STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 323 By: Easley

COMMITTEE SUBSTITUTE

An Act relating to petroleum storage tanks; amending 17 O.S. 1991, Section 354, as last amended by Section 65, Chapter 345, O.S.L. 1996 (17 O.S. Supp. 1996, Section 354), which relates to the Oklahoma Petroleum Storage Tank Release Indemnity Program; modifying date on or before which certain notification and deposits must be made if Petroleum Storage Tank Release Environmental Cleanup Indemnity Fund falls below certain level; and providing an effective date.

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

SECTION 1. AMENDATORY 17 O.S. 1991, Section 354, as last amended by Section 65, Chapter 345, O.S.L. 1996 (17 O.S. Supp. 1996, Section 354), is amended to read as follows:

Section 354. A. Except as otherwise provided by this section, there shall be an assessment of one cent ($0.01) per gallon upon the sale of each gallon of motor fuel, diesel fuel and blending materials used or consumed in this state. The assessment imposed

pursuant to the provisions of this section shall be for the purposes of providing revenue to:

1. The Petroleum Storage Tank Release Environmental Cleanup Indemnity Fund pursuant to paragraph 1 of subsection C of this section;

2. The State Highway Construction and Maintenance Fund pursuant to paragraph 2 of subsection C of this section;

3. The Corporation Commission pursuant to paragraph 2 of subsection C of this section; and

4. The Environmental Trust Revolving Fund pursuant to paragraph 2 of subsection C of this section.

The assessment shall be imposed at the time of the sale of the motor fuel, diesel fuel and blending materials and shall be precollected and remitted to the Oklahoma Tax Commission in accordance with ~~this act~~ Section 500.1 et seq. of Title 68 of the Oklahoma Statutes and as provided by Section 355 of this title.

B. 1. Exempt from the assessment imposed pursuant to subsection A of this section are:

a. the state government,

b. the federal government,

c. class I railroads, and

d. sales for exportation outside of this state by a licensed exporter.

2. Exempt from the assessment imposed for purposes specified in paragraph 2 of subsection A of this section are sales of:

a. motor fuel, diesel fuel and blending materials used solely and exclusively in district-owned or leased public school buses, FFA and 4-H club trucks for the purposes of legally transporting public school children, or in the operation of vehicles used in driver training,

b. motor fuels, diesel fuels and blending materials used solely and exclusively to propel motor vehicles on the public roads and highways of this state when leased or owned and being operated for the sole benefit of a county, city, town, volunteer fire department with a state certification and rating, rural electric cooperative, rural water and sewer district, rural ambulance service district, or federally recognized Indian tribe as specified by Section ~~10~~ 500.10 of ~~this act~~ Title 68 of the Oklahoma Statutes,

c. motor fuel, diesel fuel and blending materials to counties and cities and towns,

d. diesel fuel for off-road purposes specified by Section ~~10~~ 500.10 of ~~this act~~ Title 68 of the Oklahoma Statutes,

e. motor fuel, diesel fuel and blending materials used for agricultural purposes specified by Section ~~10~~ 500.10 of ~~this act~~ Title 68 of the Oklahoma Statutes, and

f. motor fuel, diesel fuel and blending materials used in aircraft or in aircraft engines pursuant to Section ~~10~~ 500.10 of ~~this act~~ Title 68 of the Oklahoma Statutes.

C. The assessment imposed by subsection A of this section shall be distributed in the following manner:

1. Revenue from the assessment shall be deposited in the Petroleum Storage Tank Release Environmental Cleanup Indemnity Fund created in Section 353 of this title in amounts necessary to maintain the maintenance level of the Indemnity Fund pursuant to subsection D of this section;

2. Except as otherwise provided in subsection D of this section, revenue from the assessment shall be deposited as follows:

a. the first One Million Dollars ($1,000,000.00) collected during each fiscal year shall be earmarked for appropriation to the Corporation Commission in such amount to be used solely for regulatory activities associated with the exploration and production of oil and gas,

b. the second One Million Dollars ($1,000,000.00) collected during each fiscal year shall be deposited in the Environmental Trust Revolving Fund created in Section 2-3-403 of Title 27A of the Oklahoma Statutes, to be used solely for the cleanup of abandoned oil and gas processing and refining sites, and

c. the balance of the monies collected during each fiscal year shall be deposited in the State Transportation Fund and shall be used solely for the purpose of matching Federal-Aid funds for the construction of highways and roads in this state.

D. 1. If at any time the Petroleum Storage Tank Release Environmental Cleanup Indemnity Fund falls below the required maintenance level on or before December 31, ~~1999~~ 2009, the Administrator shall notify the Tax Commission that the Indemnity Fund has fallen below the required maintenance level and that the assessment is to be deposited into the Indemnity Fund for at least three (3) calendar months pursuant to the provisions of paragraph 2 of this subsection.

2. At least fifteen (15) days prior to the calendar month in which the assessment is to be collected for credit to the Indemnity Fund, the Tax Commission, upon notification by the Administrator that the Indemnity Fund has fallen below the required maintenance level, shall notify the suppliers, licensed importers or other appropriate persons that the assessment is being imposed for purposes of maintaining the Indemnity Fund. The notice shall

include a date certain upon which to begin collecting the assessment for credit to the Indemnity Fund and a date certain for ending the assessment for credit to the Indemnity Fund. Upon notice by the Tax Commission that the assessment imposed is for credit to the Indemnity Fund, the supplier, licensed importer or other appropriate person shall also assess, for the specified period required by the Tax Commission, the sales of:

a. motor fuel, diesel fuel and blending materials used solely and exclusively in district-owned or leased public school buses, FFA and 4-H Club trucks for the purposes of legally transporting public school children or in the operation of vehicles used in driver's training,

b. motor fuels, diesel fuels and blending materials used solely and exclusively to propel motor vehicles on the public roads and highways of the state when leased or owned and being operated for the sole benefit of a county, city or town, volunteer fire department with a state certification and rating, rural electric cooperative, rural water and sewer district, rural ambulance service district, or federally recognized Indian tribe as specified by Section ~~10~~ 500.10 of ~~this act~~ Title 68 of the Oklahoma Statutes,

c. motor fuel, diesel fuel and blending materials to counties and cities and towns,

d. diesel fuel for off-road purposes specified by Section ~~10~~ 500.10 of ~~this act~~ Title 68 of the Oklahoma Statutes,

e. motor fuel, diesel fuel and blending materials used for agricultural purposes specified by Section ~~10~~ 500.10 of ~~this act~~ Title 68 of the Oklahoma Statutes, and

f. motor fuel, diesel fuel and blending materials used in aircraft and aircraft engines pursuant to Section ~~10~~ 500.10 of ~~this act~~ Title 68 of the Oklahoma Statutes.

3. After the collection period required by this subsection has expired, the revenue collected from the assessment shall be again deposited for appropriation to the Corporation Commission, and in the Environmental Trust Revolving Fund and the State Transportation Fund as provided in subsection C of this section.

SECTION 2. This act shall become effective November 1, 1997.

46-1-1015 MJM