

Approved: _____
Date

MINUTES OF THE HOUSE TAXATION COMMITTEE.

The meeting was called to order by Chairperson Wagle at 9:00 a.m. on March 9, 2000, in Room 519-S of the Capitol.

All members were present except: Representative Tomlinson - excused
 Representative Edmonds - excused

Committee staff present: Chris Courtwright, Legislative Research Department
 April Holman, Legislative Research Department
 Don Hayward, Revisor of Statutes
 Shirley Sicilian, Department of Revenue
 Ann Deitcher, Committee Secretary
 Edith Beaty, Taxation Secretary

Conferees appearing before the committee: Gary Reed of Arkan Petroleum
 Mark Shreve of Mull Drilling Co.
 Bob Krehbiel of KIOGA

HB 2721 - Relating to oil and gas severance taxation.

The Chair introduced Gary Reed of Arkan Petroleum, a proponent who explained **HB 2721** to the Committee. (Attachment 1).

Bob Krehbiel, of KIOGA, explained the actual workings of the severance taxation.

Don Hayward of the Revisor's Office said that **HB 2721** was actually patterned after a bill that the state of Oklahoma passed three years ago. He said the bill was an attempt to remedy a defect in the definition of the basis for where you determine the severance tax doesn't apply, by taking care of those instances where a well doesn't necessarily decline in production but is basically leveled.

Next to appear before the Committee in support of **HB 2721** was Mark Shreve of Mull Drilling Co. (Attachment 2).

The hearing on **HR 2721** was concluded.

SB 502 - Oil lease property tax refunds.

Bob Krehbiel, representing KIOGA as a proponent for **SB 502**, explained the bill to the Committee. (Attachment 3).

The hearing on **SB 502** was concluded.

The Chair asked Don Haywood if **HR 2721** and **SB 502** could be combined as one bill. He said it would be possible.

The meeting was adjourned at 10:20. The next meeting is scheduled for Friday, March 10, 2000.

CONTINUATION SHEET