

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

HOUSE BILL NO. 1063

By: Tyler

AS INTRODUCED

An Act relating to alternative fuels; amending 74 O.S. 1991, Section 130.4, which relates to the Oklahoma Alternative Fuels Conversion Fund; clarifying language; amending 68 O.S. 1991, Section 723, as amended by Section 2, Chapter 306, O.S.L. 1992 (68 O.S. Supp. 1992, Section 723), which relates to special fuel use tax; modifying language; amending 68 O.S. 1991, Section 2357.22, as amended by Section 1, Chapter 306, O.S.L. 1992 (68 O.S. Supp. 1992, Section 2357.22), which relates to investment credits in certain clean-burning motor fuel vehicle property; modifying language; amending 47 O.S. 1991, Section 854, as amended by Section 3, Chapter 306, O.S.L. 1992 (47 O.S. Supp. 1992, Section 854), which relates to mechanical inspections; clarifying language; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 74 O.S. 1991, Section 130.4, is amended to read as follows:

Section 130.4 A. There is hereby created in the State Treasury a revolving fund for the Office of Public Affairs 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 Office of Public Affairs pursuant to Section ~~605~~ 130.5 of this title.

B. All monies accruing to the credit of the revolving fund shall be expended by the Office of Public Affairs to reimburse expenses relative to the conversion of government vehicles and school vehicles to have the capability of being fueled by alternative fuels and/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 Five Hundred Dollars (\$3,500.00), 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 2. AMENDATORY 68 O.S. 1991, Section 723, as amended by Section 2, Chapter 306, O.S.L. 1992 (68 O.S. Supp. 1992, Section 723), is amended to read as follows:

Section 723. A. In lieu of the special fuel tax imposed by Sections 703, 705, 707.1, 707.2 and 707.3 of this title, there is hereby levied a flat fee of Fifty Dollars (\$50.00) on each passenger automobile, and on each pickup truck or van not exceeding one (1) ton in capacity, using liquefied petroleum gas or natural gas as fuel, except that no such fee shall be levied on any vehicle which is the subject of an exemption pursuant to Section 708 of this

title. ~~Provided that, should~~ Should the passenger automobile, pickup truck or van have been acquired or should the liquefied petroleum gas or natural gas system be installed on or after July 1, the flat fee shall be Twenty-five Dollars (\$25.00) for the remainder of the calendar year, except as hereinafter provided.

B. Beginning January 1, 1991, in lieu of the special fuel tax imposed by Sections 703, 705, 707.1, 707.2 and 707.3 of this title, there is hereby levied a flat fee of One Hundred Dollars (\$100.00) on each passenger automobile, and on each pickup truck or van not exceeding one (1) ton in capacity, using compressed natural gas or liquefied natural gas as fuel, except that no such fee shall be levied on any vehicle which is the subject of an exemption pursuant to Section 708 of this title. ~~Provided that, should~~ Should the passenger automobile, pickup truck or van have been acquired or should the compressed natural gas or liquefied natural gas system be installed on or after July 1, the flat fee shall be Fifty Dollars (\$50.00) for the remainder of the calendar year, except as hereinafter provided.

C. Beginning January 1, 1993, in lieu of the special fuel tax imposed by Sections 703, 705, 707.1, 707.2 and 707.3 of this title, there is hereby levied a flat fee of One Hundred Fifty Dollars (\$150.00) on each vehicle exceeding one (1) ton in capacity, using liquefied petroleum gas, compressed natural gas or liquefied natural gas as fuel, except that no such fee shall be levied on any vehicle which is the subject of an exemption pursuant to Section 708 of this title. ~~Provided that, should~~ Should the vehicle be acquired or should the compressed natural gas or liquefied natural gas system be installed on or after July 1, the flat fee shall be Seventy-five Dollars (\$75.00) for the remainder of the calendar year, except as hereinafter provided.

D. Every person operating a vehicle using liquefied petroleum gas, liquefied natural gas or compressed natural gas as fuel shall

make application for and obtain a decal to be issued on a yearly basis by the Oklahoma Tax Commission on forms prescribed and furnished by the Tax Commission.

E. Every person required to make application for and receive a decal under this section shall, at the time of making said application, remit to the Tax Commission the total amount of the fee due.

F. Each decal issued by the Tax Commission pursuant to the provisions of this section, shall expire on December 31 of every year, and in addition thereto said decals shall be displayed in the lower right hand corner of the front windshield of said vehicle. Upon receipt of satisfactory proof by the Tax Commission that it has become necessary to replace the windshield of the vehicle for which the decal was issued, another decal shall be issued by the Tax Commission as a replacement for a fee of One Dollar (\$1.00).

G. When any vehicle using liquefied petroleum gas, liquefied natural gas or compressed natural gas as fuel and displaying a current decal as provided in this section is sold, such decal shall remain with the vehicle sold, unless the equipment installed to enable the vehicle to use liquefied petroleum gas, liquefied natural gas or compressed natural gas has been removed from the vehicle before the sale.

H. When the aforementioned equipment has been removed before the sale, the seller of the vehicle shall also remove the decal required of vehicles using liquefied petroleum gas, liquefied natural gas or compressed natural gas. The removed decal, a receipt from the Oklahoma Tax Commission showing that the fee required has been paid for the current year, and the payment of a one-dollar fee for duplicate decal shall entitle the seller to make application for and obtain a new decal to be used for the remainder of the year on any vehicle using liquefied petroleum gas, liquefied natural gas or

compressed natural gas in accordance with the provisions of this section.

I. Provisions contained in Sections 701 through 721 of this title shall not apply to any vehicle using liquefied petroleum gas, liquefied natural gas or compressed natural gas.

J. All funds derived from the fee imposed by subsection A of this section shall be deposited annually in the General Revenue Fund of the State Treasury by the Tax Commission. When any person fails to obtain a current decal within thirty (30) days of the date said decal is required as provided in this section, there shall become due and payable a penalty of twenty percent (20%) of the fee in addition to the fee. Said penalty to be deposited in the same manner as the fee pursuant to this subsection.

K. All funds derived from the fee imposed by subsections B and C of this section shall be collected by the Oklahoma Tax Commission and apportioned annually to the State Transportation Fund. When any person fails to obtain a current decal within thirty (30) days of the date such decal is required as provided in this section, there shall become due and payable a penalty of twenty percent (20%) of the fee in addition to the fee. Such penalty shall be deposited in the same manner as the fee pursuant to this subsection.

SECTION 3. AMENDATORY 68 O.S. 1991, Section 2357.22, as amended by Section 1, Chapter 306, O.S.L. 1992 (68 O.S. Supp. 1992, Section 2357.22), is amended to read as follows:

Section 2357.22 A. There shall be allowed a one-time credit against the income tax imposed by Section 2355 of this title for investments in qualified clean-burning motor vehicle fuel property placed in service after December 31, 1990.

B. As used in this section, "qualified clean-burning motor vehicle fuel property" means:

1. Equipment installed to modify a motor vehicle which is propelled by gasoline so that the vehicle may be propelled by

compressed natural gas, liquefied natural gas or liquefied petroleum gas;

2. A motor vehicle originally equipped to be propelled only by compressed natural gas, liquefied natural gas or liquefied petroleum gas but only to the extent of the portion of the basis of such motor vehicle which is attributable to the storage of such fuel, the delivery to the engine of such motor vehicle of such fuel, and the exhaust of gases from combustion of such fuel; or

3. Property which is directly related to the delivery of compressed natural gas, liquefied natural gas or liquefied petroleum gas into the fuel tank of a motor vehicle propelled by such fuel including compression equipment and storage tanks for such fuel at the point where such fuel is so delivered but only if such property is not used to deliver such fuel into any other type of storage tank or receptacle and such fuel is not used for any purpose other than to propel a motor vehicle.

C. The credit provided for in subsection A of this section shall be fifty percent (50%) of the cost of the qualified clean-burning motor vehicle fuel property, except that for qualified clean-burning motor vehicle fuel property placed in service on or after January 1, 1995, the credit provided for in subsection A of this section shall be twenty percent (20%) of the cost of the qualified clean-burning motor vehicle fuel property.

D. In cases where no credit has been claimed pursuant to subsection C of this section and in which a motor vehicle is purchased by a taxpayer with qualified clean-burning motor vehicle fuel property installed by the manufacturer of such motor vehicle and the taxpayer is unable or elects not to determine the exact basis which is attributable to ~~such~~ the property, the taxpayer may claim a credit in an amount not exceeding the lesser of ten percent (10%) of the cost of the motor vehicle or One Thousand Five Hundred Dollars (\$1,500.00).

E. If the tax credit allowed pursuant to subsection A of this section exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of the credit not used as an offset against the income taxes of a taxable year may be carried forward as a credit against subsequent income tax liability for a period not to exceed three (3) years.

F. A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half (1/2) of the tax credit that would have been allowed for a joint return.

SECTION 4. AMENDATORY 47 O.S. 1991, Section 854, as amended by Section 3, Chapter 306, O.S.L. 1992 (47 O.S. Supp. 1992, Section 854), is amended to read as follows:

Section 854. ~~(a)~~ A. The Commissioner of Public Safety shall require that every motor vehicle, trailer, semitrailer and pole trailer, as defined herein, registered or operated in this state be inspected once a year at official inspection stations as provided in ~~this act~~ Section 851 et seq. of this title, and that an official certificate of inspection and approval be obtained for each such vehicle; provided, however, that motor carriers and express companies operating under the jurisdiction of the Interstate Commerce Commission, and/or the Department of Transportation and interstate and/or intrastate owners and/or operators of commercial, private or public fleets of vehicles maintaining inspection and repair facilities which meet standards established by the Commissioner of Public Safety, may be authorized by the Commissioner to perform such inspections in such carriers' own maintenance shops, without bond, on vehicles owned or operated by them. The conversion equipment on any such vehicles fueled by alternative fuels as defined in Section ~~3~~ 130.13 of ~~this act~~ Title 74 of the Oklahoma Statutes, shall be inspected once a year.

Such inspections shall be made and such certificates obtained with respect to the mechanism and equipment of every such vehicle as shall be designated by the Commissioner of Public Safety.

Except for vehicles sold dealer to dealer, every vehicle when sold by a dealer must have been inspected and must meet the standards of inspection as provided in this act and must display a current inspection sticker.

The Commissioner of Public Safety is hereby authorized and directed to make necessary rules and regulations for the administration and enforcement of this act and to designate any period or periods of time during which owners of any vehicles, subject to this section, shall display upon such vehicle, except those vehicles exempted pursuant to Section 851 of this title, certificates of inspection and approval or shall produce the same upon demand of any officer or employee of the Department of Public Safety designated by the Commissioner of Public Safety or any police or peace officer when authorized by said Commissioner. As a part of such rules and regulations, the Commissioner of Public Safety shall include the requirement that every person subject to the in-lieu-of-tax fee under Section 723 of Title 68 of the Oklahoma Statutes display a current Oklahoma Tax Commission decal on the vehicle as described in Section 723 of Title 68 of the Oklahoma Statutes and that proper display of the decal shall be a requirement for the issuance of an official certificate of inspection and approval for any vehicle using liquefied petroleum gas, liquefied natural gas or compressed natural gas.

~~(b)~~ B. The Commissioner of Public Safety may authorize the acceptance in this state of a certificate of inspection and approval issued in another state having an inspection law similar to this act and may extend the time within which a certificate shall be obtained by the resident owner of a vehicle which was not in this state during the time an inspection was required.

~~(e)~~ C. The Commissioner of Public Safety may suspend the registration of any vehicle which he determines is in such unsafe condition as to constitute a menace to safety or which after notice and demand is not equipped as required in this act or for which a required certificate has not been obtained. Any person who shall have his vehicle registration suspended under the provisions of this section shall immediately forward his registration to the Department.

SECTION 5. This act shall become effective July 1, 1993.

SECTION 6. 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.

44-1-5274

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