

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

HOUSE BILL NO. 2418

By: Adair, Begley and
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AS INTRODUCED

An Act relating to oil and gas; creating the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act; providing definitions; creating the Oklahoma Liquefied Petroleum Gas Advisory Board; establishing purpose of the Board; providing for membership of Board; providing qualifications of membership; providing for additional membership; providing for travel reimbursement; establishing powers and duties of the Board; providing for meeting; authorizing appointment of a director; creating the LP Gas Revolving Fund; stating procedure for use of fund; requiring certain amount of fund to be used for certain safety programs; authorizing a fee on the delivery of LP gas; providing guidelines for collecting fee; providing reporting and collection date; authorizing collection actions; providing that act shall not preempt certain programs; allowing designation of certain funds for payment of certain programs; providing for codification; providing an effective date; 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 420.20 of Title 52, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 420.21 of Title 52, unless there is created a duplication in numbering, reads as follows:

As used in the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act:

1. "Board" means the Oklahoma Liquefied Petroleum Gas Advisory Board;
2. "LP gas" means liquefied petroleum gas; and
3. "Person" means any individual, group of individuals, or any partnership, corporation, association, cooperative, or employee thereof, or any other entity.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 420.22 of Title 52, unless there is created a duplication in numbering, reads as follows:

There is hereby created until July 1, 2000, the Oklahoma Liquefied Petroleum Gas Advisory Board which shall be subject to the provisions of the Oklahoma Sunset Law, Section 3901 et seq. of Title 74 of the Oklahoma Statutes. The purpose of the Board is to coordinate marketing and research activities of the LP gas industry and to promote safety through programs and education.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 420.23 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. The Liquefied Petroleum Gas Advisory Board shall be composed of at least twelve (12) members. The twelve members shall be LP gas dealers who are holders of a permit from the State Liquefied Petroleum Gas Administration; four to be appointed by the Governor, four to be appointed by the President Pro Tempore of the Senate and four to be appointed by the Speaker of the House of Representatives. The Governor, President Pro Tempore and Speaker of the House of Representatives shall make appointments of the LP gas dealers from a list of names submitted by the Oklahoma Propane Gas Association.

B. The members of the Board shall:

1. Be at least twenty-five (25) years of age;
2. Be a resident of the State of Oklahoma; and
3. Have at least five (5) years of active experience in the LP gas industry.

C. The initial term of office for members of the Board shall be as follows: three members for one (1) year, three members for two (2) years and six members for three (3) years.

For the initial appointments which shall be made by September 1, 1994, each appointing authority shall make one appointment for a one-year term, one appointment for a two-year term and two appointments for three-year terms. Thereafter, the terms of the members shall be for three (3) years.

D. Vacancies shall be filled for the unexpired term of office in the same manner as the original appointment. The dealer members may be removed from office by a majority vote of the three appointing authorities in a manner as provided by law.

E. After October 1, 1994, the members of the Board appointed pursuant to subsection A this section may by majority vote appoint a maximum of three members representing companies which provide goods and services to propane dealers. These additional members shall have full voting rights and privileges and will serve three-year terms. They may be removed from the Board by a majority vote of the

LP gas dealer members of the Board appointed pursuant to subsection A of this section.

F. The Board shall at its first meeting elect one of its members as chairperson, who shall preside over meetings of the Board and perform any other duties as may be required by the Board.

G. No member of the Board shall receive a salary or reimbursement for duties performed as a member of the Board, however members are eligible to receive travel reimbursement as provided in the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 420.24 of Title 52, unless there is created a duplication in numbering, reads as follows:

The Liquefied Petroleum Gas Advisory Board shall have the following powers, duties and responsibilities:

1. To administer and enforce the provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act;

2. To establish an office for the Board within the State of Oklahoma;

3. To elect a chairperson and whatever other officers may be necessary to direct operations of the Board;

4. To employ personnel as shall be deemed necessary to carry out the purpose and provisions of this act and to prescribe their duties and fix their compensation;

5. To establish and administer the LP Gas Revolving Fund;

6. To approve or disapprove the budget of the Board;

7. To promulgate rules as it deems necessary to carry out the provisions of this act;

8. To enter into contracts or agreements for studies, research projects, safety programs, experimental work, supplies or other services to carry out the purposes of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act, and incur those

expenses necessary to carry out those purposes. Any contract or agreement shall provide that:

- a. the person entering the contract or agreement on behalf of the Board shall develop and submit to the Board a plan or project together with a budget or budgets that shows estimated costs to be incurred for the plan or project, and
- b. the person entering the contract or agreement shall keep accurate records of all of its transactions, account for funds received and expended, and make periodic reports to the Board of activities conducted, and any other reports as the Board may require;

9. To keep accurate records of all financial transactions performed pursuant to this act. These records shall be audited annually by an independent auditor and an annual report shall be compiled and presented to the Governor;

10. To cooperate with any private, local, state or national commission, organization, agency or group and to make contracts and agreements for joint programs beneficial to the industry;

11. To accept donations, grants, contributions and gifts from any public or private source and deposit the money in the LP Gas Revolving Fund;

12. To approve or disapprove the investment of any monies in the LP Gas Revolving Fund pursuant to Section 7 of this act; and

13. To keep an accurate record of all assessments collected.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 420.25 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. There shall be an annual meeting of the Board at which the annual report and proposed budget will be presented. The Board shall, at the call of the chairperson, hold at least three other regular meetings each year. The chairperson shall establish the

time, a manner and place of all meetings and shall provide notice of such meetings. A majority of the members of the Board shall constitute a quorum for the transaction of any business. In addition, the Board shall determine the circumstances under which additional meetings of the Board may be held.

B. The Board may appoint a Director who shall carry out the provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act. The Director shall not be one of the appointed Board members.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 420.26 of Title 52, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Oklahoma Liquefied Petroleum Gas Advisory Board to be designated the "LP Gas Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations and shall consist of all monies received by the Oklahoma Liquefied Petroleum Gas Advisory Board from assessments received and collected pursuant to Section 8 of this act, and donations, grants, contributions and gifts from any public or private source. The Board may expend funds as provided for by law. Expenditures from the 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 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 420.27 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. To fund the activities of the Oklahoma Liquefied Petroleum Gas Advisory Board an assessment shall be imposed on the first sale of odorized LP gas. Each operator of a loading rack on delivery into any cargo container shall collect from the person who purchases

the odorized LP gas an assessment in an amount of one-half cent (\$0.005) per gallon.

B. The assessment shall be computed on the net amount of odorized LP gas delivered into a cargo tank.

C. The assessment shall not apply to a delivery of odorized LP gas destined for export from this state if the LP gas is in continuous movement to a destination outside the state.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 420.28 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. Beginning January 1, 1995, each operator of a loading rack shall, on or before the 25th day of the month following the end of each calendar month, file a report with the State Liquefied Petroleum Gas Administration and remit the amount of assessments required to be collected or paid during the preceding month to the Oklahoma Liquefied Petroleum Gas Advisory Board, which shall be deposited in the LP Gas Revolving Fund.

B. The Board shall be responsible for taking appropriate legal actions to collect any assessment which is not paid or is not properly paid.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 420.29 of Title 52, unless there is created a duplication in numbering, reads as follows:

Nothing in this act may be construed to preempt or supersede any other program relating to LP gas promotion or marketing organized and operated under the law of the State of Oklahoma or the United States. The provisions of this act applicable to the rules shall be applicable to amendments to the rules. In the event of the establishment of a national program for an assessment on propane sales, the Board, by majority vote, may elect to designate up to a maximum of twenty percent (20%) of the funds collected under this

act to the national program in lieu of an additional assessment as may be required by the national program.

SECTION 11. This act shall become effective July 1, 1994.

SECTION 12. 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.

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