

1 **SENATE FLOOR VERSION**

2 March 1, 2023

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 205

6 By: Dahm, Bullard, and Jett of  
7 the Senate

8 and

9 Hilbert of the House

10 [ oil and gas - State Strategic Petroleum Reserve -  
11 appropriation - codification -  
12 emergency ]

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

14 SECTION 1. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 281 of Title 52, unless there is  
16 created a duplication in numbering, reads as follows:

17 A. 1. Beginning July 1, 2023, and each fiscal year thereafter,  
18 the Legislature may appropriate any surplus funds that are not  
19 constitutionally required to be deposited into the Constitutional  
20 Reserve Fund and are not otherwise encumbered to establish and  
21 maintain a State Strategic Petroleum Reserve. The Reserve shall  
22 contain up to fifteen million barrels of crude oil. The Corporation  
23 Commission shall maintain the Reserve and is authorized to  
24 promulgate rules necessary to effectuate the provisions of this act.

1           2. For the purposes of this act, "State Strategic Petroleum  
2 Reserve" means state-owned oil stocks maintained in oil wells within  
3 the boundaries of this state.

4           B. Oil may be released from the Reserve by executive order of  
5 the Governor or by direction of the Legislature if a measure  
6 directing the release is enacted; provided, evidence of one or more  
7 of the following conditions or circumstances for release shall be  
8 established:

9           1. The state or any oil-producing entity operating in the state  
10 faces a disruption in supply;

11           2. An exchange agreement with another country, state, political  
12 subdivision, or oil company is entered into;

13           3. The Governor has declared a state of emergency;

14           4. Non-emergency sales are deemed necessary to raise revenue or  
15 lessen supply disruptions;

16           5. The National Guard of Oklahoma or any other emergency  
17 response entity of this state or a political subdivision of this  
18 state demonstrates to the Legislature an increased need for oil; or

19           6. The price of gas or diesel has increased by more than  
20 twenty-five percent (25%) within a three-month period; provided, oil  
21 shall be released to service stations only following such stations  
22 entering into an agreement or contract that the oil shall be used to  
23 lower the cost of gas and diesel to consumers in this state.

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1           SECTION 2. 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.

5 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
6 March 1, 2023 - DO PASS AS AMENDED BY CS  
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