An Act relating to oil and gas; authorizing regulatory by municipalities, counties and other political subdivisions of certain oil and gas operations and establishing setbacks; providing certain limitation; prohibiting certain regulations; making certain operations subject to jurisdiction and regulation of the Corporation Commission; establishing right to compensation for certain taking of interest from a local government regulatory restriction; repealing 52 O.S. 2011, Section 137, which relates to powers of cities and towns to regulate oil and gas drilling or production; providing for codification; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 137.1 of Title 52, unless there is created a duplication in numbering, reads as follows:

A municipality, county, or other political subdivision may enact reasonable ordinances, rules, and regulations concerning road use, traffic, noise, and odors incidental to oil and gas operations within its boundaries, provided such ordinances, rules, and regulations are not inconsistent with any regulation established by Title 52 of the Oklahoma Statutes or the Corporation Commission. A
municipality, county, or other political subdivision may also establish reasonable setbacks and fencing requirements for oil and gas well site locations as are reasonably necessary to protect the health, safety, and welfare of its citizens, but may not effectively prohibit or ban any oil and gas operations, including oil and gas exploration, drilling, fracture stimulation, completion, production, maintenance, plugging and abandonment, produced water disposal, secondary recovery operations, flow and gathering lines or pipeline infrastructure. All other regulation of oil and gas operations shall be subject to the exclusive jurisdiction of the Corporation Commission.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 137.2 of Title 52, unless there is created a duplication in numbering, reads as follows:

Whenever a municipality or county or other political subdivision, other than the Corporation Commission, adopts or implements an ordinance, resolution, rule, regulation or other form of official policy concerning oil and gas operations that has the effect of: (1) substantially interfering with use and enjoyment of the mineral estate, as defined in section 802 of this title, or (2) exercising dominion and control over the mineral estate, thereby substantially increasing the costs of the oil and gas operations or substantially reducing the fair market value of the mineral estate, it shall be
considered a taking pursuant to section 24 of article 2 of the
Oklahoma Constitution.

SECTION 3. REPEALER 52 O.S. 2011, Section 137, is hereby
repealed.

SECTION 4. It being immediately necessary for the preservation
of the public peace, health and safety, an emergency is hereby
declared to exist, by reason whereof this act shall take effect and
be in full force from and after its passage and approval.

Passed the Senate the 11th day of March, 2015.

Presiding Officer of the Senate

Passed the House of Representatives the ___ day of ________,
2015.

Presiding Officer of the House
of Representatives