

ENROLLED HOUSE
BILL NO. 3002

By: Hamilton and Settle of
the House

and

Haney and Hobson of the
Senate

An Act relating to the Corporation Commission; amending 17 O.S. 1991, Section 354, as last amended by Section 1, Chapter 184, O.S.L. 1997 (17 O.S. Supp. 1997, Section 354), which relates to the Oklahoma Petroleum Storage Tank Release Industry Program; adding to use of assessment; limiting amount of monies for specified use; creating the Oklahoma Corporation Commission Fuel Division Revolving Fund; providing for uses, deposits and expenditures; requiring maximum level; requiring transfer of certain funds; providing for codification; and declaring an emergency.

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

SECTION 1. AMENDATORY 17 O.S. 1991, Section 354, as last amended by Section 1, Chapter 184, O.S.L. 1997 (17 O.S. Supp. 1997, Section 354), is amended to read as follows:

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

1. The Oklahoma Corporation Commission Fuel Division Revolving Fund pursuant to paragraph 1 of subsection C of this section;

2. The Petroleum Storage Tank Release Environmental Cleanup Indemnity Fund pursuant to paragraph ~~1~~ 2 of subsection C of this section;

~~2.~~ 3. The State Highway Construction and Maintenance Fund pursuant to paragraph ~~2~~ 3 of subsection C of this section;

~~3.~~ 4. The Corporation Commission pursuant to paragraph ~~2~~ 3 of subsection C of this section; and

~~4.~~ 5. The Environmental Trust Revolving Fund pursuant to paragraph ~~2~~ 3 of subsection C of this section.

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

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

- a. the state government,
- b. the federal government,
- c. class I and class II railroads, and

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

2. Exempt from the assessment imposed for purposes specified in paragraph ~~2~~ 3 of subsection A of this section are sales of:

- a. motor fuel, diesel fuel and blending materials used solely and exclusively in district-owned or leased public school buses, FFA and 4-H club trucks for the purposes of legally transporting public school children, or in the operation of vehicles used in driver training,
- b. motor fuels, diesel fuels and blending materials used solely and exclusively to propel motor vehicles on the public roads and highways of this state when leased or owned and being operated for the sole benefit of a county, city, town, volunteer fire department with a state certification and rating, rural electric cooperative, rural water and sewer district, rural ambulance service district, or federally recognized Indian tribe as specified by Section 500.10 of Title 68 of the Oklahoma Statutes,
- c. motor fuel, diesel fuel and blending materials to counties and cities and towns,
- d. diesel fuel for off-road purposes specified by Section 500.10 of Title 68 of the Oklahoma Statutes,
- e. motor fuel, diesel fuel and blending materials used for agricultural purposes specified by Section 500.10 of Title 68 of the Oklahoma Statutes, and
- f. motor fuel, diesel fuel and blending materials used in aircraft or in aircraft engines pursuant to Section 500.10 of Title 68 of the Oklahoma Statutes.

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

1. The first Nine Hundred Nine Thousand Nine Hundred Twenty-seven Dollars (\$909,927.00) collected during each fiscal year shall be deposited into the Oklahoma Corporation Commission Fuel Division Revolving Fund created in Section 2 of this act;

2. Revenue Any revenue from the assessment received above the amount required in paragraph 1 of this subsection, when necessary, shall be deposited in the Petroleum Storage Tank Release Environmental Cleanup Indemnity Fund created in Section 353 of this title in amounts necessary to maintain the maintenance level of the Indemnity Fund pursuant to subsection D of this section; and

~~2. 3. Except as otherwise provided in subsection D of this section,~~ The balance of any revenue from the assessment remaining above the amount required in paragraphs 1 and 2 of this subsection shall be deposited as follows:

- a. the first One Million Dollars (\$1,000,000.00) collected during each fiscal year shall be earmarked for appropriation to the Corporation Commission in such amount to be used solely for regulatory activities associated with the exploration and production of oil and gas,
- b. the second One Million Dollars (\$1,000,000.00) collected during each fiscal year shall be deposited in the Environmental Trust Revolving Fund created in Section 2-3-403 of Title 27A of the Oklahoma Statutes, to be used solely for the cleanup of abandoned oil and gas processing and refining sites, and
- c. the balance of the monies collected during each fiscal year shall be deposited in the State Transportation

Fund and shall be used solely for the purpose of matching Federal-Aid funds for the construction of highways and roads in this state.

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

2. At least fifteen (15) days prior to the calendar month in which the assessment is to be collected for credit to the Indemnity Fund, the Tax Commission, upon notification by the Administrator that the Indemnity Fund has fallen below the required maintenance level, shall notify the suppliers, licensed importers or other appropriate persons that the assessment is being imposed for purposes of maintaining the Indemnity Fund. The notice shall include a date certain upon which to begin collecting the assessment for credit to the Indemnity Fund and a date certain for ending the assessment for credit to the Indemnity Fund. Upon notice by the Tax Commission that the assessment imposed is for credit to the Indemnity Fund, the supplier, licensed importer or other appropriate person shall also assess, for the specified period required by the Tax Commission, the sales of:

- a. motor fuel, diesel fuel and blending materials used solely and exclusively in district-owned or leased public school buses, FFA and 4-H Club trucks for the purposes of legally transporting public school children or in the operation of vehicles used in driver's training,
- b. motor fuels, diesel fuels and blending materials used solely and exclusively to propel motor vehicles on the public roads and highways of the state when leased or owned and being operated for the sole benefit of a county, city or town, volunteer fire department with a state certification and rating, rural electric cooperative, rural water and sewer district, rural ambulance service district, or federally recognized Indian tribe as specified by Section 500.10 of Title 68 of the Oklahoma Statutes,
- c. motor fuel, diesel fuel and blending materials to counties and cities and towns,
- d. diesel fuel for off-road purposes specified by Section 500.10 of Title 68 of the Oklahoma Statutes,
- e. motor fuel, diesel fuel and blending materials used for agricultural purposes specified by Section 500.10 of Title 68 of the Oklahoma Statutes, and
- f. motor fuel, diesel fuel and blending materials used in aircraft and aircraft engines pursuant to Section 500.10 of Title 68 of the Oklahoma Statutes.

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

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 324.8 of Title 52, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Oklahoma Corporation Commission to be designated the

"Oklahoma Corporation Commission Fuel Division Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall only consist of monies received pursuant to the provisions of paragraph 1 of subsection C of Section 354 of Title 17 of the Oklahoma Statutes. All monies accruing to the credit of the Oklahoma Corporation Commission Fuel Division Revolving Fund are hereby appropriated and may be budgeted and expended by the Oklahoma Corporation Commission for the general operating expenses of the Fuel Division. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

At the close of each fiscal year, any unencumbered monies in the Oklahoma Corporation Commission Fuel Division Revolving Fund in excess of Seventy-five Thousand Dollars (\$75,000.00) shall be transferred to the Petroleum Storage Tank Release Environmental Cleanup Indemnity Fund created by Section 353 of Title 17 of the Oklahoma Statutes.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 20th day of May, 1998.

Speaker of the House of
Representatives

Passed the Senate the 20th day of May, 1998.

President of the Senate