCED

7 An Act relating to the Oil and Gas Division Revolving  
8 Fund; amending 17 O.S. 2011, Section 57, as amended  
9 by Section 57, Chapter 304, O.S.L. 2012 (17 O.S.  
10 Supp. 2018, Section 57), which relates to the  
11 revolving fund; prohibiting transfers and uses of  
12 deposits to fund; amending 68 O.S. 2011, Section  
13 1103, as last amended by Section 4, Chapter 153,  
14 O.S.L. 2016 (68 O.S. Supp. 2018, Section 1103), which  
15 relates to deposit, apportionment and use of proceeds  
16 of tax; modifying crediting of certain funds;  
17 updating statutory language; and providing an  
18 effective date.

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

20 SECTION 1. AMENDATORY 17 O.S. 2011, Section 57, as  
21 amended by Section 57, Chapter 304, O.S.L. 2012 (17 O.S. Supp. 2018,  
22 Section 57), is amended to read as follows:

23 Section 57. A. There is hereby created in the State Treasury a  
24 revolving fund for the Corporation Commission, to be designated the  
"Oil and Gas Division Revolving Fund". The fund shall be a  
continuing fund, not subject to fiscal year limitations, and shall  
consist of all monies designated for deposit to ~~said~~ the fund. All  
monies accruing to the credit of ~~said~~ the fund are hereby

1 appropriated and may be budgeted and shall be expended by the  
2 Corporation Commission for the purposes of expeditious prevention  
3 and abatement of oil and gas pollution, the protection of  
4 correlative rights and the prevention of waste. Expenditures from  
5 ~~said~~ the fund shall be made upon warrants issued by the State  
6 Treasurer against claims filed as prescribed by law with the  
7 Director of the Office of Management and Enterprise Services for  
8 approval and payment. No money shall be transferred or expended by  
9 the Corporation Commission for any other purpose than that  
10 authorized by this section.

11 B. Except as otherwise authorized in this section, no monies  
12 deposited in the Oil and Gas Division Revolving Fund shall be  
13 transferred for any purpose to any other state agency or any account  
14 of the Corporation Commission or be used for the purpose of  
15 contracting with any other state agency or reimbursing any other  
16 state agency for any expense.

17 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1103, as  
18 last amended by Section 4, Chapter 153, O.S.L. 2016 (68 O.S. Supp.  
19 2018, Section 1103), is amended to read as follows:

20 Section 1103. A. 1. Prior to July 1, 2021, and as provided in  
21 Section 1103.1 of this title, all monies derived from the levy of  
22 the excise tax on petroleum oil provided for by Section 1101 of this  
23 title shall be deposited with the State Treasurer, who shall credit  
24 and apportion the same as follows:

- 1 a. eighty-two and six hundred thirty-four thousandths  
2 percent (82.634%) of ~~said~~ the 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 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~~ the 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, 2021, and as provided in Section 1103.1 of  
21 this title, all monies derived from the levy of the excise tax on  
22 natural gas and/or casinghead gas provided for by Section 1102 of  
23 this title shall be deposited with the State Treasurer, who shall  
24 credit and apportion the same as follows:

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

18 3. Prior to July 1, 2021, and as provided in Section 1103.1 of  
19 this title, all monies to accrue to "The Interstate Oil Compact Fund  
20 of Oklahoma" under the provisions of this article, together with all  
21 monies remaining unexpended in "The Interstate Oil Compact Fund of  
22 Oklahoma" created under this subsection are hereby appropriated and  
23 shall be used for the payment of the compensation of the assistant  
24 representative of the State of Oklahoma on "The Interstate Oil

1 Compact Commission", the compensation of such clerical, technical,  
2 and legal assistants as he or she may with the consent of the  
3 Governor employ; the actual and necessary traveling expenses of the  
4 assistant representative and employees, and of the Governor when  
5 traveling in the Governor's capacity as official representative of  
6 the State of Oklahoma on "The Interstate Oil Compact Commission";  
7 all items of office expense, including the cost of office supplies  
8 and equipment; such contributions as the Governor shall deem  
9 necessary and proper to pay to "The Interstate Oil Compact  
10 Commission" to defray its expenses; and such other necessary  
11 expenses as may be incurred in enabling the State of Oklahoma to  
12 fully cooperate in accomplishing the objects of the Interstate  
13 Compact to conserve oil and gas. The fund shall be disbursed by the  
14 State Treasurer upon sworn, itemized claims approved by the  
15 assistant representative and the Governor; provided, that if at the  
16 end of any fiscal year any part of the special fund shall remain  
17 unexpended, such balance shall be transferred by the State Treasurer  
18 to, and become a part of, the General Revenue Fund of the state for  
19 the 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 2021.

8 B. 1. Beginning on July 1, 2021, all monies derived from the  
9 levy of the excise tax on petroleum oil provided for by Section 1101  
10 of this title shall be deposited with the State Treasurer, who shall  
11 credit and apportion the same as follows:

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

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

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

3 2. Beginning on July 1, 2021, all monies derived from the levy  
4 of the excise tax on natural gas and/or casinghead gas provided for  
5 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. ninety-two and thirty-five hundredths percent (92.35%)  
8 of ~~said the~~ excise tax shall be credited and  
9 apportioned to the ~~General Revenue Fund of the State~~  
10 ~~Treasury; provided, in each fiscal year beginning on~~  
11 ~~or after July 1, 2013, the first One Million Three~~  
12 ~~Hundred Fifty Thousand Dollars (\$1,350,000.00) which~~  
13 ~~would otherwise have been apportioned to the General~~  
14 ~~Revenue Fund pursuant to this subparagraph shall be~~  
15 ~~transferred to the~~ Oil and Gas Division Revolving Fund  
16 of the Oklahoma Corporation Commission, and

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

20 3. Beginning on July 1, 2021, all monies to accrue to "The  
21 Interstate Oil Compact Fund of Oklahoma" under the provisions of  
22 this article, together with all monies remaining unexpended in "The  
23 Interstate Oil Compact Fund of Oklahoma" created under this  
24 subsection are hereby appropriated and shall be used for the payment

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

1 thereafter the excise tax on petroleum oil, natural gas and/or  
2 casinghead gas levied by this article shall be levied, collected and  
3 deposited in the General Revenue Fund of the State Treasury.

4 SECTION 3. This act shall become effective November 1, 2019.

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