

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 1370

By: Boles

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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.

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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 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, ~~2026~~2025, 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
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1 transferred to the Oil and Gas Division Revolving Fund
2 of the Oklahoma Corporation Commission, ~~and~~

3 b. eighty-four and four hundred forty-four thousandths
4 percent (84.444%) of said excise tax shall be credited
5 and apportioned to the Corporation Commission Plugging
6 Fund, provided that the amount otherwise apportionable
7 pursuant to this subparagraph shall be capped at Ten
8 Million Dollars (\$10,000,000.00) per state fiscal year
9 and any amounts in excess of such cap shall instead be
10 apportioned to the General Revenue Fund of the State
11 Treasury, and

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

15 3. Beginning on July 1, ~~2026~~ 2025, all monies to accrue to The
16 Interstate Oil Compact Fund of Oklahoma under the provisions of this
17 article, together with all monies remaining unexpended in The
18 Interstate Oil Compact Fund of Oklahoma created under this
19 subsection are hereby appropriated and shall be used for the payment
20 of the compensation of the assistant representative of the State of
21 Oklahoma on The Interstate Oil Compact Commission, the compensation
22 of such clerical, technical and legal assistants as he or she may
23 with the consent of the Governor employ; the actual and necessary
24 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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