

ENGROSSED HOUSE
BILL NO. 2038

By: Smith (Dale), Dunegan,
Adair, Beutler, Bonny,
Boyd (Laura), Collins,
Covey, Ervin, Erwin,
Fields, Hastings,
Hefner, Hilliard,
Hutchison, Kinnamon,
Kirby, Langmacher,
Leist, Maddux, Mass,
Matlock, Mitchell,
Satterfield, Seikel,
Stanley, Stites,
Sullivan (John), Thomas,
Thornbrugh, Turner,
Tyler, Weaver and Wells

An Act relating to roads, bridges and ferries;
amending Section 6, Chapter 345, O.S.L. 1996, and
Section 7, Chapter 345, O.S.L. 1996 (68 O.S. Supp.
1996, Sections 500.6 and 500.7), which relate to
apportionment of motor fuel taxes; combining
certain apportionment of gasoline taxes to various
counties; modifying use and distribution of funds
for the various counties; providing for
distribution of certain funds to be based on
certain formula; providing for deposit of certain
accrued balance of funds to certain account;
providing for transfer of certain obligated funds
pursuant to advanced funding agreement; amending 68
O.S. 1991, Section 601, as amended by Section 34,
Chapter 366, O.S.L. 1993 (68 O.S. Supp. 1996,
Section 601), which relates to definitions;
updating definitions; amending 68 O.S. 1991,
Section 602, which relates to apportionment and use

of revenues; modifying apportionment and use of certain motor fuel taxes for the various counties; amending 68 O.S. 1991, Section 603, which relates to levy of tax on imported gasoline and diesel fuel; combining tax levy; providing for retention by certain licensees of certain percentage of collected and remitted tax; amending 68 O.S. 1991, Section 605, which relates to exemptions from importer for motor fuel use tax; updating reference; amending 68 O.S. 1991, Section 607, as amended by Section 11, Chapter 273, O.S.L. 1993 (68 O.S. Supp. 1996, Section 607), which relates to importer for use licenses; updating references to Motor Fuel Tax Code; amending 68 O.S. 1991, Section 607.1, which relates to imposition of motor fuel taxes on nonresidents; deleting imposition of certain taxes on nonresidents; amending 68 O.S. 1991, Section 607.2, as amended by Section 2, Chapter 33, O.S.L. 1994 (68 O.S. Supp. 1996, Section 607.2), which relates to the Oklahoma Motor/Diesel Fuel Importer for Use Indemnity Fund; modifying name of fund; providing for certain motor fuel distributor to be subject to provisions of the fund; amending 68 O.S. 1991, Section 609, which relates to reports and payments to the Oklahoma Tax Commission; updating reference to Motor Fuel Tax Code; deleting certain allowed deduction from tax; amending 68 O.S. 1991, Section 615, which relates to tax credit on gasoline or diesel fuel consumed outside state; modifying amount of credit; amending 68 O.S. 1991, Sections 704, 706, 707.1, 707.2, as last amended by Section 6, Chapter 205, O.S.L.

1996, 707.3, and 708 (68 O.S. Supp. 1996, Section 707.2), which relate to special fuel use tax; modifying apportionment, use, and distribution of special use fuel tax to the various counties; updating certain reference;

amending 69 O.S. 1991, Sections 660, as amended by Section 1, Chapter 20, O.S.L. 1995, 661, as amended by Section 1, Chapter 25, O.S.L. 1995, 662, as amended by Section 2, Chapter 25, O.S.L. 1995, 664 and 665, as amended by Section 3, Chapter 25, O.S.L. 1995 (69 O.S. Supp. 1996, Sections 660, 661, 662 and 665), which relate to the County Bridge Improvement Act and the County Road Improvement Act; modifying County Bridge Improvement Act to apply to county roads; providing for reconstruction of county bridges; modifying reference to certain county collector system; providing that certain projects costing over certain amount may not be done by certain account method; deleting authorization to use certain funds for certain projects; requiring certain costs be approved by Oklahoma Department of Transportation; requiring certain qualifications; setting forth certain allowable expenditures; repealing 68 O.S. 1991, Sections 602.1a, 602.2, 603.1, 604, 604.1, 604.2, 604.3, 604.4, as last amended by Section 4, Chapter 205, O.S.L. 1996, 604.5, as last amended by Section 5, Chapter 205, O.S.L. 1996, 604.6, 604.7 and 612 (68 O.S. Supp. 1996, Sections 604.4 and 604.5), which relate to the Motor Fuel/Diesel Fuel Importer for Use Tax Code, and 69 O.S. 1991, Sections 663, 674, as amended by Section 8, Chapter 80, O.S.L.

1992, 675, as amended by Section 9, Chapter 80,
O.S.L. 1992, 676, as amended by Section 10, Chapter
80, O.S.L. 1992, 677, 678, 679, 680, 685, 686, 687,
as last amended by Section 3, Chapter 20, O.S.L.
1995, 688, 689.1, as amended by Section 5, Chapter
25, O.S.L. 1995, 690, 690.1, as amended by Section
3, Chapter 206, O.S.L. 1993 and 695 (69 O.S. Supp.
1996, Sections 674, 675, 676, 687, 689.1, and
690.1), which relate to the County Bridge Revolving
Fund, the County Primary Road Maintenance Act, the
Oklahoma Rural Road Inventory Act, and the County
Road Improvement Act; and providing an effective
date.

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

SECTION 1. AMENDATORY Section 6, Chapter 345, O.S.L.
1996 (68 O.S. Supp. 1996, Section 500.6), is amended to read as
follows:

Section 500.6 A. The tax of sixteen cents (\$0.16) per gallon
of gasoline that is levied by Section 4 500.4 of this ~~act~~ title, and
penalties and interest thereon, collected by the Commission under
the levy shall be apportioned and distributed monthly as follows:

1. The first Two Hundred Fifty Thousand Dollars (\$250,000.00)
of the levy collected each month shall be deposited in the State
Treasury to the credit of the State Transportation Fund;

2. One and six hundred twenty-five one-thousandths percent
(1.625%) of the levy shall be remitted to the State Treasurer to the
credit of the General Revenue Fund of the State Treasury;

3. Sixty-three and seventy-five one-hundredths percent (63.75%) of the levy shall be deposited in the State Treasury to the credit of the State Transportation Fund to be apportioned as follows:

- a. the first Eight Hundred Fifty Thousand Dollars (\$850,000.00) collected each fiscal year shall be deposited into the Public Transit Revolving Fund, created in Section 4031 of Title 69 of the Oklahoma Statutes,
- b. the second Eight Hundred Fifty Thousand Dollars (\$850,000.00) collected each fiscal year shall be deposited into the Railroad Maintenance Revolving Fund and shall be used by the Department of Transportation to contract railroad passenger services, including but not limited to a route linking stations in Oklahoma and Tulsa Counties with other primary points in the national railroad passenger system and passenger rail service within the state and to provide necessary facility, signaling, and track improvements for those contracted services,
- c. forty-one and two-tenths percent (41.2%) of the monies apportioned to the State Transportation Fund shall be used for any purpose provided for in Section 1502 of Title 69 of the Oklahoma Statutes,
- d. nine and eight-tenths percent (9.8%) of the monies apportioned to the State Transportation Fund shall be used to provide funds for the construction and maintenance of farm-to-market roads on the state highway system, and other rural farm-to-market roads and bridges, and
- e. any remaining amount of the apportionment shall be deposited into the State Transportation Fund;

4. Twenty-seven percent (27%) of the levy shall be transmitted by the Commission to the various counties of the state, to be apportioned and used as follows:

a. ~~thirty and six-tenths percent (30.6%)~~ sixty-five and three-tenths percent (65.3%) of the monies apportioned under this paragraph shall be used on the following basis:

(1) forty percent (40%) of such sum shall be distributed to the various counties in the proportion which the county road mileage of each county bears to the entire state road mileage as certified by the State Transportation Commission, and

(2) the remaining sixty percent (60%) of such sum shall be distributed to the various counties on the basis which the population and area of each county bears to the total population and area of the state. The population shall be as shown by the last Federal Decennial Census or the most recent annual estimate provided by the U.S. Bureau of the Census-

~~The funds so transmitted shall be sent to the respective county treasurers and deposited in the county highway fund of their respective counties to be used by the county commissioners for the purpose of constructing and maintaining county or township highways and permanent bridges in such counties. No part of the fund shall be used for any purpose other than the construction and maintenance of county or township highways and permanent bridges in the county receiving the fund. The funds received by any county shall not be diverted to any other county of the~~

~~state, but the funds shall be expended only under the direction and control of the board of county commissioners in the county to which the funds are apportioned. If any part of the funds is diverted for any purpose other than is provided herein, the county commissioners shall be liable on their bond for double the amount of money so diverted. However, where any state or county highway has been laid out over a road already constructed in any county by the use of money raised from county or township bond issues for the purpose either alone or by the use of federal or state aid, or both, the county commissioners may set aside out of the funds apportioned to that county, as provided herein, an amount of money equal to the value of any part thereof, of the interest of such county or township, or both, in and to such highway or highways, bridge or bridges, so constituting a part of the state highway system, which amount of money shall be considered by the excise board in reducing the levy for the purpose of retiring the bonded indebtedness and interest thereon of the county, or township, and shall be used for investment or deposit in the same manner as provided by law for the disposition of other sinking fund money.~~

~~Each county shall use not less than fifty percent (50%) of the monies apportioned to it for the construction, improvement or repair of highways under the provisions of this article, or for the purpose of participating in or sponsoring federal projects for the building or maintenance of roads, bridges or culverts, and it shall be the mandatory duty of the~~

~~county excise board to appropriate the funds for such purpose,~~

- b. ~~twenty-three and one-tenth percent (23.1%) of the monies apportioned under this paragraph shall be distributed as follows:~~

~~Forty percent (40%) of such sum shall be distributed to the various counties in that proportion, which the county road mileage of each county bears to the entire state road mileage as certified by the Transportation Commission, and the remaining sixty percent (60%) of such sum shall be distributed to the various counties on the basis which the population and area of each county bears to the total population and area of the state.~~

~~The population shall be shown by the last Federal Decennial Census or the most recent annual estimate provided by the U.S. Bureau of the Census. The funds so transmitted shall be sent to the respective county treasurers and deposited in the county highway fund of the respective counties, to be used by the county commissioners for the purpose of constructing and maintaining county or township highways and permanent bridges in such counties. In all counties where the county excise board of any county may find it necessary, because of insufficient revenue to maintain city and county government of such county out of the general fund, after a levy of ten (10) mills has been made for any fiscal year, the county excise board may appropriate out of any such funds apportioned to the county an amount sufficient to pay the salaries of the county commissioners of the county for the fiscal year,~~

- e. twenty-three and one-tenth percent (23.1%) of the monies apportioned under this paragraph shall be distributed to the counties in the following manner: One-third (1/3) on area; one-third (1/3) on rural population, defined as including the population of all municipalities with a population of less than five thousand (5,000) according to the latest Federal Decennial Census; and one-third (1/3) on county road mileage, as last certified by the Department of Transportation, as each county bears to the entire area, rural population and road mileage of the state.
- ~~When federal funds are available for assistance in constructing county roads, the funds herein provided, when distributed and deposited in the county highway fund, are authorized to be used by the boards of county commissioners, by majority action thereof, in matching such federal funds on any county highway, and for the purpose of securing such federal assistance, the boards of county commissioners, by majority action thereof, are authorized to enter into agreements with the federal government through the Transportation Commission and deposit, from the proceeds of the tax levied by Section 4 of this act, cash with the Transportation Commission necessary to fulfill the agreement, for the extension of the present Federal Aid Farm-to-Market System, or for the creation of new federal systems, and to enter into such other contracts and agreements as may be necessary to secure federal assistance in the construction or improvement of any county road,~~
- d. ~~eleven and six-tenths percent (11.6%) of the monies apportioned under this paragraph shall be distributed~~

~~to the various counties in the following manner:
thirty percent (30%) based upon area, thirty percent
(30%) based upon population according to the latest
Federal Decennial Census or the most recent annual
estimate provided by the U.S. Bureau of the Census,
and forty percent (40%) based upon county road mileage
on the basis which the respective area, population and
county road mileage of each county bear to the total
area, population and county road mileage of the state.
The funds so transmitted shall be sent to the
respective county treasurers and by them deposited in
the county highway fund to be used by the board of
county commissioners for the purpose of construction,
repair and maintenance of county roads and highways,
and~~

- e. c. eleven and six-tenths percent (11.6%) of the monies apportioned under this paragraph shall be distributed to the various counties of the state pursuant to the provisions of subsection B of Section 687 of Title 69 of the Oklahoma Statutes based on a formula developed by the Oklahoma Department of Transportation and approved by the directors of the state association representing the county commissioners of this state. The formula shall be similar to the formula currently used for the distribution of monies in the County Bridge Program funds, but shall also take into consideration the effect of the terrain and traffic volume as related to county road improvement and maintenance costs. Any county may, by resolution of the board of county commissioners, direct the Oklahoma Tax Commission to deposit the funds apportioned pursuant to this section directly into the County

Bridge and Road Improvement Fund to be used for the purposes set forth in the County Bridge and Road Improvement Act;

5. Three and one hundred twenty-five one-thousandths percent (3.125%) of the levy shall be ~~deposited in the County Road Improvement Revolving Fund of the State Treasury to be used for the purposes set forth in the County Road Improvement Act~~ distributed to the various counties of the state based on a formula developed by the Oklahoma Department of Transportation and approved by the directors of the state association representing the county commissioners of this state. The formula shall be similar to the formula currently used for the distribution of monies in the County Bridge Program funds, but shall also take into consideration the effect of the terrain and traffic volume as related to county road improvement and maintenance costs. Any county may, upon approval of a resolution by a majority of the board of county commissioners and filed with the Oklahoma Tax Commission, direct the Oklahoma Tax Commission to deposit the funds apportioned pursuant to this paragraph directly into the County Bridge and Road Improvement Fund to be used for the purposes set forth in the County Bridge and Road Improvement Act;

6. Two and six hundred twenty-five one-thousandths percent (2.625%) of the levy shall be deposited in the County Bridge and Road Improvement Fund of the State Treasury to be used for the purposes set forth in the County Bridge and Road Improvement Act; and

7. One and eight hundred seventy-five one-thousandths percent (1.875%) of the levy shall be transmitted by the Commission to the treasurers of the various incorporated cities and towns of the state in the percentage which the population, as shown by the last Federal Decennial Census or the most recent annual estimate provided by the U.S. Bureau of the Census, bears to the total population of all the

incorporated cities and towns in this state. The funds shall be expended for the construction, repair and maintenance of the streets and alleys of the incorporated cities and towns of this state.

B. 1. The funds apportioned or transmitted pursuant to subparagraphs a, b, and c of paragraph 4 of subsection A of this section, subsection B of Section 500.7 of this title, subsection B of Section 704 of this title, Section 706 of this title, and paragraph 2 of subsection D of Section 707.3 of this title shall be sent to the respective county treasurers and deposited in the county highway fund to be used by the county commissioners for the purpose of constructing and maintaining county highways and bridges.

2. The funds received by any county shall not be diverted to any other county of the state, and shall only be expended under the direction and control of the board of county commissioners in the county to which the funds are appropriated. If any part of the funds is diverted for any other purpose, the county commissioners shall be liable on their bond for double the amount of the money so diverted. This paragraph shall not prohibit counties from entering into cooperative agreements pertaining to the maintenance and construction of roads and bridges.

3. Where any county highway has been laid out over a road already constructed in any county by the use of money raised from county bond issues for that purpose, either alone or by the use of federal or state aid, or both, the county commissioners may set aside out of the funds apportioned to that county, as provided in this section, an amount of money equal to the value of any part thereof, of the interest of such county in such highway or bridge, which amount of money shall be considered by the excise board in reducing the levy for the purpose of retiring the bonded indebtedness and interest thereon of the county, and shall be used for investment or deposit in the same manner as provided by law for the disposition of other sinking fund money.

4. In all counties where the county excise board may find it necessary, because of insufficient revenue, to maintain county government out of the general fund, after a levy of ten (10) mills has been made for any fiscal year, the county excise board may appropriate out of any such funds apportioned to the county an amount sufficient to pay the salaries of the county commissioners of the county for the fiscal year.

5. Counties may use funds deposited in the county highway fund for the purpose of matching federal or state funds, provided such funds are available, as necessary to secure assistance in the construction or improvement of the county road system.

C. With regards to the apportionment of the levy as set forth in paragraph 5 of subsection A of this section, paragraph 5 of subsection A of Section 500.7 of this title, and subsection C of Section 707.2 of this title:

1. If any county has an accrued balance of funds which were appropriated to or otherwise accrued in a restricted road maintenance fund, such funds shall be deposited directly to the county highway fund of the county;

2. If any county has an accrued balance of funds which were appropriated to or otherwise accrued in the County Road Improvement Fund, as that fund existed prior to the effective date of this act, such funds shall, upon approval of a resolution by a majority of the board of county commissioners and filed with the Department of Transportation, be deposited in the county highway fund of the county or shall be deposited to the County Bridge and Road Improvement Fund to be used for the purposes set forth in the County Bridge and Road Improvement Act; and

3. If any county has an advanced funding agreement with the Department of Transportation, the Department of Transportation shall notify the Oklahoma Tax Commission as to the amount the county is obligated to pay according to the terms of the advanced funding

agreement. The obligated amount shall be transferred each month by the Tax Commission to the Department of Transportation to the credit of the County Bridge and Road Improvement Fund from the funds apportioned to the county pursuant to paragraph 5 of subsection A of this section. A county may elect to increase the monthly amount to be repaid pursuant to the advanced funding agreement from the funds apportioned to the county, but a county shall not be permitted to reduce the amount agreed to pursuant to the advanced funding agreement.

SECTION 2. AMENDATORY Section 7, Chapter 345, O.S.L. 1996 (68 O.S. Supp. 1996, Section 500.7), is amended to read as follows:

Section 500.7 A. The tax of thirteen cents (\$0.13) per gallon of diesel fuel that is levied by Section 4 500.4 of this ~~act~~ title, and all penalties and interest thereon, collected by the Commission under the levy shall be apportioned and distributed monthly as follows:

1. The first Eighty-three Thousand Three Hundred Thirty-three Dollars and thirty-three cents (\$83,333.33) of the levy collected each month shall be deposited in the State Treasury to the credit of the State Transportation Fund;

2. One and thirty-nine one-hundredths percent (1.39%) of the levy shall be paid by the Commission to the State Treasurer to the credit of the General Revenue Fund of the State Treasury;

3. Sixty-four and thirty-four one-hundredths percent (64.34%) of the levy shall be deposited in the State Treasury to the credit of the State Transportation Fund;

4. Twenty-six and fifty-eight one-hundredths percent (26.58%) of the levy shall be transmitted by the Commission to various counties of the state ~~and deposited by the county treasurers in the county highway fund to be used by the board of county commissioners for the purpose of constructing and maintaining county or township~~

~~highways and permanent bridges in the counties, to be apportioned as follows:~~

- a. forty-two and one-tenth percent (42.1%) of the monies apportioned under this paragraph shall be transmitted to the various counties in the percentage which the population and area of each county bears to the population and area of the entire state. The population shall be as shown by the last Federal Decennial Census or the most recent annual estimate provided by the U.S. Bureau of the Census. ~~The funds so transmitted shall be sent to the respective county treasurers and deposited in the county highway fund of their respective counties to be used by the county commissioners for the purpose of constructing and maintaining county or township highways and permanent bridges in such counties. No part of the fund shall be used for any purpose other than the construction and maintenance of county or township highways and permanent bridges in the county receiving the fund. The funds received by any county shall not thereafter be diverted to any other county of the state, but the funds shall be expended only under the direction and control of the board of county commissioners in the county to which the funds are apportioned. If any part of the funds is diverted for any purpose other than is provided herein, the county commissioners shall be liable on their bond for double the amount of money so diverted. However, where any state or county highway has been laid out over a road already constructed in any county by the use of money raised from county or township bonds issued for the purpose either alone or by the use of federal or state aid, or~~

~~both, the county commissioners may set aside out of the funds apportioned to that county, as provided herein, an amount of money equal to the value of any part thereof, of the interest of such county or township or both, in and to such highway or highways, bridge or bridges so constituting a part of the state highway system, which amount of money shall be considered by the excise board in reducing the levy for the purpose of retiring the bonded indebtedness and interest thereon of the county or township, and shall be used for investment or deposit in the same manner as provided by law for the disposition of other sinking fund money,~~

- b. fourteen and five-tenths percent (14.5%) of the monies apportioned under this paragraph shall be distributed as follows:

Forty percent (40%) of such sum shall be distributed to the various counties in that proportion which the county road mileage of each county bears to the entire state road mileage as certified by the Transportation Commission, and the remaining sixty percent (60%) of such sum shall be distributed to the various counties on the basis which the population and area of each county bears to the total population and area of the state. The population shall be as shown by the last Federal Decennial Census or the most recent annual estimate provided by the U.S. Bureau of the Census. ~~In all counties where the county excise board of any county may find it necessary, because of insufficient revenue to maintain city and county government of the county out of the general fund, after a levy of ten (10) mills has been made for any fiscal year, the~~

~~county excise board may appropriate out of any funds apportioned to the county under this act, an amount sufficient to pay the salaries of the county commissioners of the county for the fiscal year. It shall be unlawful for the board of county commissioners to use the funds for any other purpose, and any commissioner violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not to exceed Five Hundred Dollars (\$500.00) and imprisoned in the county jail not to exceed six (6) months, and the commissioner shall be liable on the official bond of the commissioner for any of the funds expended in violation of the provisions of this act,~~

- c. twenty-eight and nine-tenths percent (28.9%) of the monies apportioned under this paragraph shall be distributed to the several counties in the following manner: one-third (1/3) on area, one-third (1/3) on rural population (defined as including the population of all municipalities with a population of less than five thousand (5,000) according to the latest Federal Decennial Census), and one-third (1/3) on county road mileage, as last certified by the Oklahoma Department of Transportation, as each county bears to the entire area, rural population and road mileage of the state. ~~When federal funds are available for assistance in constructing county roads, the funds herein provided, when distributed and deposited in the county highway funds, are authorized to be used by the boards of county commissioners, by majority action thereof, in matching the federal funds on any county highway and, for the purpose of securing federal assistance, the~~

~~boards of county commissioners, by majority action thereof, are authorized to enter into agreements with the federal government through the Oklahoma Department of Transportation necessary to fulfill the agreement for the extension of the present Federal Aid Farm-to-Market System, or for the creation of new federal systems, and to enter into such other contracts and agreements as may be necessary to secure federal assistance in the construction or improvement of any county road, and~~

- d. fourteen and five-tenths percent (14.5%) of the monies apportioned under this paragraph shall be distributed to the various counties of the state ~~pursuant to the provisions of subsection B of Section 687 of Title 69 of the Oklahoma Statutes~~ based on a formula developed by the Oklahoma Department of Transportation and approved by the directors of the state association representing the county commissioners of this state. The formula shall be similar to the formula currently used for the distribution of the County Bridge Program funds, but shall also take into consideration the effect of the terrain and traffic volume as related to the county road improvement and maintenance costs. Any county may, by resolution of the board of county commissioners, direct the Oklahoma Tax Commission to deposit the funds so apportioned by this section directly into the County Bridge and Road Improvement Fund to be used for the purposes set forth in the County Bridge and Road Improvement Act;

5. Three and eighty-five one-hundredths percent (3.85%) of the levy shall be ~~deposited in the County Road Improvement Revolving Fund of the State Treasury to be used for the purposes set forth in~~

the County Road Improvement Act distributed based on a formula developed by the Oklahoma Department of Transportation and approved by the directors of the state association representing the county commissioners of this state. The formula shall be similar to the formula currently used for the distribution of the County Bridge Program funds, but shall also take into consideration the effect of the terrain and traffic volume as related to the county road improvement and maintenance costs. Any county may, upon approval of a resolution by a majority of the board of county commissioners and filed with the Oklahoma Tax Commission, direct the Oklahoma Tax Commission to deposit the funds so apportioned by this paragraph directly into the County Bridge and Road Improvement Fund to be used for the purposes set forth in the County Bridge and Road Improvement Act; and

6. Three and eighty-four one-hundredths percent (3.84%) of the levy shall be deposited in the County Bridge and Road Improvement Fund of the State Treasury to be used for the purposes set forth in the County Bridge and Road Improvement Act.

B. The funds apportioned or transmitted pursuant to the provisions of subparagraphs a, b, and c of paragraph 4 of subsection A of this section shall be used in accordance with and subject to the provisions of subsection B of Section 500.6 of this title.

C. With regards to the apportionment of the levy as set forth in paragraph 5 of subsection A of this section, paragraph 5 of subsection A of Section 500.7 of this title, and subsection C of Section 707.2 of this title:

1. If any county has an accrued balance of funds which were appropriated to or otherwise accrued in a restricted road maintenance fund, such funds shall be deposited directly to the county highway fund of the county;

2. If any county has an accrued balance of funds which were appropriated to or otherwise accrued in the County Road Improvement

Fund, as that fund existed prior to the effective date of this act, such funds shall, upon approval of a resolution by a majority of the board of county commissioners and filed with the Department of Transportation, be deposited in the county highway fund of the county or shall be deposited to the County Bridge and Road Improvement Fund to be used for the purposes set forth in the County Bridge and Road Improvement Act; and

3. If any county has an advanced funding agreement with the Department of Transportation, the Department of Transportation shall notify the Oklahoma Tax Commission as to the amount the county is obligated to pay according to the terms of the advanced funding agreement. The obligated amount shall be transferred each month by the Tax Commission to the Department of Transportation to the credit of the County Bridge and Road Improvement Fund from the funds apportioned to the county pursuant to paragraph 5 of subsection A of this section. A county may elect to increase the monthly amount to be repaid pursuant to the advanced funding agreement from the funds apportioned to the county, but a county shall not be permitted to reduce the amount agreed to pursuant to the advanced funding agreement.

SECTION 3. AMENDATORY 68 O.S. 1991, Section 601, as amended by Section 34, Chapter 366, O.S.L. 1993 (68 O.S. Supp. 1996, Section 601), is amended to read as follows:

Section 601. For the purposes of this article:

~~(a) The term "motor~~ 1. "Motor vehicle" or "vehicle" means and includes any automobile, truck, truck-tractor, bus, vehicle, engine, machine, mechanical contrivance, or other conveyance which is propelled by an internal combustion engine or motor and not used in the air or upon fixed rails or tracks.

~~(b) The term "use"~~ 2. "Use" means and includes the consumption of motor fuel by any person in a motor vehicle for the propulsion thereof upon the public highways of this state.

~~(c) The term "gasoline" is hereby declared to be and to mean~~ 3.
"Gasoline" means the same as the term "motor fuel," and the term "motor fuel" means and includes every petroleum product, fluid, or liquid, or any combination thereof, having an A.P.I. gravity of forty-six (46) degrees Fahrenheit and at atmospheric pressure, and shall include drip, casinghead or natural gasoline, benzol, naphtha, benzine and solvents, and shall include any liquid or fluid 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 naphthas with any blending materials, when the blended product can be used for generating power in internal combustion engines, regardless of how such liquid or fluid is made, compounded, manufactured or recovered, and regardless of the name by which such liquid or fluid may be known or sold-;i

~~(d) The term "diesel~~ 4. "Diesel fuel" means diesel engine fuel, kerosene, and all other liquids suitable for the generation of power for the propulsion of motor vehicles except those products subject to the tax imposed by ~~Sections 502, 516, 520 and 522~~ Section 500.4 of this title-;i

~~(e) The term "person"~~ 5. "Person" means and includes natural persons, individuals, partnerships, firms, ~~association~~ associations, limited liability companies, corporations, estate, trustees, business trusts, syndicates, or any corporations or combinations acting as a unit or any receiver appointed by any state or federal court; and the use of the singular number shall include the plural number-;i

~~(f) The term~~ 6. "Tax Commission" means the Oklahoma Tax Commission-;i

~~(g) The term~~ 7. "Motor Fuel/Diesel Fuel Importer for Use" means and includes any person importing gasoline or motor fuel or diesel fuel into this state in the fuel supply tank or tanks of any motor

vehicle or in any other containers for use in propelling said vehicle upon the highways of this state-;

~~(h) The term "gallon"~~ 8. "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-; and

~~(i) The term "public"~~ 9. "Public highways" means and includes every road, highway, street, way or place within this state, of whatever nature, generally open to the use of the public as a matter of right for the purposes of vehicular travel, including a toll highway, and including streets and alleys of any town or city notwithstanding that the same may be temporarily closed for the purpose of construction, reconstruction, maintenance, or repair.

SECTION 4. AMENDATORY 68 O.S. 1991, Section 602, is amended to read as follows:

Section 602. It is hereby declared to be the purpose of Section 601 et seq. of this title to levy a tax on those importing gasoline and diesel fuel into ~~the State of Oklahoma~~ this state in the fuel supply tanks of vehicles being used on the highways of this state for commercial purposes, as a just and reasonable contribution to the cost of constructing, maintaining and policing such highways incident to the use thereof by such persons, and to the end that ~~said~~ the highway users shall pay to ~~the State of Oklahoma~~ this state an equal amount in taxes as is paid by other commercial highway users who use gasoline and diesel fuel on which the motor fuel excise tax has been paid to this state. The revenues, including interest and penalties, collected under the provisions of this article, shall be apportioned monthly ~~and used as follows:~~

~~(1) An amount equal to the revenue, including interest and penalties thereon, accruing from four cents (\$0.04) per gallon of the five and fifty-eight one-hundredths cents (\$0.0558) per gallon~~

~~collected of the tax levied by Section 603 of this title, shall be apportioned monthly and used for the following purposes:~~

~~(a) Three percent (3%) shall be paid by the Tax Commission to the State Treasurer and by him placed to the credit of the General Revenue Fund of the State Treasury.~~

~~(b) Seventy percent (70%) shall be deposited in the State Treasury to the credit of the State Transportation Fund.~~

~~(c) Five percent (5%) shall be transmitted by the Tax Commission to the treasurers of the various incorporated cities and towns of the state in the percentage which the population, as shown by the last Federal Census or the most recent annual estimate provided by the U.S. Bureau of the Census, bears to the total population of all the incorporated cities and towns in this state. Such funds shall be expended for the construction, repair and maintenance of the streets and alleys of the incorporated cities and towns of this state.~~

~~(d) Twenty-two percent (22%) shall be transmitted by the Tax Commission to the various counties of the state, on the following basis, to wit:~~

~~Forty percent (40%) of such sum shall be distributed to the various counties in that proportion which the county road mileage of each county bears to the entire state road mileage as certified by the State Transportation Commission, and the remaining sixty percent (60%) of such sum shall be distributed to the various counties on the basis which the population and area of each county bears to the total population and area of the state. The population shall be as shown by the last Federal Census or the most~~

~~recent annual estimate provided by the U.S. Bureau of the Census.~~

~~The funds so transmitted shall be sent to the respective county treasurers, and by them deposited in the county highway fund of their respective counties, to be used by the county commissioners for the purpose of constructing and maintaining county or township highways and permanent bridges in such counties. No part of such funds shall be used for any purpose other than the construction and maintenance of county or township highways and permanent bridges in the county receiving the funds. The said funds received by any county shall not thereafter be diverted to any other county of the state, but such funds shall be expended only under the direction and control of the board of county commissioners in the county to which said funds are apportioned. If any part of said funds is diverted for any purpose other than is provided herein, the county commissioners shall be liable on their bond for double the amount of money so diverted. Provided, that where any state or county highway has money raised from county or township bond issues for the purpose either alone or by the use of federal or state aid, or both, the county commissioners may set aside out of the funds apportioned to that county, as provided herein, an amount of money equal to the value of any part thereof, of the interest of such county or township, or both, in and to such highway or highways, bridge or bridges so constituting a part of the state highway system, which amount of money shall be considered by the excise board in reducing the levy for the purpose of retiring the bonded indebtedness and interest thereon of the county.~~

~~(2) An amount equal to the revenue, including interest and penalties thereon, accruing from one cent (\$0.01) per gallon of the five and fifty-eight one-hundredths cents (\$0.0558) per gallon collected of the tax levied by Section 603 of this title shall be apportioned monthly and shall be deposited in the State Treasury to the credit of the State Transportation Fund.~~

~~(3) An amount equal to the revenue including interest and penalties thereof accruing from one-half cent (\$0.005) per gallon of the five and fifty-eight one-hundredths cents (\$0.0558) per gallon collected of the tax levied by Section 603 of this title shall be apportioned monthly and distributed as follows: Forty percent (40%) of such sum shall be distributed to the various counties in the proportion which the county road mileage of each county bears to the entire state road mileage as certified by the State Transportation Commission, and the remaining sixty percent (60%) of such sum shall be distributed to the various counties on the basis which the population and area of each county bears to the total population and area of the state. The population shall be as shown by the last Federal Census or the most recent annual estimate provided by the U.S. Bureau of the Census. The funds so transmitted shall be sent to the respective county treasurers and by them deposited in the county highway fund of the respective counties, to be used by the county commissioners for the purpose of constructing and maintaining county or township highways and permanent bridges in such counties. In all counties where the county excise board of any county may find it necessary, because of insufficient revenue to maintain city and county government of such county out of the general fund, after a levy of ten (10) mills has been made for any fiscal year, the county excise board may appropriate out of any funds apportioned to such county under this article, an amount sufficient to pay the salaries of the county commissioners of such county for such fiscal year.~~

~~(4) An amount equal to the revenue, including interest and penalties thereon, accruing from eight one-hundredths of one cent (\$0.0008) per gallon of the five and fifty-eight one-hundredths cents (\$0.0558) per gallon collected of the tax levied by Section 603 of this title shall be deposited monthly in the General Revenue Fund of the State of Oklahoma.~~

~~It is the intent of this section to apportion the revenue collected from the tax levied by Section 603 of this title in the manner and in the same proportion for the same purposes as the revenue collected under the motor fuel tax laws pursuant to the Motor Fuel Tax Code is apportioned.~~

SECTION 5. AMENDATORY 68 O.S. 1991, Section 603, is amended to read as follows:

Section 603. A. In consideration of the use of the highways of this state, and in addition to all other taxes levied for such purposes, all persons who import gasoline and diesel fuel into ~~the State of Oklahoma~~ this state in the fuel supply tank or tanks of motor vehicles or in any other containers for use in propelling ~~said~~ such vehicles on ~~said~~ the highways for commercial purposes, shall report and pay to the Tax Commission a tax for such use of the highways as hereinafter provided in this section. The tax ~~hereby~~ shall be levied and imposed as follows:

1. Gasoline, sixteen cents (\$0.16) per gallon; and

2. Diesel fuel, thirteen cents (\$0.13) per gallon.

The tax levied and imposed shall be measured and determined by the number of gallons of gasoline and diesel fuel so imported and actually used on the highways of this state ~~and shall be at the rate of five and fifty-eight one-hundredths cents (\$0.0558) per gallon of such gasoline; provided, that ninety-seven and one-half percent (97 1/2%) of the net gallonage of such imported gasoline reported as used shall be the basis used in the computation of the amount of tax due the state; and provided, further, no.~~ No gasoline or diesel

fuel on which the tax levied by ~~Article 5 of this~~ the Motor Fuel Tax Code has been paid to ~~the State of Oklahoma~~ this state shall be used in computing the tax ~~hereby~~ imposed by this section. ~~Provided, that~~ ~~in~~ In the event the tax ~~hereby~~ levied by this section can be more accurately determined on a mileage basis, that is, by determining and using the total number of miles traveled in Oklahoma, or in case it is practicable to so determine the tax, the Tax Commission is authorized to accept and approve such basis.

B. Each person licensed pursuant to Section 607 of this title who properly remits the tax pursuant to this act shall be entitled to retain one and twenty-five one-hundredths percent (1.25%) of the tax imposed on gasoline by this section and remitted by that licensee and one and fifty-four one-hundredths percent (1.54%) of the tax imposed on diesel fuel by this section and remitted by the licensee to cover the costs of administration imposed by this act including record keeping, report filing, and remitting of the tax. The retention of a percentage of the tax permitted by this section shall not be allowed by a licensee if any report or the tax remittance is delinquent.

SECTION 6. AMENDATORY 68 O.S. 1991, Section 605, is amended to read as follows:

Section 605. The tax levied by this article shall not apply to motor fuel or diesel fuel imported into and used on the highways of this state by:

~~(a)~~ 1. Persons operating motor vehicles commonly designated as automobiles or recreational vehicles which are constructed for and being used solely for the transportation of persons for purposes other than for hire or compensation~~;~~;

~~(b)~~ 2. Any person operating a motor vehicle or combination of vehicles used, designed, or maintained for transportation of persons or property, and a gross vehicle weight of less than twenty-six thousand (26,000) pounds ~~(26,000 lbs.)~~;

~~(e)~~ 3. Persons importing livestock and farm products in the raw state, including cotton, whether in the seed or ginned, and including cottonseed and baled hay, when such commodities are moved from farm to market, or from market to farm on a vehicle or on vehicles owned and operated by a bona fide farmer not engaged in motor vehicle transportation on a commercial scale.;

~~(d)~~ 4. Tour buses operated to transport passengers by charter or special service as defined by the Interstate Commerce Commission.;

~~(e)~~ 5. Motor fuel or diesel fuel used in vehicles owned by the United States of America.;

~~(f)~~ 6. Persons importing motor fuel/diesel fuel for use into this state having applied for and received a temporary fuel permit from the Tax Commission.

~~Provided, no~~ No exemption ~~of~~ from the tax levied by ~~this article~~ Section 603 of this title and as set forth in this section shall be construed as an exemption from the tax levied by ~~Sections 501 et seq. of this title~~ the Motor Fuel Tax Code.

SECTION 7. AMENDATORY 68 O.S. 1991, Section 607, as amended by Section 11, Chapter 273, O.S.L. 1993 (68 O.S. Supp. 1996, Section 607), is amended to read as follows:

Section 607. ~~(a)~~ A. Before any person imports gasoline or diesel fuel into the state in the fuel supply tank or tanks of any motor vehicle, or in any other container for use on the highways of this state, such person shall file application for and obtain a Motor Fuel/Diesel Fuel Importer for Use License. Such requirement shall be complied with notwithstanding the tax levied by ~~Sections 501 et seq. of this title~~ the Motor Fuel Tax Code has been paid on such gasoline or diesel fuel. ~~Provided, however~~ However, persons exempted by Section 605 of this title from the tax ~~herein~~ levied pursuant to Section 603 of this title shall not be required to obtain such license. The application required by this section shall

be verified and filed on a form prescribed and furnished by the Tax Commission showing the name and address and kind of business of the applicant, a designation of the principal place of business and such other information as the Tax Commission may require. Such application must also contain, as a condition to the issuance of the license, an agreement by the applicant to comply with the requirements of this article and the rules and regulations of the Tax Commission.

~~(b)~~ B. Before any such application may be approved by the Tax Commission, the applicant must fully comply with the contribution requirements pursuant to Section 607.2 of this title. In addition, prior to ~~said~~ the approval, the Commission may require the applicant to file a bond payable to the State of Oklahoma conditioned upon compliance with the provisions of this article and the rules and regulations of the Tax Commission in a sum of not more than Ten Thousand Dollars (\$10,000.00), the amount thereof to be fixed by an order of the Tax Commission. During the license year, the amount of any such bond required may be increased or reduced by the Tax Commission at its discretion, and the Tax Commission may in its discretion, waive the filing of a bond by any person who regularly purchases sufficient gasoline or diesel fuel on which the motor fuel or diesel fuel excise tax has been paid to ~~the State of Oklahoma~~ this state when ~~said~~ the tax equals or exceeds the amount of the tax levied against such person under this article.

~~(c)~~ C. Upon approval of such application and bond, the Tax Commission shall issue to the applicant a nontransferable Motor Fuel/Diesel Fuel Importer for Use License bearing a distinctive number, at no charge to the applicant. ~~Such~~ The license shall be issued on an annual basis and shall remain in full force and effect until surrendered, suspended, or canceled in the manner provided by law. Each ~~such~~ license shall be valid only for the operation of motor vehicles on the highways of this state by the person to whom

it is issued including motor vehicles transporting persons or property in furtherance of the business of ~~said~~ the licensee under a lease, a contract or any other arrangement, whether permanent or temporary in nature. The ~~Oklahoma~~ Tax Commission may issue one (1) license credential to evidence the compliance of the applicant with the provisions of this section and the provisions of Section 1120 of Title 47 of the Oklahoma Statutes.

~~(d)~~ D. In consideration of the use of the highways of this state, and in addition to all other taxes levied for such purposes, all persons who import motor fuel/diesel fuel into the state in the fuel supply tank or tanks of motor vehicles for use in propelling ~~said~~ the vehicles on ~~said~~ the highways for commercial purposes may receive a temporary motor fuel/diesel fuel permit from the ~~Oklahoma~~ Tax Commission. This permit shall be recognized in lieu of licensing requirements in this state. The permit shall indicate the time and date of its issuance and shall be valid for a period not to exceed one hundred twenty (120) hours from such indicated time.

~~(1)~~ 1. A fee of Twenty-five Dollars (\$25.00) shall be charged for the issuance of the temporary permit. Eight Dollars (\$8.00) of the fee shall be apportioned in the same manner as other motor fuel/diesel fuel revenue. Two Dollars (\$2.00) of the fee shall be retained by the Tax Commission and deposited in its revolving fund. Fifteen Dollars (\$15.00) of the fee shall be paid to the State Treasurer for deposit in the General Revenue Fund.

~~(2)~~ 2. Any person importing motor fuel/diesel fuel into this state for use while in possession of an expired, altered or undated temporary fuel permit shall be deemed to be operating without proper licensing and shall be subject to licensing and penalties as provided for in the Motor Fuel/Diesel Fuel Importer for Use Tax Code.

~~(3)~~ 3. The Tax Commission may prescribe an application form for the temporary permit and such other forms as it deems appropriate.

The Tax Commission, without notice, may suspend the issuance of temporary permits to any person found to be in violation of the Motor Fuel/Diesel Fuel Importer for Use Tax Code or similar laws of this state.

~~(e)~~ E. In lieu of the requirements as provided for in this article in respect to licensing, bonding, reporting and auditing, the Tax Commission may, when in the best interests of this state and its residents, enter into the International Fuel Tax Agreement or other cooperative compacts or agreements with another state or other states or provinces to permit base state or base jurisdiction licensing of persons importing motor fuel or diesel fuel into this state and liable for the tax levied pursuant to this article and provide for the cooperation and assistance among the member states and provinces in the administration and collection of motor fuels consumption and use taxes.

SECTION 8. AMENDATORY 68 O.S. 1991, Section 607.1, is amended to read as follows:

Section 607.1 ~~A. In addition to those taxes or fees imposed by Articles 5, 6 and 7 of this title, the same or substantially the same type or category of tax or fee may be imposed upon an out-of-state resident as is imposed upon residents of Oklahoma for the same or substantially similar use of a vehicle in such other state in the amount, or approximate total amount, of any fee or tax, including property, motor fuel, excise, sales, use or mileage tax required by the laws of such other state to be paid by a resident of this state making the same or similar use of a like vehicle in such state.~~

~~B. The Commission shall have the authority to adopt rules and regulations which provide procedures for implementation of comparable regulatory fees and taxes for vehicles used in this state by residents of other states.~~

~~C. Any revenue derived from subsection A of this section shall be apportioned in the same manner as provided in Section 602.1a of this title.~~

~~D. It is the intention of the Legislature that the motor fuel taxes assessed against residents of other states operating similar vehicles in Oklahoma be comparably the same as the motor fuel taxes assessed against residents of Oklahoma operating a similar vehicle for a similar purpose in such other state; and that the Commission diligently monitor the motor fuel taxes assessed against residents of Oklahoma by other states and to provide for uniform treatment of Oklahoma residents operating vehicles in other states and for residents of other states operating vehicles in Oklahoma.~~

~~E. A penalty in the amount of Fifty Dollars (\$50.00) shall be imposed for any person operating a vehicle subject to the provisions of Articles 5, 6 the Motor Fuel Tax Code, this article, and Article 7 of this title without the proper display of, or, carrying in such vehicle, the identification credentials issued by the ~~Oklahoma~~ Tax Commission.~~

SECTION 9. AMENDATORY 68 O.S. 1991, Section 607.2, as amended by Section 2, Chapter 33, O.S.L. 1994 (68 O.S. Supp. 1996, Section 607.2), is amended to read as follows:

Section 607.2 A. There is hereby created the Oklahoma Motor/Diesel Fuel ~~Importer for Use~~ Indemnity Fund. The fund shall be established to ensure that the ~~Oklahoma~~ Tax Commission recovers tax revenue not remitted to the ~~Oklahoma~~ Tax Commission because of negligence, malfeasance or fraud by a motor fuel/diesel fuel importer or a motor fuel distributor.

B. The fund shall be administered by the three (3) members of the ~~Oklahoma~~ Tax Commission or their designees. The Commission shall invest all monies deposited in the fund in insured accounts and all interest shall be deposited in the fund.

C. Beginning March 15, 1988, the nonrefundable assessment of Twenty-five Dollars (\$25.00) for each motor fuel/diesel fuel importer shall be collected by the Motor Vehicle Division of the ~~Oklahoma~~ Tax Commission and remitted to the Commission for deposit into the fund. The Commission shall have the power to make annual assessments for contribution to the fund in an amount not to exceed Twenty-five Dollars (\$25.00) per year for each motor fuel/diesel fuel importer. Nothing herein shall be construed as prohibiting the Motor Vehicle Division of the ~~Oklahoma~~ Tax Commission from requiring a motor fuel/diesel fuel importer to file a bond payable to the ~~Oklahoma~~ Tax Commission as provided in this act.

D. Upon final determination by the Motor Vehicle Division of the ~~Oklahoma~~ Tax Commission of the tax liability of the motor fuel/diesel fuel importer or a motor fuel distributor, a claim in the amount of said liability may be made by the Motor Vehicle Division of the ~~Oklahoma~~ Tax Commission against the fund. ~~Said~~ The claim shall be paid by the fund unless the Commission finds that there has not been a final determination of the tax liability by the Motor Vehicle Division of the ~~Oklahoma~~ Tax Commission. No claim shall be paid until sixty (60) days' written notice is given to the delinquent importer or motor fuel distributor.

E. The payment of a claim shall subrogate the Commission's right to recover the tax liability to the fund. The Commission, on behalf of the fund, shall have the same rights and remedies to recover the amounts paid by the fund as afforded the Commission to recover delinquent tax, penalty and interest. Any tax warrant shall remain in effect until the fund has recovered the amount paid.

F. The State Auditor and Inspector shall conduct an annual audit of the activity for the Oklahoma Motor/Diesel Fuel ~~Importer~~ ~~for Use~~ Indemnity Fund each fiscal year. The audit shall be made in accordance with standards established by the American Institute of Certified Public Accountants by a licensed public accountant or a

certified public accountant holding a permit to practice in this state. A copy of the review examination shall be forwarded to the ~~Oklahoma~~ Tax Commission. The State Auditor and Inspector and the Tax Commission shall review the examination and may conduct any further examinations as deemed necessary.

G. For purposes of this section, "motor fuel distributor" means a distributor as defined and licensed pursuant to the Motor Fuel Tax Code prior to October 1, 1996.

SECTION 10. AMENDATORY 68 O.S. 1991, Section 609, is amended to read as follows:

Section 609. ~~(a)~~ A. Every person licensed under this article shall make and transmit to the Tax Commission on or before the last day of April, July, October, and January of each year, upon a form prescribed and furnished by the Tax Commission, a verified quarterly report, showing the total miles traveled, miles traveled in Oklahoma by each motor vehicle, the total gallonage of motor fuel or diesel fuel consumed, the number of gallons of motor fuel or diesel fuel purchased or received in this state, the date of each purchase or receipt, the name and address of the seller, the delivery invoice number of each purchase or receipt, and the number of gallons of motor fuel or diesel fuel imported into and used in this state. The report must also include the amount of motor fuel or diesel fuel on hand at the beginning and close of the period as shown by the physical inventory taken on that date (those dates), if storage is maintained, and a complete record of all receipts and withdrawals into and from said storage.

The number of gallons of motor fuel or diesel fuel shown to have been purchased or received in Oklahoma on which the tax levied by ~~Article 5 of this~~ the Motor Fuel Tax Code has been paid to this state shall be deducted from the total number of gallons of motor fuel or diesel fuel used by such person in Oklahoma to determine the

number of gallons of motor fuel or diesel fuel upon which the tax levied by this article is to be computed and paid.

Every person licensed under this article who travels less than ten thousand (10,000) miles per year in Oklahoma may, at the option of the ~~Oklahoma~~ Tax Commission, file an annual report in lieu of filing the quarterly report.

~~(b)~~ B. Every person at the time of filing each quarterly report ~~must~~ shall pay to the Tax Commission the full amount of tax due for the preceding quarter at the rate provided for in this article. Such tax is due and payable on the first day of the succeeding quarter for which the report is filed, and if not paid, is delinquent from and after the twentieth day of such month. When any person shall fail to submit to the Tax Commission any report required hereunder within thirty (30) days from the date it is required to be filed, the Tax Commission shall assess, in addition to the penalties and interest provided for in ~~68 O.S. 1971,~~ Section 217 of this title, a penalty of not less than Five Dollars (\$5.00) for the first offense and not less than Five Dollars (\$5.00) for each subsequent offense. ~~It is hereby declared that the deduction of two and one-half percent (2 1/2%) of the total gallonage used by such person allowed by Sections 603, 605 and 607 of this Code is in consideration of the expense of obtaining the licenses and permits, filing the bond and making the reports required by this article.~~

~~(c)~~ C. The Motor Fuel/Diesel Fuel Importer for Use License of any person who is delinquent in the payment of tax levied by this article may be canceled by the Tax Commission in the manner provided by law.

SECTION 11. AMENDATORY 68 O.S. 1991, Section 615, is amended to read as follows:

Section 615. Any person licensed under the Motor Fuel/Diesel Fuel Importer for Use Law shall be entitled to a credit equivalent to the tax rate per gallon on all gasoline or diesel fuel upon which

the Oklahoma gasoline or diesel fuel tax has been paid and which has thereafter been consumed in motor vehicles outside ~~the State of Oklahoma~~ this state. When the amount of credit ~~herein~~ provided in this section to which the person is entitled for any calendar quarter exceeds the amount of tax for which such person is liable for gasoline or diesel fuel consumed in Oklahoma in such vehicles during the same quarter, such excess shall, under regulations promulgated by the Tax Commission, be allowed as a credit if used within twenty-four (24) months from the first day of any calendar quarter against the tax for which such person would be otherwise liable for any of the succeeding quarters; or, upon claim filed with the Tax Commission within twenty-four (24) months from the first day of any calendar quarter in which ~~said~~ the gasoline or diesel fuel was used, such excess, less ~~two and one-half percent (2 1/2%)~~ allowed to distributors one and seven-tenths percent (1.7%) of gasoline tax levied and two percent (2%) of diesel fuel tax levied pursuant to Section 500.4 of this title, may be refunded.

Application for refund must be supported by evidence of the mileage traveled and the gallonage consumed and satisfactory evidence of the tax-paid purchases. Refund vouchers shall be paid from current collections derived from the tax levied under which the tax refund claims have been allowed, and a portion of such current collections as are necessary to pay such refund is hereby appropriated.

SECTION 12. AMENDATORY 68 O.S. 1991, Section 704, is amended to read as follows:

Section 704. A. The purpose of Section 701 et seq. of this title is to provide revenue for general governmental functions of state government and for the construction and maintenance of state and county highways and bridges. The tax, including penalties and interest collected under the levy in Section 703 of this title, shall be apportioned monthly for use as follows:

~~(1)~~ 1. An amount equal to the revenue, including penalties and interest thereon, accruing from four cents (\$0.04) per gallon of the five and one-half cents (\$0.055) per gallon collected of the tax levied by Section 703 of this title, shall be apportioned monthly and used for the following purposes:

~~(a) Three~~

a. three percent (3%) shall be paid by the Tax Commission to the State Treasurer and ~~by him~~ placed to the credit of the General Revenue Fund of the State Treasury. ~~and~~

~~(b) Seventy-two~~

b. seventy-two and three-fourths percent (72 3/4%) shall be deposited in the State Treasury to the credit of the State Transportation Fund. ~~and~~

~~(c) Twenty-four~~

c. twenty-four and one-fourth percent (24 1/4%) shall be transmitted by the Tax Commission to various counties of the state, in the percentage which the population and area of each county bears to the population and area of the entire state. The population shall be as shown by the last Federal Census or the most recent annual estimate provided by the U.S. Bureau of the Census. ~~The funds so transmitted shall be sent to the respective county treasurers, and by them deposited in the county highway fund of their respective counties to be used by the county commissioners for the purpose of constructing and maintaining county or township highways and permanent bridges in such counties. No part of such fund shall be used for any purpose other than the construction and maintenance of county or township highways and permanent bridges in the county receiving the fund. The said funds received by any county shall not thereafter be diverted to any other~~

~~county of the state, but such funds shall be expended only under the direction and control of the board of county commissioners in the county to which said funds are apportioned. If any part of said funds is diverted for any purpose other than is provided herein, the county commissioners shall be liable on their bond for double the amount of money so diverted. Provided that where any state or county highway has been laid out over a road already constructed in any county by the use of money raised from county or township bond issued for the purpose either alone or by the use of federal or state aid, or both, the county commissioners may set aside out of the funds apportioned to that county, as provided herein, an amount of money equal to the value of any part thereof, of the interest of such county or township or both, in and to such highway or highways, bridge or bridges so constituting a part of the state highway system, which amount of money shall be considered by the excise board in reducing the levy for the purpose of retiring the bonded indebtedness and interest thereon of the county or township, and shall be used for investment or deposit in the same manner as provided by law for the disposition of other sinking fund money.;~~

~~(2) 2. An amount equal to the revenue, including penalties and interest thereon, accruing from one cent (\$0.01) per gallon of the five and one-half cents (\$0.055) per gallon collected of the tax levied by Section 703 of this title, shall be apportioned monthly and shall be deposited in the State Treasury to the credit of the State Transportation Fund.;~~ and

~~(3)~~ 3. An amount equal to the revenue, including penalties and interest thereon, accruing from one-half cent (\$.005) per gallon of the five and one-half cents (\$.055) per gallon collected of the tax levied by Section 703 of this title, shall be apportioned monthly and distributed as follows:

Forty percent (40%) of such sum shall be distributed to the various counties in that proportion which the county road mileage of each county bears to the entire state road mileage as certified by the State Transportation Commission, and the remaining sixty percent (60%) of such sum shall be distributed to the various counties on the basis which the population and area of each county bears to the total population and area of the state. The population shall be as shown by the last Federal Census or the most recent annual estimate provided by the U.S. Bureau of the Census. ~~The funds so transmitted shall be sent to the respective county treasurers and by them deposited in the county highway fund of the respective counties, to be used by the board of county commissioners for the purpose of constructing and maintaining county or township highways and permanent bridges in such counties. In all counties where the county excise board of any county may find it necessary, because of insufficient revenue to maintain city and county government of such county out of the general fund, after a levy of ten (10) mills has been made for any fiscal year, the county excise board may appropriate out of any funds apportioned to such county under this act, an amount sufficient to pay the salaries of the county commissioners of such county for such fiscal year.~~

~~It shall be unlawful for the board of county commissioners to use such funds for any other purpose, and any commissioner violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not to exceed Five Hundred Dollars (\$500.00) and imprisonment in the county jail not to exceed six (6) months, and said commissioner shall be liable~~

~~on his official bond for any of said funds expended in violation of the provisions of this act.~~

B. The funds apportioned or transmitted pursuant to the provisions of subparagraph c of paragraph 1 of subsection A of this section and paragraph 3 of subsection A of this section shall be used in accordance with and subject to the provisions of subsection B of Section 500.6 of this title.

SECTION 13. AMENDATORY 68 O.S. 1991, Section 706, is amended to read as follows:

Section 706. It is hereby declared to be the purpose of the levy in Section 705 of this title to provide funds for the construction and maintenance of county ~~or township~~ highways and permanent bridges in such counties and for these purposes it is hereby expressly provided that the special fuel use tax levied by Section 705 of this title shall be apportioned and distributed monthly by the ~~Oklahoma~~ Tax Commission ~~and paid to the various county treasurers of the State of Oklahoma, and by them deposited in the county highway and construction fund of the several counties as hereinafter provided, to be used by the boards of county commissioners of said counties for the purpose of constructing and maintaining county or township highways and permanent bridges in such counties. The funds herein provided for construction and maintenance of county or township highways and permanent bridges in such counties shall be distributed~~ to the several counties in the following manner: one-third (1/3) on area, one-third (1/3) on rural population ~~+~~, defined as including the population of all municipalities with a population of less than five thousand (5,000) according to the ~~1950~~ latest Federal Decennial Census~~+~~, and one-third (1/3) on county road mileage, as last certified by the ~~State Highway~~ Department of Transportation, as each county bears to the entire area, rural population and road mileage of the state. ~~When federal funds are available for assistance in constructing~~

~~county roads, the funds herein provided, when distributed and deposited in the county highway funds, are authorized to be used by the boards of county commissioners, by majority action thereof, in matching such federal funds on any county highway and, for the purpose of securing such federal assistance, the boards of county commissioners, by majority action thereof, are authorized to enter into agreements with the federal government through the State Highway Department and deposit, from the proceeds of the tax levied herein, cash with the State Highway Department necessary to fulfill said agreement for the extension of the present federal aid farm-to-market system, or for the creation of new federal systems, and to enter into such other contracts and agreements as may be necessary to secure federal assistance in the construction or improvement of any county road. The funds apportioned pursuant to this section shall be used in accordance with and subject to the provisions of subsection B of Section 500.6 of this title.~~

SECTION 14. AMENDATORY 68 O.S. 1991, Section 707.1, is amended to read as follows:

Section 707.1 A. In addition to the excise taxes levied by Sections 703 and 705 of ~~Title 68 of the Oklahoma Statutes~~ this title, there is hereby levied an excise tax of two and one-half cents (\$0.025) upon the use within this state of each and every gallon of special fuel, which shall be reported and collected in the same manner as provided by law for the reporting and collecting of all other tax levies upon the use of special fuel within this state.

B. The tax levied by this section shall not apply to special fuel which is exempt from tax under the provisions of Section 708 of ~~Title 68 of the Oklahoma Statutes~~ this title.

C. The excise tax of two and one-half cents (\$0.025) per gallon of special fuel levied in this section, together with any interest and penalties thereon, collected by the ~~Oklahoma~~ Tax Commission shall be apportioned monthly as follows:

Two cents (\$0.02) of the two and one-half cents (\$0.025), together with any interest and penalties thereon, shall be apportioned according to the provisions of paragraph ~~(1)~~ 1 of Section 704 of ~~Title 68 of the Oklahoma Statutes~~ this title.

One-half of one cent (\$0.005) of the two and one-half cents (\$0.025), together with any interest and penalties thereon, shall be deposited in the County Bridge and Road Improvement Fund of the State Treasury to be used for the purposes set forth in the County Bridge and Road Improvement Act.

SECTION 15. AMENDATORY 68 O.S. 1991, Section 707.2, as last amended by Section 6, Chapter 205, O.S.L. 1996 (68 O.S. Supp. 1996, Section 707.2), is amended to read as follows:

Section 707.2 A. There is hereby levied an excise tax of one cent (\$0.01) upon the use within this state of each and every gallon of special fuel, which shall be reported and collected in the same manner as provided by law for the reporting and collecting of all other tax levies upon the use of special fuel within this state.

B. The tax levied by this section shall not apply to special fuel which is exempt from tax pursuant to the provisions of Section 708 of this title.

C. The excise tax of one cent (\$0.01) per gallon of special fuel levied by this section, together with any interest and penalties thereon, collected by the ~~Oklahoma~~ Tax Commission shall be apportioned as follows: ~~one-half cent (\$0.005) shall be deposited in the County Road Improvement Revolving Fund of the State Treasury to be used for the purposes set forth in the County Road Improvement Act; and one-half cent (\$0.005) shall be transmitted by the Tax Commission to the various counties of the state pursuant to the provisions of subsection B of Section 687 of Title 69 of the Oklahoma Statutes~~ set forth in paragraph 5 of subsection A and subsection C of Section 500.6 of this title.

SECTION 16. AMENDATORY 68 O.S. 1991, Section 707.3, is amended to read as follows:

Section 707.3 A. In addition to the excise taxes levied by Sections 703, 705, 707.1 and 707.2 of this title, there is hereby levied an excise tax of six cents (\$0.06) upon the use within this state of each and every gallon of special fuel, which shall be reported and collected in the same manner as provided by law for the reporting and collecting of all other tax levies upon the use of special fuel within this state. The basis for computation of the amount due shall be one hundred percent (100%) of the net gallonage reported to the Tax Commission for taxation, after all deductions allowed by law have been made.

B. The tax levied by this section shall not apply to special fuel which is exempt from tax pursuant to the provisions of Section 708 of this title.

C. It is hereby declared to be the intent of the Legislature that the total state excise tax, levied by this section and Sections 703, 705, 707.1 and 707.2 of ~~Title 68 of the Oklahoma Statutes~~ this title, shall be sixteen cents (\$0.16) upon each gallon of special fuel used within Oklahoma and that no special fuel shall be subject to ~~said~~ the total tax more than one time.

D. The additional excise tax of six cents (\$0.06) per gallon of special fuel levied by this section, together with any interest and penalties thereon, collected by the ~~Oklahoma~~ Tax Commission shall be apportioned monthly as follows:

1. Five cents (\$0.05) of the six cents (\$0.06), together with any interest and penalties thereon, shall be apportioned to the State Transportation Fund; and

2. One cent (\$0.01) of the six cents (\$0.06), together with any interest and penalties thereon, shall be distributed to the various counties in the following manner: thirty percent (30%) based upon area, thirty percent (30%) based upon population according to the

latest Federal Decennial Census or the most recent annual estimate provided by the U.S. Bureau of the Census and forty percent (40%) based upon county road mileage on the basis which the respective area, population and county road mileage of each county bear to the total area, population and county road mileage of the state. The funds so transmitted shall be ~~sent to the respective county treasurers and by them deposited in the county highway fund to be used by the board of county commissioners for the purpose of construction, repair and maintenance of county roads and highways~~ used in accordance with and subject to the provisions of subsection B of Section 500.6 of this title.

SECTION 17. AMENDATORY 68 O.S. 1991, Section 708, is amended to read as follows:

Section 708. The tax levied by this act shall not apply to:

~~(a)~~ 1. Special fuel delivered into the supply tanks of or used by motor vehicles owned by the United States of America. Provided this exemption shall not apply to supply tank deliveries in Oklahoma unless the special fuel dealer demands and receives of the purchaser an exemption certificate of the kind and type prescribed and furnished by the Comptroller General of the United States, and such certificates shall be presented to the Tax Commission in lieu of the tax only by the special fuel dealer handling and delivering such special fuel;i

~~(b)~~ 2. Special fuel delivered into the supply tanks of farm tractors and stationary engines owned and operated by the purchaser of such special fuel and used exclusively for agricultural purposes as such purposes and uses are defined and enumerated in ~~the provisions of the motor fuel tax law contained in Section 509 of the Motor Fuel Tax Code, Chapter 362, O.S.L. 1963, codified as Section 509 of Title 68 of the Oklahoma Statutes.~~ paragraph 2 of Section 500.3 of this title;

~~(e)~~ 3. Special fuel imported into Oklahoma in the fuel supply tanks of motor vehicles commonly known and designated as automobiles ~~(, as distinguished from truck-type vehicles),~~ which are constructed for, and being used solely for, the transportation of persons for purposes other than for hire or compensation and provided that the aggregate capacity of the fuel supply tank or tanks of any such vehicle shall not exceed thirty (30) gallons-;

~~(d)~~ 4. Special fuel imported into Oklahoma in the fuel supply tank or tanks of a motor vehicle when said supply tank or tanks and any additional containers have an aggregate capacity of not more than twenty-five (25) gallons and if such motor vehicle is not being used as a common carrier of persons or property, a contract carrier of persons or property, or as a private commercial carrier of property-;

~~(e)~~ 5. Special fuel imported into Oklahoma in the fuel supply tanks of motor vehicles and used on the highways of this state in importing or exporting livestock and farm products in the raw state, including cotton, whether in the seed or ginned, and including cottonseed and baled hay, when such commodities are moved from farm to market, or from market to farm on a vehicle or on vehicles owned and operated by a bona fide farmer not engaged in motor vehicle transportation for hire or compensation-;

~~(f)~~ 6. Special fuel used exclusively in road machinery and equipment built for and being used on location in the construction, repair or maintenance of public highways, roads and bridges by road contractors and by counties, cities and towns of this state, provided, however, this exemption shall not apply to automobiles nor to truck-type vehicles such as dump trucks, flatbed trucks and pickup trucks-;

~~(g)~~ 7. Special fuel used exclusively in passenger motor buses or coaches, having a seating capacity of ten or more persons, when such fuel is purchased by and used exclusively in public transit systems operated by any county, city, or town of this state, or by

any public trust created under the laws of this state of which a county, city, or town of this state is the sole beneficiary thereof. Provided this exemption shall be allowed only when supported by a certificate executed by such city or trust on forms prescribed and furnished by the ~~Oklahoma~~ Tax Commission; and

~~(h)~~ 8. Special fuel purchased by any county, city or town for use as fuel to propel motor vehicles on the public roads and highways of this state, when said vehicles are being operated for the sole benefit of said county, city or town; provided that if the special fuel is placed directly into the fuel supply tank or tanks of the motor vehicle by the supplier, an exemption certificate must be furnished to the supplier on forms prescribed and furnished by the ~~Oklahoma~~ Tax Commission.

SECTION 18. AMENDATORY 69 O.S. 1991, Section 660, as amended by Section 1, Chapter 20, O.S.L. 1995 (69 O.S. Supp. 1996, Section 660), is amended to read as follows:

Section 660. A. The Local Government Division of the Department of Transportation shall immediately establish a program to aid counties in replacing or ~~repairing~~ reconstructing bridges and roads. The bridges and roads to be replaced or ~~repaired~~ reconstructed shall be those that are structurally inadequate, functionally obsolete or have been destroyed or rendered unusable.

B. Funds made available for the purposes of the County Bridge and Road Improvement Act may be used to pay the cost of county bridge inspections, classifications, and evaluations ~~required by,~~ and county road inspections, classifications, and evaluations for federal and state ~~authorities~~ purposes and to match federal or state funds, provided the applicable federal ~~program~~ or state funds are available; ~~however, projects utilizing federal funds are to be restricted to those bridge projects of exceptional need where the cost is beyond the normal scope of this program.~~

C. Except as otherwise specified in this act, the county ~~major~~ collector system, including any future revisions thereto, shall constitute the system of roads wherein the bridges and roads are located that are eligible for project funding under this act. Official maps showing ~~this~~ the county ~~major~~ collector system in each county shall be maintained on file by the Department of Transportation and shall be furnished each county at no cost.

D. The Department of Transportation may approve the utilization of up to ninety percent (90%) of the estimated four-year apportionment to the county for county projects. However, no additional projects may be approved for the county until the county has accumulated a surplus of three (3) months of apportionments and repaid all funds advanced from the State Highway Construction and Maintenance Fund.

SECTION 19. AMENDATORY 69 O.S. 1991, Section 661, as amended by Section 1, Chapter 25, O.S.L. 1995 (69 O.S. Supp. 1996, Section 661), is amended to read as follows:

Section 661. A. While the legislative intent of the County Bridge and Road Improvement Act is to replace or ~~repair~~ reconstruct structurally obsolete bridges and roads on the county ~~major~~ collector system, it is recognized that specific conditions may exist in a county justifying the need to ~~repair~~ reconstruct or replace a bridge or a road on a road section not included in the county ~~major~~ collector system. In such specific instance, the Oklahoma Department of Transportation may approve a project not on the county ~~major~~ collector system. Justification for such projects shall include use of the bridge or road for school bus routes, mail routes, heavy and extensive industrial or agricultural operations, or such other unique purposes as may be acceptable to the Department of Transportation. However, in all instances projects located on school bus routes shall have priority on funds provided for the implementation of this act. Right-of-way acquisition and utility

relocation shall be the responsibility of the county in which the project is located. Monies received by counties pursuant to the County Bridge and Road Improvement Act may be used for right-of-way acquisition and utility relocation.

B. ~~To receive~~ When a county receives monies pursuant to the County Bridge and Road Improvement Act, a county shall give priority to ~~repairing~~ reconstructing, replacing, or closing those bridges in the county that are rated less than three (3) tons or ten (10) tons or less for those bridges on school bus routes. Each county shall submit to the Department of Transportation a plan to ~~repair~~ reconstruct, replace, or close the types of bridges specified in this subsection within the county before January 1 of each year. Bridge and road replacement or ~~repair~~ reconstruction projects shall be selected by the individual boards of county commissioners with the concurrence of the Department of Transportation and shall be based on a countywide assessment of bridge ~~repair~~ and road reconstruction and replacement needs. Each request for project funds will be transmitted to the Department of Transportation in the form of an official programming resolution bearing the signatures of a majority of the county commissioners. Where more than one project is programmed in a single county, the board of county commissioners shall designate the priority in which it wishes the projects to be undertaken.

C. These funds shall be apportioned among the various counties by the Transportation Commission on an equitable basis consistent with the identifiable bridge and road needs on the ~~major~~ collector system in each county.

D. On or before July 1 of each year, the Department of Transportation shall review the County Bridge and Road Program in each county. Said review shall examine the status of all programmed projects, funds carried over from previous fiscal year allocations, and funds anticipated to be available from future allocations. The

purpose of ~~said~~ the review is to estimate the rate of County Bridge and Road Fund utilization by the various counties and to assess the progress of the County Bridge and Road Program throughout the state. Upon completion of the review, in instances when it is determined by the Department that existing funds cannot be used in a timely manner, the Transportation Commission may approve the reallocation of those funds to other counties in order to ensure that all available funds are efficiently utilized for the construction of bridges ~~on~~ and county roads throughout the state. No such reallocation shall be made which would deprive any county of the ability to construct any previously approved project when the Department has determined that a viable effort is being made to pursue the project to completion.

E. Prior to July 1 of each year, the Department of Transportation shall review the County Bridge and Road Program in each county. If the Department of Transportation determines that the county has not complied with the provisions of the County Bridge and Road Improvement Act during the current fiscal year, the county shall not receive any monies pursuant to the County Bridge and Road Improvement Act during the next fiscal year.

SECTION 20. AMENDATORY 69 O.S. 1991, Section 662, as amended by Section 2, Chapter 25, O.S.L. 1995 (69 O.S. Supp. 1996, Section 662), is amended to read as follows:

Section 662. A. The program and funds shall be administered by the Oklahoma Department of Transportation under a minimum of policies, guidelines and engineering design standards. Approved projects will be awarded to contractors by the State Transportation Commission or by other federal or state agencies under their normal competitive bidding procedures, excluding prequalification of bidders. However, force account projects may be awarded to a county by the State Transportation Commission based upon agreed unit prices, if deemed by the State Transportation Commission to be in

the best public interest. No county bridge project in excess of One Hundred Thousand Dollars (\$100,000.00) or any county road project in excess of Two Hundred Thousand Dollars (\$200,000.00), excluding the cost for engineering, right-of-way acquisition, and utility relocation, in cost may be done by the force account method.

B. Funds available for this act shall not be subject to fiscal year limitations and shall be available for encumbrance and expenditure purposes for a period of thirty (30) months from the effective date such funds are appropriated.

C. Counties undertaking projects under provisions of this act shall enter into an agreement with the Department of Transportation that the county shall provide adequate maintenance on any bridge ~~repaired~~ or road reconstructed or replaced under the program. Funds made available under this act shall be withheld from any county which does not provide adequate maintenance.

SECTION 21. AMENDATORY 69 O.S. 1991, Section 664, is amended to read as follows:

Section 664. ~~A.~~ There is hereby created in the State Treasury a special fund to be designated as the "County Bridge and Road Improvement Fund". ~~Said~~ The fund shall consist of monies, if any, which have accrued to the State General Revenue Fund at the close of the fiscal years ending June 30, 1980, June 30, 1981 and June 30, 1982, in excess of the amounts required to satisfy all appropriations made from the State General Revenue Fund for the then current fiscal year together with all other statutory obligations. Provided, the amount apportioned to the county bridge and road improvement fund by the Director of State Finance at the close of each of the above-mentioned fiscal years shall not exceed the sum of Twelve Million Dollars (\$12,000,000.00) for each fiscal year. ~~Except as provided in subsection B of this section, revenues~~ Revenues to this fund shall be expended only pursuant to legislative appropriation for implementation of the County Bridge and Road

Improvement Act as set forth in the County Bridge and Road Improvement Act.

~~B. Funds designated for purposes of the County Bridge Improvement Act may be used for projects authorized under the County Road Improvement Act, when all bridges within a county are at least at a rating of H15, as determined by the Federal Highway Administration.~~

SECTION 22. AMENDATORY 69 O.S. 1991, Section 665, as amended by Section 3, Chapter 25, O.S.L. 1995 (69 O.S. Supp. 1996, Section 665), is amended to read as follows:

Section 665. A. The Oklahoma Department of Transportation shall be required to certify to the State Transportation Commission that each county has upheld all agreements with, and obligations to, this state. If, due to failure by the county to maintain such obligations and agreements, the Department of Transportation cannot make the certification, the county shall receive no allocation or funding under the County Bridge and Road Improvement Act until such obligations and agreements are fulfilled. However, if requested, a county shall be entitled to notice and a hearing before the Transportation Commission prior to any allocation or funding being withheld by the Department of Transportation.

B. All consulting engineering contracts for services referred to in this act shall be approved by the Department of Transportation except those contracts entered into pursuant to the provisions of Section 687.1 of this title. The Department shall make findings on all contracts approved that the cost is reasonable and the firm involved is capable of performing the service within a reasonable period of time.

C. Expenditures which may be allowed pursuant to the provisions of this act shall include the following:

1. Matching federal funds for the annual Federal Highway Administration allocation to the Oklahoma State University Center

for Local Government Technology for the Federal Highway Administration Rural Technical Assistance Program, not to exceed twenty-five percent (25%) of the amount of funding the state is required to provide, which shall not exceed Fifty Thousand Dollars (\$50,000.00);

2. Project engineering costs;

3. The cost of right-of-ways acquired for projects pursuant to the provisions of this act and the cost of the relocation of utilities from the right-of-ways so acquired;

4. The cost of reconstruction or replacement of roadway structures which may be less than twenty (20) feet in length;

5. Any cost or expense for administration, program management, engineering, including the development of appropriate local road standards which shall apply only to those roads reconstructed, maintained, or otherwise constructed pursuant to this act, or construction supervision necessarily incurred by the Department of Transportation in fulfilling its duties and responsibilities pursuant to this act;

6. Any cost or expense related to a comprehensive plan for signing or inventory of signs on the county road system; and

7. The expense and related costs of employing an engineer to assist a county or counties in carrying out the daily operations of road and bridge maintenance and construction, including the employment of a circuit engineer.

SECTION 23. REPEALER 68 O.S. 1991, Sections 602.1a, 602.2, 603.1, 604, 604.1, 604.2, 604.3, 604.4, as last amended by Section 4, Chapter 205, O.S.L. 1996, 604.5, as last amended by Section 5, Chapter 205, O.S.L. 1996, 604.6, 604.7, and 612 (68 O.S. Supp. 1996, Sections 604.4 and 604.5), and 69 O.S. 1991, Sections 663, 674, as amended by Section 8, Chapter 80, O.S.L. 1992, 675, as amended by Section 9, Chapter 80, O.S.L. 1992, 676, as amended by Section 10, Chapter 80, O.S.L. 1992, 677, 678, 679, 680, 685, 686,

687, as last amended by Section 3, Chapter 20, O.S.L. 1995, 688, 689.1, as amended by Section 5, Chapter 25, O.S.L. 1995, 690, 690.1, as amended by Section 3, Chapter 206, O.S.L. 1993 and 695 (69 O.S. Supp. 1996, Sections 674, 675, 676, 687, 689.1 and 690.1), are hereby repealed.

SECTION 24. This act shall become effective November 1, 1997.

Passed the House of Representatives the 12th day of March, 1997.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1997.

President of the Senate