

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL 205

6 By: Dahm, Bullard, and Jett

7 COMMITTEE SUBSTITUTE

8 [oil and gas - State Strategic Petroleum Reserve -
9 appropriation - codification -
10 emergency]

11
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

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.

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