

STATE OF OKLAHOMA

2nd Session of the 45th Legislature (1996)

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 793

By: Easley

COMMITTEE SUBSTITUTE

(Oil and gas - creating the Oklahoma Energy Administration
Act - effective date -

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 1001 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 Energy Administration Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1002 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Oklahoma Department of Energy. The Department shall consist of the following divisions: the Oil and Gas Administration Division, the Fuels Administration Division, the Field Services Division, and the Administrative Division.

B. The Administrative Division of the Oklahoma Department of Energy shall include, but not be limited to, the following functions or departments: finance, data processing, personnel, administrative hearings, legal, and administration of the Oklahoma Petroleum

Storage Tank Release Indemnity Program and the Oklahoma Leaking Underground Storage Tank Trust Fund.

C. The Fuels Administration Division shall include the regulatory programs for aboveground and underground storage tanks, gasoline, diesel, kerosene, liquefied petroleum gas, compressed natural gas and other fuels, and the administration of the Oklahoma Alternative Fuels Conversion Act and the Alternative Fuels Technician Certification Act.

D. The Oil and Gas Administration Division shall include the regulatory programs for the exploration, production and transportation of oil and gas, including, but not limited to, all activities related to pollution abatement, underground injection control, the drilling and plugging of oil and gas wells and the handling and disposal of wastes generated by such activities.

E. The Field Services Division shall provide inspection and investigation services to the other Divisions of the Department.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1003 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Oklahoma Energy Administration Board.

B. The Board shall consist of twelve (12) members as follows:

1. The Governor's Secretary of Energy;

2. The Governor shall appoint three members as follows:

a. one member who shall represent the liquefied petroleum gas, compressed natural gas or alternative fuels industry, and

b. two members who shall represent the oil and gas production and exploration industry;

3. The President Pro Tempore of the Senate shall appoint four members as follows:

- a. three members who shall represent the oil and gas production and exploration industry, and
- b. one member who shall represent the retail petroleum gas industry;

4. The Speaker of the House of Representatives shall appoint four members as follows:

- a. three members who shall represent the oil and gas exploration and production industry, and
- b. one member who shall represent the retail petroleum industry.

C. To be eligible for appointment to the Board a person shall:

1. Be a resident of this state;
2. Be a qualified elector of this state;
3. Not have been convicted of a felony pursuant to the laws of

this state, the laws of any other state or the laws of the United States; and

4. Be recommended to the appointing authority by a qualified state association. A qualified state association is one which has been in existence as of January 1, 1993, organized and operating within this state on a statewide basis, who represents the interests of the position for which it is making a recommendation.

D. The term of office for members of the Energy Administration Board shall be for four (4) years. For the initial terms of office, the President Pro Tempore of the Senate and the Speaker of the House of Representatives each shall appoint one member to serve for four (4) years, one member to serve for three (3) years, one member to serve for two (2) years and one member to serve for one (1) year.

For the initial terms of office, the Governor shall appoint one member to serve for three (3) years, one member to serve for two (2) years and one member to serve for one (1) year.

E. An appointment shall be made by the appropriate appointing authority within ninety (90) days after a vacancy is created by the

expiration of the term of any member due to resignation, death or any cause resulting in an unexpired term. In the event of a vacancy on the Board resulting in an unexpired term, if such vacancy is not filled within ninety (90) days, the Board may appoint a provisional member to serve in the interim until the appointing authority acts.

F. A member of the Board may be reappointed to succeed himself or herself for one additional term.

G. The Board shall hold meetings as necessary at a place and time to be fixed by the Board. The Board shall select, at its first meeting following the passage of the Oklahoma Energy Administration Act, one of its members to serve as chair and another of its members to serve as vice-chair. At the first meeting in each calendar year thereafter, the chair and vice-chair for the ensuing year shall be elected. Special meetings may be called by the chair or by seven members of the Board by delivery of written notice to each member of the Board. A majority of the Board present at the meeting shall constitute a quorum of the Board.

H. Members of the Board shall receive necessary travel expenses according to the provisions of the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

I. The Board shall:

1. Be the rulemaking body for the Oklahoma Department of Energy;

2. Have the authority to adopt nonbinding resolutions expressing the sense of the Board and advising the Department in any matter relating to regulation by operation of the Department.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1004 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. The Executive Director of the Oklahoma Department of Energy shall be employed by the Energy Administration Board.

B. The Executive Director shall have experience in any of the regulated industries, or other such qualifications as may be required by the Committee.

C. The Executive Director shall provide for the administration of the Department and shall:

1. Be the executive officer and supervise the activities of the Oklahoma Department of Energy;

2. Employ, appoint or contract with, and fix the duties and compensation of such assistants, attorneys, technical personnel, aides and other such personnel, either on a full-time, part-time, fee or contractual basis, as in his or her judgement and discretion shall be deemed necessary, expedient, convenient or appropriate to the performance or carrying out of any of the purposes, objectives or provisions relating to the Oklahoma Department of Energy pursuant to the Oklahoma Energy Administration Act, or to assist him or her in the performance of official duties and functions; and

3. Exercise all incidental powers which are necessary and proper to implement the purposes of the Oklahoma Department of Energy pursuant to the Oklahoma Energy Administration Act.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1005 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. All powers, duties, and responsibilities now exercised by the Corporation Commission pursuant to Titles 17 and 52 of the Oklahoma Statutes relating to the Commission's Fuels Division and Oil and Gas Divisions, the underground and aboveground storage tanks regulatory programs, the Oklahoma Petroleum Storage Tank Release Indemnity Program, the Oklahoma Leaking Underground Storage Tank Fund, oil and gas regulatory programs, pollution abatement and underground injection control are hereby transferred to the Oklahoma Department of Energy, together with all unexpended funds, property, records, personnel, and any outstanding financial obligations and

encumbrances related to the activities of such divisions or programs, including appropriate administrative and support services regardless of the Division within which they are located. To the extent that there are vacant positions within the job classifications being transferred or personnel are filling more than one position within the Commission, one of which is not within the division or programs being transferred, the vacant positions shall be transferred to the Oklahoma Department of Energy and personnel filling more than one position shall remain in the position not transferred from the Corporation Commission and the other position shall be transferred as a vacant position to the Oklahoma Department of Energy.

B. As used in Titles 17 and 52 of the Oklahoma Statutes and in statutes relating to the administration of the above-mentioned divisions and programs, the term "Corporation Commission" shall mean the Oklahoma Department of Energy.

C. All rules promulgated and orders entered by the Corporation Commission prior to the effective date of this act related to the programs and functions transferred by this act, shall be transferred to the Oklahoma Department of Energy and shall remain in full force and effect until amended, modified, revoked or repealed by the Oklahoma Energy Administration Board or the Oklahoma Department of Energy and shall be enforced by the Department.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1006 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. All powers, duties, and responsibilities now exercised by the Oklahoma Liquefied Petroleum Gas Board pursuant to law are hereby transferred to the Oklahoma Department of Energy, together with all unexpended funds, property, records, personnel, and any outstanding financial obligations and encumbrances related thereto.

B. As used in Sections 420.1 through 421.1, inclusive, of Title 52 of the Oklahoma Statutes, the term "Oklahoma Liquefied Petroleum Gas Board" shall mean the Oklahoma Department of Energy created by this act and the terms "State Liquefied Petroleum Gas Administrator" and "Administrator" shall mean the Executive Director of the Oklahoma Department of Energy.

C. All rules promulgated and orders entered by the Oklahoma Liquefied Petroleum Gas Board prior to the effective date of this act shall be transferred to the Oklahoma Department of Energy and shall remain in full force and effect until amended, modified, revoked or repealed by the Oklahoma Energy Administration Board or the Oklahoma Department of Energy and shall be enforced by the Department.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1007 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. All powers, duties, and responsibilities of the Oklahoma Alternative Fuels Conversion Act and the Alternative Fuels Technician Certification Act now exercised by the Department of Central Services pursuant to law are hereby transferred to the Oklahoma Department of Energy, together with all unexpended funds, property, records, personnel, and any outstanding financial obligations and encumbrances related thereto.

B. As used in the Oklahoma Alternative Fuels Conversion Act and the Alternative Fuels Technician Certification Act, the term "Department of Central Services" shall mean the Oklahoma Fuels Administration Department created by this act and the term "Director of the Department of Central Services" shall mean the Executive Director of the Oklahoma Department of Energy.

C. All rules promulgated and orders entered by the Department of Central Services prior to the effective date of this act related to the programs and functions transferred by this act shall be

transferred to the Oklahoma Department of Energy and shall remain in full force and effect until amended, modified, revoked or repealed by the Oklahoma Energy Administration Board or the Oklahoma Department of Energy and shall be enforced by the Department.

SECTION 8. RECODIFICATION 74 O.S. 1991, Sections 130.1, 130.2, as last amended by Section 2, Chapter 379, O.S.L. 1994, 130.3, as amended by Section 3, Chapter 379, O.S.L. 1994, 130.4, as amended by Section 2, Chapter 224, O.S.L. 1993, 130.5, 130.6, 130.7, 130.8, as amended by Section 3, Chapter 224, O.S.L. 1993, 130.9, 130.10, 130.11, 130.12, as amended by Section 5, Chapter 379, O.S.L. 1994, 130.13, as last amended by Section 6, Chapter 379, O.S.L. 1994, 130.14, as amended by Section 7, Chapter 379, O.S.L. 1994, 130.15, as amended by Section 8, Chapter 379, O.S.L. 1994, 130.16, as last amended by Section 9, Chapter 379, O.S.L. 1994, 130.17, as last amended by Section 10, Chapter 379, O.S.L. 1994, 130.18, as amended by Section 11, Chapter 379, O.S.L. 1994, 130.19, as amended by Section 12, Chapter 379, O.S.L. 1994, 130.20, as amended by Section 13, Chapter 379, O.S.L. 1994, 130.21, 130.22, 130.23 and 130.24 (74 O.S. Supp. 1995, Sections 130.2, 130.3, 130.4, 130.8, 130.12, 130.13, 130.14, 130.15, 130.16, 130.17, 130.18, 130.19 and 130.20), shall be recodified as Sections 2001 through 2024 of Title 52 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 9. RECODIFICATION 17 O.S. 1991, Sections 301, as amended by Section 1, Chapter 344, O.S.L. 1993, 302, 303, as last amended by Section 1, Chapter 352, O.S.L. 1994, 304, as last amended by Section 2, Chapter 352, O.S.L. 1994, 305, as amended by Section 1, Chapter 406, O.S.L. 1992, 306, as last amended by Section 4, Chapter 344, O.S.L. 1993, 306.1, 307, as amended by Section 5, Chapter 344, O.S.L. 1993, 308, as amended by Section 6, Chapter 344, O.S.L. 1993, 308.1, as amended by Section 7, Chapter 344, O.S.L. 1993, 309, as last amended by Section 8, Chapter 344, O.S.L. 1993,

310, as amended by Section 9, Chapter 344, O.S.L. 1993, 311, 312, as amended by Section 10, Chapter 344, O.S.L. 1993, 313, as amended by Section 11, Chapter 344, O.S.L. 1993, 314, 315, as amended by Section 12, Chapter 344, O.S.L. 1993, 316, as amended by Section 13, Chapter 344, O.S.L. 1993, 350, as amended by Section 16, Chapter 344, O.S.L. 1993, 351, 352, as last amended by Section 2, Chapter 1, O.S.L. 1995, 353, as last amended by Section 3, Chapter 1, O.S.L. 1995, 354, as last amended by Section 23, Chapter 285, O.S.L. 1995, 355, 356, as last amended by Section 6, Chapter 352, O.S.L. 1994, Section 7, Chapter 406, O.S.L. 1992, as amended by Section 21, Chapter 344, O.S.L. 1993, 357, as amended by Section 22, Chapter 344, O.S.L. 1993, 358, as amended by Section 23, Chapter 344, O.S.L. 1993, Section 11, Chapter 406, O.S.L. 1992, as amended by Section 24, Chapter 344, O.S.L. 1993, 365, as last amended by Section 27, Chapter 344, O.S.L. 1993, 401, 402, as amended by Section 9, Chapter 406, O.S.L. 1992, 403, 404, 405, 407, 408, 409 and 410 (17 O.S. Supp. 1992, Sections 301, 303, 304, 305, 306, 307, 308, 308.1, 309, 310, 312, 313, 315, 316, 350, 352, 353, 354, 356, 356.1, 357, 358, 359, 365 and 402), shall be recodified as Sections 1501, 1502, 1503, 1504, 1505, 1506, 1507, 1508, 1509, 1510, 1511, 1512, 1513, 1514, 1515, 1516, 1517, 1518, 1551, 1552, 1553, 1554, 1555, 1556, 1557, 1558, 1559, 1560, 1561, 1562, 1601, 1602, 1603, 1604, 1605, 1606, 1607, 1608 and 1609 of Title 52 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 10. RECODIFICATION 52 O.S. 1991, Sections 321, 322, 324.1, 324.2, 324.4, 324.6, 324.7, 325, 327, 328, 329, 330, 332, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 391, 392, 393, 394, 395, 396, 397, 398 and 399 shall be recodified as Sections 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1708, 1709, 1710, 1711, 1712, 1713, 1714, 1715, 1716, 1717, 1718, 1719, 1720, 1721, 1722, 1723, 1724, 1725, 1726, 1731, 1732, 1733,

1734, 1735, 1736, 1737, 1738 and 1739 of Title 52 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 11. This act shall become effective July 1, 1996.

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.

45-2-2421

MJM