

1 ENGROSSED SENATE
2 BILL NO. 1505

By: Paxton of the Senate

and

Boles of the House

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6 An Act relating to rebate payments; amending Sections
7 2, 3, 4, and 5, Chapter 346, O.S.L. 2022 (68 O.S.
8 Supp. 2023, Sections 55007, 55008, 55009, and 55010),
9 which relate to the Oklahoma Emission Reduction
10 Technology Incentive Act; modifying intent; modifying
11 definitions; eliminating rebate payment limit;
12 modifying name of revolving fund; modifying purpose
13 of fund; creating the Oklahoma Emission Reduction
14 Technology Downstream Incentive Revolving Fund;
15 stating sources of fund; providing for expenditures
16 from fund; providing for transfer of funds under
17 certain circumstance; making appropriations to the
18 Oklahoma Tax Commission; directing deposit in certain
19 funds; updating statutory language; updating
20 statutory references; providing an effective date;
21 and declaring an emergency.

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

23 SECTION 1. AMENDATORY Section 2, Chapter 346, O.S.L.
24 2022 (68 O.S. Supp. 2023, Section 55007), is amended to read as
follows:

Section 55007. The Legislature hereby finds that the reduction
of emissions from upstream, ~~and~~ midstream, and downstream oil and
gas production, exploration, completions, gatherings, storage,
processing, refining, and transmission activities serves the
interests of the citizens of Oklahoma and such emission reduction

1 activities with new and innovative technologies should be encouraged
2 and incentivized.

3 SECTION 2. AMENDATORY Section 3, Chapter 346, O.S.L.
4 2022 (68 O.S. Supp. 2023, Section 55008), is amended to read as
5 follows:

6 Section 55008. As used in the Oklahoma Emission Reduction
7 Technology Incentive Act, "Emission Reduction Project" means and
8 includes, but is not limited to:

9 1. Existing and new technology projects that reduce on-site
10 emissions of regulated pollutants or carbon oxides from stationary
11 sources; and

12 2. Existing and new technology projects that reduce emissions
13 from upstream, ~~and~~ midstream, and downstream oil and gas
14 exploration, production, completions, ~~gathering~~ gatherings, storage,
15 processing, refining, and transmission activities through the
16 following:

- 17 a. the replacement, repair, or retrofit of stationary
18 compressor engines,
- 19 b. the installation of systems and/or equipment to reduce
20 or eliminate the loss of gas, venting of gas, flaring
21 of gas, or burning of gas using other combustion
22 control devices, ~~or~~
- 23 c. the installation of systems and/or equipment to reduce
24 the per barrel consumption of energy, or

1 2. The applicant has filed all Oklahoma tax returns and tax
2 documents which are required by the laws of this state; and

3 3. The applicant shall provide evidence of a certificate of
4 general liability insurance with a minimum coverage of One Million
5 Dollars (\$1,000,000.00) and a workers' compensation policy pursuant
6 to the laws of this state which shall include coverage of employer's
7 liability.

8 D. The Department of Environmental Quality shall approve or
9 disapprove all claims for a rebate payment and shall notify the
10 Oklahoma Tax Commission. The Tax Commission shall, upon
11 notification of approval from the Department of Environmental
12 Quality, issue a rebate payment for all approved claims from funds
13 in the Oklahoma Emission Reduction Technology Upstream and Midstream
14 Incentive Revolving Fund created in ~~Section 5 of this act~~ Section
15 55010 of this title and the Oklahoma Emission Reduction Technology
16 Downstream Incentive Revolving Fund created in Section 55010 of this
17 title. ~~Rebate payments from the fund shall not exceed Ten Million~~
18 ~~Dollars (\$10,000,000.00) in any fiscal year. If the amount of~~
19 ~~approved claims exceeds the amount specified in this subsection in a~~
20 ~~fiscal year, payments shall be made proportionately to all of the~~
21 ~~parties making a claim prior to the deadline which is approved by~~
22 ~~the Department of Environmental Quality with the amount to be paid~~
23 ~~to each approved party being product of the individual claim amount~~
24 ~~times the percentage resulting from Ten Million Dollars~~

1 ~~(\$10,000,000.00) divided by the total amount of approved claims for~~
2 ~~the period. If an approved claim is not paid in whole or in part,~~
3 ~~the unpaid claim or unpaid portion shall be paid in the following~~
4 ~~fiscal years in the order in which the claims are approved by the~~
5 ~~Department.~~

6 E. Approved claims for rebate that exceed the balance of the
7 Oklahoma Emission Reduction Technology Upstream and Midstream
8 Incentive Revolving Fund created in ~~Section 5 of this act~~ Section
9 55010 of this title and the Oklahoma Emission Reduction Technology
10 Downstream Incentive Revolving Fund created in Section 55010 of this
11 title may be paid in part and the unpaid portion shall be paid upon
12 the applicable fund reaching a sufficient balance in the order in
13 which the claims are approved by the Department.

14 SECTION 4. AMENDATORY Section 5, Chapter 346, O.S.L.
15 2022 (68 O.S. Supp. 2023, Section 55010), is amended to read as
16 follows:

17 Section 55010. A. There is hereby created in the State
18 Treasury a revolving fund for the Oklahoma Tax Commission to be
19 designated the "Oklahoma Emission Reduction Technology Upstream and
20 Midstream Incentive Revolving Fund". The fund shall be a continuing
21 fund, not subject to fiscal year limitations, and shall consist of
22 all monies received by the Tax Commission from any public or private
23 donations, contributions, and gifts received for the benefit of the
24 fund and any amounts appropriated by the ~~Oklahoma~~ Legislature

1 designated for deposit in the fund. All monies accruing to the
2 credit of the fund are hereby appropriated and may be budgeted and
3 expended by the Tax Commission for the purpose of paying rebates for
4 emission reduction projects, except for projects pertaining to
5 refining activities, as provided in ~~this act~~ the Oklahoma Emission
6 Reduction Technology Incentive Act. Expenditures from the fund
7 shall be made upon warrants issued by the State Treasurer against
8 claims filed as prescribed by law with the Director of the Office of
9 Management and Enterprise Services for approval and payment. Any
10 remaining unencumbered balance upon the cessation of the Oklahoma
11 Emission Reduction Technology Rebate Program, as provided in ~~Section~~
12 ~~7 of this act~~ Section 55012 of this title, shall be transferred to
13 the General Revenue Fund of ~~the State of Oklahoma~~ this state.

14 B. There is hereby created in the State Treasury a revolving
15 fund for the Oklahoma Tax Commission to be designated the "Oklahoma
16 Emission Reduction Technology Downstream Incentive Revolving Fund".
17 The fund shall be a continuing fund, not subject to fiscal year
18 limitations, and shall consist of all monies received by the Tax
19 Commission from any public or private donations, contributions, and
20 gifts received for the benefit of the fund and any amounts
21 appropriated by the Legislature designated for deposit in the fund.
22 All monies accruing to the credit of the fund are hereby
23 appropriated and may be budgeted and expended by the Tax Commission
24 for the purpose of paying rebates for emission reduction projects

1 pertaining to refining activities as provided in this act.
2 Expenditures from the fund shall be made upon warrants issued by the
3 State Treasurer against claims filed as prescribed by law with the
4 Director of the Office of Management and Enterprise Services for
5 approval and payment. Any remaining unencumbered balance upon the
6 cessation of the Oklahoma Emission Reduction Technology Rebate
7 Program, as provided in Section 55012 of this title, shall be
8 transferred to the General Revenue Fund of this state.

9 SECTION 5. There is hereby appropriated to the Oklahoma Tax
10 Commission for deposit in the Oklahoma Emission Reduction Technology
11 Upstream and Midstream Incentive Revolving Fund from any monies not
12 otherwise appropriated from the General Revenue Fund of the State
13 Treasury for the fiscal year ending June 30, 2023, the sum of Thirty
14 Million Dollars (\$30,000,000.00).

15 SECTION 6. There is hereby appropriated to the Oklahoma Tax
16 Commission for deposit in the Oklahoma Emission Reduction Technology
17 Downstream Incentive Revolving Fund from any monies not otherwise
18 appropriated from the General Revenue Fund of the State Treasury for
19 the fiscal year ending June 30, 2023, the sum of Twenty Million
20 Dollars (\$20,000,000.00).

21 SECTION 7. This act shall become effective July 1, 2024.

22 SECTION 8. It being immediately necessary for the preservation
23 of the public peace, health or safety, an emergency is hereby
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1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

3 Passed the Senate the 11th day of March, 2024.

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Presiding Officer of the Senate

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7 Passed the House of Representatives the ____ day of _____,

8 2024.

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Presiding Officer of the House
of Representatives

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