

ENGROSSED HOUSE
BILL NO. 1193

BY: TYLER, ADAIR, HENSHAW
and WIDENER of the HOUSE

and

FISHER of the SENATE

(CORPORATION COMMISSION - AMENDING 17 O.S.,
SECTIONS 602, 603, 604, 605 AND 606 - OKLAHOMA
ALTERNATIVE FUELS CONVERSION ACT - EFFECTIVE
DATE -

EMERGENCY)

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

SECTION 1. AMENDATORY Section 2, Chapter 336, O.S.L.
1990 (17 O.S. Supp. 1990, Section 602), is amended to read as
follows:

Section 602. As used in the Oklahoma Alternative Fuels
Conversion Act:

1. "Alternative fuels" means fuels which result in comparably
lower emissions of oxides of nitrogen, volatile organic compounds,
carbon monoxide, or particulates or any combination thereof and
includes compressed natural gas, liquefied petroleum gas, liquefied
natural gas, ethanol and electricity;

2. "Diesel fuel" means diesel engine fuel, and all other
liquids suitable for the generation of power for the propulsion of
motor vehicles except gasoline;

3. "Fill station" means the public property which is directly related to the delivery of compressed natural gas or liquefied natural gas into the fuel tank of a motor vehicle propelled by such fuel including the compression equipment and storage vessels for such fuel at the point where such fuel is delivered;

4. "Gallon" means the quantity of fluid or liquid at a temperature of sixty (60) degrees Fahrenheit necessary to completely fill a United States standard gallon liquid measure;

~~4.~~ 5. "Gasoline" means the same as motor fuel and means every liquid petroleum product, or any combination thereof, other than solvents as herein defined, having an A.P.I. gravity of forty-six (46) degrees or above at a temperature of sixty (60) degrees Fahrenheit and at atmospheric pressure, and includes drip, casinghead or natural gasoline. The term gasoline also includes any liquid of less than forty-six (46) degrees A.P.I. gravity at a temperature of sixty (60) degrees Fahrenheit compounded, blended, manufactured or otherwise produced by mixing or blending gasoline or solvents with any blending materials, as hereinafter defined, when the blended product can be used for generating power in internal combustion engines, regardless of how such liquid is made, compounded, manufactured or recovered and regardless of the name by which such liquid may be known or sold;

~~5.~~ 6. "Government vehicle" means all motor vehicles, including, but not limited to, metropolitan rapid transit motor vehicles, buses, trucks, law enforcement vehicles and emergency vehicles, owned and operated by the State of Oklahoma, any public trust authority, county, municipality, town or city within this state, ~~which operates fleets of more than one hundred (100) such government vehicles;~~

~~6.~~ 7. "Sale" means sales, barters, exchanges, and every other manner, method, and form of transferring the ownership of personal property from one person to another, and also includes the use or

consumption in this state in the first instance of gasoline received from without the state or of any other gasoline upon which the surcharge has not been paid;

~~7.~~ 8. "School vehicle" means all buses and multi-passenger motor vehicles owned and approved to operate by the State Department of Education or any school district within this state; and

~~8.~~ 9. "Solvents" means especially prepared commercial and industrial solvents, cleaners' and painters' naphthas, and raw petroleum materials or petrochemical intermediates when used as or sold for use in production or manufacture of plastics, detergents, synthetic rubber, herbicides, insecticides and other chemicals or products which are not prepared, advertised, offered for sale, or sold for use or suitable for use as fuel for generating power in internal combustion engines.

SECTION 2. AMENDATORY Section 3, Chapter 336, O.S.L. 1990 (17 O.S. Supp. 1990, Section 603), is amended to read as follows:

Section 603. A. All ~~gasoline-powered~~ school vehicles and all ~~gasoline-powered~~ government vehicles may be converted to operate on an alternative fuel. The state, any county or municipal government and any school district within the state may have access to the Oklahoma Alternative Fuels Conversion Fund and the reasonable expenses of the conversions or the installation of a fill station may be reimbursed in the manner pursuant to Section 4 604 of this ~~act~~ title if the state, county, municipality or school district can pay back such conversion or installation costs within seven (7) years of the date of conversion, ~~as determined by the methodology provided by the State Department of Education~~ or installation. Beginning July 1, 1995, all school districts within this state should consider only purchasing school vehicles which have the capability to operate on an alternative fuel.

B. The reasonable expenses of the conversion of the school vehicle fleets and the government vehicle fleets that are converted pursuant to subsection A of this section shall be reimbursed in the manner pursuant to Section 4 604 of this ~~act~~ title.

C. The reasonable expenses of the installation of a fill station that is installed pursuant to subsection A of this section shall be reimbursed in the manner pursuant to Section 604 of this title.

D. Any vehicle converted to have the capability of being fueled by alternative fuels pursuant to the provisions of the Oklahoma Alternative Fuels Conversion Act shall not be sold or otherwise transferred to another person or entity before the total reimbursement of the cost of such conversion pursuant to the provisions of the Oklahoma Alternative Fuels Conversion Act unless such conversion equipment is removed and installed on another government vehicle or school vehicle owned by such public entity.

E. Any fill station installed pursuant to the provisions of the Oklahoma Alternative Fuels Conversion Act shall not be sold or otherwise transferred to another person or entity before the total reimbursement of the cost of such fill station pursuant to the provisions of the Oklahoma Alternative Fuels Conversion Act.

SECTION 3. AMENDATORY Section 4, Chapter 336, O.S.L. 1990 (17 O.S. Supp. 1990, Section 604), is amended to read as follows:

Section 604. A. There is hereby created in the State Treasury a revolving fund for the Corporation Commission to be designated as the "Oklahoma Alternative Fuels Conversion Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Corporation Commission pursuant to Section 5 605 of this ~~act~~ title.

B. All monies accruing to the credit of the revolving fund shall be expended by the Corporation Commission to reimburse

expenses relative to the conversion of government vehicles and school vehicles to have the capability of being fueled by alternative fuels or the expenses relative to the installation of a fill station. The maximum amount expended per vehicle shall be the actual cost of vehicle conversion or Three Thousand Dollars (\$3,000.00), whichever is less. The maximum amount expended per fill station shall be the actual cost of the installation or One Hundred Thousand Dollars (\$100,000.00), whichever is less. The balance on deposit in the fund shall never exceed the sum of Five Million Dollars (\$5,000,000.00).

C. Expenditures from the revolving fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 4. AMENDATORY Section 5, Chapter 336, O.S.L. 1990 (17 O.S. Supp. 1990, Section 605), is amended to read as follows:

Section 605. A. The Oklahoma Alternative Fuels Conversion Fund shall be reimbursed by a surcharge on alternative fuels sold within the state under the provisions of the Oklahoma Alternative Fuels Conversion Act.

B. A reimbursement account shall be established in the name of each recipient of reimbursement for vehicle conversion or fill station installation pursuant to the provisions of Section ~~3~~ 603 of this ~~act~~ title. The initial amount of each recipient's account shall be the amount of the reimbursement received by that recipient. A recipient's account shall be increased by the amount of any subsequent reimbursement received by that recipient; a recipient's account shall be reduced by the amount of all surcharges on alternative fuels paid by that recipient.

C. A surcharge in an amount equivalent to the per gallon fuel cost savings in utilizing alternative fuels is hereby levied on

sales of alternative fuels to recipients of reimbursement for vehicle conversion or fill station installation pursuant to the provisions of Section ~~3~~ 603 of this ~~act~~ title. Initially, the amount of the surcharge shall be based upon monthly fuel savings as determined in the manner prescribed in subsection A of Section ~~3~~ 603 of this ~~act~~ title. Such amount shall be adjusted periodically, by the Oklahoma Tax Commission, to reflect any change in the amount of fuel savings actually received by the recipient. The surcharge shall not be levied on sales of alternative fuels for any other purposes. The surcharge shall continue on sales to each such recipient for so long as that recipient maintains a reimbursement account. When the reimbursement account for a recipient is reduced to zero, the surcharge levied by this section shall terminate until such time as a reimbursement account may be re-established for that recipient.

D. The surcharge levied by this section shall be collected by the Oklahoma Tax Commission and apportioned monthly to the Oklahoma Alternative Fuels Conversion Fund.

E. The surcharge levied by this section shall be suspended whenever the price of the alternative fuel used by the recipient is equal to or greater than the price of ~~gasoline~~ the original fuel displaced by the alternative fuel which may be purchased by such recipient. Provided, such surcharge shall be reinstated whenever the price of the alternative fuel used by the recipient becomes less than the price of ~~gasoline~~ the original fuel displaced by the alternative fuel which may be purchased by such recipient.

F. The Oklahoma Tax Commission shall adopt rules and regulations relating to the payment and collection of the surcharge levied by this section.

SECTION 5. AMENDATORY Section 6, Chapter 336, O.S.L. 1990 (17 O.S. Supp. 1990, Section 606), is amended to read as follows:

Section 606. Expenditures from the Oklahoma Alternative Fuels Conversion Fund for vehicle conversions or fill station installations pursuant to Section ~~3~~ 603 of this ~~act~~ title shall not at any time be deemed to constitute a debt of the state, county, municipality or school district which owns such vehicle or fill station or a pledge of the faith and credit of the state or such county, municipality or school district, but such expenditures shall be reimbursed solely by a surcharge on the alternative fuel sold to the state or such county, municipality or school district pursuant to Section ~~5~~ 605 of this ~~act~~ title.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 608.1 of Title 17, unless there is created a duplication in numbering, reads as follows:

The price of natural gas utilized as a transportation fuel in a motor vehicle shall not be regulated by any governmental entity within this state.

SECTION 7. REPEALER Section 8, Chapter 336, O.S.L. 1990 (17 O.S. Supp. 1990, Section 608), is hereby repealed.

SECTION 8. This act shall become effective July 1, 1991.

SECTION 9. 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 House of Representatives the 5th day of March, 1991.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1991.

President of the Senate