

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 1505 By: Paxton of the Senate
3 and
4 Boles of the House
5

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 AUTHOR: Add the following House Coauthor: Archer

23 AMENDMENT NO. 1. Strike the title, enacting clause, and entire bill
24 and insert:

25 "An Act relating to rebate payments; amending
26 Sections 2, 3, 4, and 5, Chapter 346, O.S.L. 2022 (68
27 O.S. Supp. 2023, Sections 55007, 55008, 55009, and
28 55010), which relate to the Oklahoma Emission
29 Reduction Technology Incentive Act; modifying intent;
30 modifying definitions; eliminating rebate payment
31 limit; amending approval process; modifying name of
32 revolving fund; modifying purpose of fund; creating
33 the Oklahoma Emission Reduction Technology Downstream
34 Incentive Revolving Fund; stating sources of fund;
providing for expenditures from fund; providing for

1 transfer of funds under certain circumstance;
2 providing for proportional payments; updating
3 statutory language; updating statutory references;
4 providing an effective date; and declaring an
5 emergency.

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

7 SECTION 1. AMENDATORY Section 2, Chapter 346, O.S.L.
8 2022 (68 O.S. Supp. 2023, Section 55007), is amended to read as
9 follows:

10 Section 55007. The Legislature hereby finds that the reduction
11 of emissions from upstream ~~and~~, midstream, and downstream oil and
12 gas production, exploration, completions, gatherings, storage,
13 processing, refining, distribution, and transmission activities
14 serves the interests of the citizens of Oklahoma and such emission
15 reduction activities with new and innovative technologies should be
16 encouraged and incentivized.

17 SECTION 2. AMENDATORY Section 3, Chapter 346, O.S.L.
18 2022 (68 O.S. Supp. 2023, Section 55008), is amended to read as
19 follows:

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

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

1 2. Existing and new technology projects that reduce emissions
2 from upstream ~~and~~, midstream, and downstream oil and gas
3 exploration, production, completions, ~~gathering~~ gatherings, storage,
4 processing, refining, distribution, and transmission activities
5 through the following:

- 6 a. the replacement, repair, or retrofit of stationary
7 compressor engines,
- 8 b. the installation of systems and/or equipment to reduce
9 or eliminate the loss of gas, venting of gas, flaring
10 of gas, or burning of gas using other combustion
11 control devices, ~~or~~
- 12 c. the installation of systems and/or equipment to reduce
13 the per barrel consumption of energy, or
- 14 d. the installation of emissions monitoring equipment or
15 devices.

16 SECTION 3. AMENDATORY Section 4, Chapter 346, O.S.L.
17 2022 (68 O.S. Supp. 2023, Section 55009), is amended to read as
18 follows:

19 Section 55009. A. Upon ~~the effective date of this act~~ July 1,
20 2022, there is hereby created the Oklahoma Emission Reduction
21 Technology Rebate Program. There is hereby created a rebate in the
22 amount of up to twenty-five percent (25%) of documented expenditures
23 made in this state directly attributable to the implementation of a
24 qualified Emission Reduction Project.

1 B. The rebate program shall be administered by the Department
2 of Environmental Quality and the Oklahoma Tax Commission, as
3 provided in the Oklahoma Emission Reduction Technology Incentive
4 Act.

5 C. To be eligible for a rebate payment:

6 1. The applicant responsible for the implementation of a
7 qualified Emission Reduction Project in this state shall submit
8 documentation to the Department of Environmental Quality no later
9 than six (6) months after the end of the fiscal year in which the
10 expenditures were made stating the amount of expenditures made in
11 this state directly related to the implementation of the qualified
12 Emission Reduction Project. The Department of Environmental Quality
13 shall additionally establish a process whereby an applicant may
14 submit a payment for approval prior to the expenditure of funds.
15 Any approval through this alternative process shall be subject to
16 final approval as determined necessary by the Department of
17 Environmental Quality;

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

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

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

1 ~~fiscal years in the order in which the claims are approved by the~~
2 ~~Department.~~

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

11 SECTION 4. AMENDATORY Section 5, Chapter 346, O.S.L.
12 2022 (68 O.S. Supp. 2023, Section 55010), is amended to read as
13 follows:

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

1 emission reduction projects, except for projects pertaining to
2 refining activities, as provided in ~~this act~~ the Oklahoma Emission
3 Reduction Technology Incentive Act. Expenditures from the fund
4 shall be made upon warrants issued by the State Treasurer against
5 claims filed as prescribed by law with the Director of the Office of
6 Management and Enterprise Services for approval and payment. Any
7 remaining unencumbered balance upon the cessation of the Oklahoma
8 Emission Reduction Technology Rebate Program, as provided in Section
9 7 55012 of this ~~act~~ title, shall be transferred to the General
10 Revenue Fund of ~~the State of Oklahoma~~ this state.

11 B. There is hereby created in the State Treasury a revolving
12 fund for the Oklahoma Tax Commission to be designated the "Oklahoma
13 Emission Reduction Technology Downstream Incentive Revolving Fund".
14 The fund shall be a continuing fund, not subject to fiscal year
15 limitations, and shall consist of all monies received by the Tax
16 Commission from any public or private donations, contributions, and
17 gifts received for the benefit of the fund and any amounts
18 appropriated by the Legislature designated for deposit in the fund.
19 All monies accruing to the credit of the fund are hereby
20 appropriated and may be budgeted and expended by the Tax Commission
21 for the purpose of paying rebates for emission reduction projects
22 pertaining to refining activities as provided in this act.
23 Expenditures from the fund shall be made upon warrants issued by the
24 State Treasurer against claims filed as prescribed by law with the

1 Director of the Office of Management and Enterprise Services for
2 approval and payment. Any remaining unencumbered balance upon the
3 cessation of the Oklahoma Emission Reduction Technology Rebate
4 Program, as provided in Section 55012 of this title, shall be
5 transferred to the General Revenue Fund of this state.

6 SECTION 5. This act shall become effective July 1, 2024.

7 SECTION 6. It being immediately necessary for the preservation
8 of the public peace, health or safety, an emergency is hereby
9 declared to exist, by reason whereof this act shall take effect and
10 be in full force from and after its passage and approval."

11 Passed the House of Representatives the 17th day of April, 2024.

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Presiding Officer of the House
of Representatives

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Passed the Senate the ____ day of _____, 2024.

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Presiding Officer of the Senate

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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 7. 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 8. 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 10. 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 11. 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 12. 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 13. This act shall become effective July 1, 2024.

22 SECTION 14. It being immediately necessary for the preservation
23 of the public peace, health or safety, an emergency is hereby
24

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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