

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.:	HB3568
Version:	CCS
Request Number:	11603
Author:	Rep. McBride
Date:	5/19/2022
Impact:	Please see previous summary of this measure

Research Analysis

The conference committee substitute for HB3568 creates a rebate program for oil and gas companies that implement qualified emission reduction projects. The rebate is for 25 percent of documented expenditures made to implement the qualified projects.

The rebate program will be administered by the Department of Environmental Quality and the Oklahoma Tax Commission. Rebate payments may not exceed \$10 million total in any fiscal year. If the cap is exceeded, the rebates will be pro-rated. The rebate program is set to expire July 1, 2027.

The measure also creates a five-year gross production tax exemption for oil and gas production projects approved by the Corporation Commission that use secondary and tertiary recovery methods. The exemption will be administered as a refund. The total amount of these refunds authorized may not exceed \$15 million in any fiscal year.

The production of wells drilled but not completed as of July 1, 2021, which are completed with the use of recycled water on or after July 1, 2022, will earn an exemption from the gross production tax levied from the date of first sales for a period of 24 months. The exemption will be proportional to the percentage of recycled water is used to complete the well. The exemption will be administered as a refund. The total amount of these refunds authorized may not exceed \$10 million in any fiscal year.

Prepared By: Emily Byrne

Fiscal Analysis

The measure is currently under review and impact information will be completed.

Prepared By: Mark Tygret

Other Considerations

None.