

SHORT TITLE: Energy; creating the Oklahoma Energy Administration Reform Act; consolidating energy-related regulatory functions and creating Energy Commission of Oklahoma; codification; emergency.

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

SENATE BILL NO. 600

By: Easley

AS INTRODUCED

An Act relating to energy; amending Section 5, Chapter 360, O.S.L. 1996, which relates to the Energy Administration Reform Task Force; extending and modifying current Task Force; creating the Oklahoma Energy Administration Reform Act; providing short title; defining terms; stating purpose; providing Secretary of Energy to serve as Transition Coordinator; stating duties of Transition Coordinator; requiring certain state energy agencies to designate employees to assist Transition Coordinator; stating transferring personnel not required to accept lesser grade or salary; providing for transfer of personnel to be coordinated with the Office of Personnel Management; requiring Transition Coordinator to submit certain budget request; requiring Transition Coordinator and Energy Administration Reform Task Force to submit final report by certain date; stating content of report; stating legislative intent; requiring Transition Coordinator to cooperate with Energy Administration Reform Task Force; authorizing chair of Task Force to call meetings for certain purposes; authorizing travel reimbursement; requiring state agencies to cooperate with Transition Coordinator and Task Force; requiring Legislature to review certain

report; creating the Energy Commission Board; stating membership; providing for appointments by certain date; stating membership eligibility; providing terms of office; providing procedure for vacancy; authorizing members to succeed themselves for one term; authorizing Board to conduct meetings; authorizing travel reimbursement; stating duties of Board; requiring Board to appoint Executive Director of the Energy Commission of Oklahoma by certain date; stating experience requirements for Executive Director; stating duties of Executive Director; creating the Energy Commission of Oklahoma; stating duties of Commission; providing for Transition Coordinator to serve as Executive Director until certain date; stating powers and duties; stating organization of Commission; stating jurisdiction of certain agencies over oil and gas exploration and production activities; creating Oil and Gas Council and Fuels Council; stating membership; providing for appointments to councils; transferring powers and duties of the Oklahoma Mining Commission to Oklahoma Mining Council; stating authority of certain councils; providing for travel reimbursement; authorizing councils to obtain certain administrative assistance; transferring certain programs, functions and agency rules to the Energy Commission of Oklahoma; providing for rules to remain in effect until certain date; requiring Commission to promulgate permanent rules to implement act; providing for licenses, certificates, registrations and permits to remain

valid; transferring certain rights to Commission; stating application of act; providing for certain powers, duties and responsibilities of certain programs in the Corporation Commission transfer to the Energy Commission of Oklahoma; providing for transfer of certain personnel; providing for statutory reference; transferring certain rules and orders from the Corporation Commission to the Energy Commission of Oklahoma; transferring certain powers of Department of Central Services to Energy Commission of Oklahoma; transferring powers, duties and responsibilities of the Oklahoma Liquefied Petroleum Gas Board to the Energy Commission of Oklahoma; providing for statutory reference; transferring certain rules and orders from the Oklahoma Liquefied Petroleum Gas Board to the Energy Commission of Oklahoma; transferring powers, duties and responsibilities of the Department of Mines to the Energy Commission of Oklahoma; providing for statutory reference; transferring certain rules and permits from the Department of Mines to the Energy Commission of Oklahoma; creating the Energy Administration Court; transferring certain judicial powers to Energy Commission of Oklahoma; providing court of record; stating powers; providing for appeals to the Supreme Court; providing for codification; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1001 of Title 52, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Energy Administration Reform Act".

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

As used in the Oklahoma Energy Administration Reform Act:

1. "Board" means the Energy Commission Board;
2. "Commission" means the Energy Commission of Oklahoma;
3. "Act" means the Oklahoma Energy Administration Reform Act;
4. "State energy agency" means the Corporation Commission, the Oklahoma Department of Mines, the Department of Central Services, and the Oklahoma Liquefied Petroleum Gas Board; and
5. "Task Force" means the Energy Administration Reform Task Force.

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

The purpose of the Oklahoma Energy Administration Reform Act is to provide for the administration of energy functions which will:

1. Eliminate agency overlap and duplication of effort;
2. Provide that energy and natural resources regulatory concerns of industry and the public shall be addressed in an expedient manner; and
3. Better utilize state financial resources for energy regulatory services.

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

A. The Secretary of Energy shall serve as the Transition Coordinator. The Transition Coordinator shall:

1. Insofar as authorized and provided by the Oklahoma Energy Administration Reform Act in conjunction with the Department of Central Services, Office of State Finance and Office of Personnel Management, oversee and administer the orderly transfer of responsibility, liabilities, property, records, personnel and any outstanding financial obligations or encumbrances to the Energy Commission of Oklahoma;

2. During the transition planning period in conjunction with the Energy Administration Reform Task Force, investigate and review programs currently assigned or managed by each state agency insofar as such programs relate to the areas and responsibilities transferred between the various agencies provided by this act, to determine if such program is effective and necessary, whether the program is duplicative of or overlapping other programs and whether such program should be abolished, or combined or coordinated with other programs;

3. During the transition planning period, in conjunction with the Energy Administration Reform Task Force, review statutory provisions for each state agency to determine if such provisions should be amended, repealed, or recodified to implement the provisions of the Oklahoma Energy Administration Reform Act;

4. Whenever the Transition Coordinator deems appropriate, confer with the Attorney General or an Assistant Attorney General in connection with all legal matters and questions;

5. In cooperation with the General Administrator of the Corporation Commission, determine the needs of the Corporation Commission with regards to providing services for programs remaining at the Corporation Commission; and

6. Take such other actions as may be reasonably necessary and appropriate to effectuate the orderly transition of programs and

functions as provided by the Oklahoma Energy Administration Reform Act.

B. Each state energy agency transferring programs or functions pursuant to this act shall designate an employee or employees, as selected by the Transition Coordinator from their agency who shall be available to assist the Transition Coordinator and the Energy Administration Reform Task Force in developing an implementation plan for the orderly transfer of duties and responsibilities pursuant to the Oklahoma Energy Administration Reform Act.

C. Personnel transferred pursuant to the provisions of the Oklahoma Energy Administration Reform Act shall not be required to accept a lesser grade or salary than presently received. No entrance exam shall be required for persons so transferred. All such persons shall retain leave, sick and annual time earned and any retirement benefits which have accrued during their tenure with the agency from which transferred. The transfer of personnel shall be coordinated with the Office of Personnel Management.

D. The Transition Coordinator shall submit a budget request with the Office of State Finance for fiscal year 1998 for the Energy Commission of Oklahoma pursuant to Section 41.29 of Title 62 of the Oklahoma Statutes.

E. By January 15, 1998, the Transition Coordinator in conjunction with the Energy Administration Reform Task Force shall submit a final written report to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate. The written report shall have been approved by a majority of the members of the Energy Administration Reform Task Force and shall consist of:

1. The organizational framework of the Energy Commission of Oklahoma including, but not limited to, decisions, responsibilities and systems for complaint resolutions and permit issuance;

2. A listing of positions to be transferred to the Energy Commission of Oklahoma and job qualifications for those positions;

3. Fiscal analysis and impact to the budgets of each energy agency transferring functions or employees, or both;

4. Transfer and implementation costs for the Energy Commission of Oklahoma;

5. Implementation schedule for orderly transfer of specified functions, programs and resources to the Energy Commission of Oklahoma;

6. In conjunction and with the cooperation of each state energy agency, as applicable, implementation schedule, costs, agency framework and personnel or positions to be transferred for other agencies receiving or losing positions or functions pursuant to the provisions of the Oklahoma Energy Administration Reform Act; and

7. Such other information as may be deemed necessary by the Transition Coordinator and the Energy Administration Reform Task Force.

F. It is the intent of the Legislature that the merger of certain energy functions and programs into the Energy Commission of Oklahoma occur without an increase in the number of state employees or resources due to the consolidation of energy programs and functions. Resources and full-time-equivalent employees currently dedicated to support services, including, but not limited to, personnel, data processing, accounting, financial and administrative duties shall be transferred to the Energy Commission of Oklahoma from the affected state energy agencies in proportion to the energy programs and functions transferred. Any projected increase in costs as a result of the merger and transfer of programs and functions pursuant to this act shall be clearly identified as such.

G. In developing the organizational framework of the Energy Commission of Oklahoma and in carrying out the provisions of this section, the Transition Coordinator shall work in conjunction and

cooperation with the Energy Administration Reform Task Force. The Transition Coordinator shall request the Chair to call such meetings of the Task Force as necessary, to receive and provide input into the development of the Energy Commission of Oklahoma. A summary of the comments and explanation of changes or lack of any changes made in such development of the Energy Commission of Oklahoma as a result of comments, suggestions or testimony received at such meetings shall be included in the report required to be submitted pursuant to subsection E of this section.

H. The chair of the Energy Administration Reform Task Force shall call a meeting or meetings at the request of the Transition Coordinator for providing assistance to, and input into, the development of the Energy Commission of Oklahoma. In addition, the chair may call such meetings as may otherwise be required to provide comments, input or advice on the completed report and transition plan of the Energy Commission of Oklahoma for approval by the Legislature during the 2nd Session of the 46th Oklahoma Legislature.

All members of the Energy Administration Reform Task Force shall be reimbursed for actual and necessary travel expenses pursuant to the State Travel Reimbursement Act as follows:

1. Legislative members shall receive reimbursement from the house in which they serve; and

2. Nonlegislative members shall receive reimbursement from their appointing authority.

I. As applicable, each state agency shall cooperate with the Transition Coordinator and the Energy Administration Reform Task Force in providing information and such other assistance as may be requested by the Transition Coordinator or the Task Force in the orderly transition and transfers required by the provisions of the Oklahoma Energy Administration Reform Act.

J. The Legislature shall review the report developed by the Transition Coordinator in conjunction with the Energy Administration

Reform Task Force, during the 2nd Session of the 46th Oklahoma Legislature. Final authority relating to the transfer or receipt of duties, responsibilities, programs, resources and personnel pursuant to the Oklahoma Energy Administration Reform Act shall reside with the Legislature.

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

A. There is hereby created the Energy Commission Board which shall consist of nine (9) members as follows:

1. Three members to be appointed by the Governor;
2. Three members to be appointed by the President Pro Tempore of the Senate; and
3. Three members to be appointed by the Speaker of the House of Representatives.

Appointments to the Board shall be made by July 1, 1997.

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

1. Be a citizen of the United States;
2. Be a resident of this state;
3. Be a qualified elector of this state; and
4. Not have been convicted of a felony pursuant to the laws of this state, the laws of any other state or the laws of the United States.

C. The initial terms of office shall be as follows:

1. One member's term shall expire on January 31, 1999;
2. Two members' terms shall expire on January 31, 2000;
3. Two members' terms shall expire on January 31, 2001;
4. Two members' terms shall expire on January 31, 2002; and
5. Two members' terms shall expire on January 31, 2003.

Thereafter, the term of office of a member of the Board shall be for five (5) years and until a successor is qualified and appointed.

D. 1. An appointment shall be made by the appropriate appointing authority within ninety (90) days after a vacancy has occurred due to resignation, death, or any cause resulting in an unexpired term. In the event of a vacancy on the Board due to resignation, death, or for any cause resulting in an unexpired term, if not filled within ninety (90) days following such vacancy, the Board may appoint a provisional member to serve in the interim until the appropriate appointing authority acts.

2. A member may be reappointed to succeed himself or herself for one additional term.

E. 1. The Board shall hold meetings as necessary at a place and time to be fixed by the Board. The Board shall select, at its first meeting following the passage of the Oklahoma Energy Administration Reform Act, one of its members to serve as chair and another of its members to serve as vice-chair. At the first meeting in each calendar year thereafter, the chair and vice-chair for the ensuing year shall be elected. Special meetings may be called by the chair or by five members of the Board by delivery of written notice to each member of the Board. A majority of the Board present at the meeting shall constitute a quorum of the Board.

2. Members of the Board shall receive necessary travel expenses according to the provisions of the State Travel Reimbursement Act.

F. The Board shall:

1. Appoint and fix the compensation of the Executive Director of the Energy Commission of Oklahoma; and

2. Be the rulemaking body for the Energy Commission of Oklahoma.

Such rules shall be adopted with the advice of the councils created in this act. By February 1, 1999, the Board shall have promulgated permanent rules to implement the programs and functions within the jurisdiction of the Energy Commission of Oklahoma pursuant to the provisions of this act.

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

A. On or before July 1, 1998, the Energy Commission Board shall appoint the Executive Director of the Energy Commission of Oklahoma. The Executive Director shall serve at the pleasure of the Board.

B. The Executive Director shall have experience in energy-related industry, or such other areas as may be required by the Energy Commission Board.

C. Effective July 1, 1998, the Executive Director shall provide for the administration of the Energy Commission of Oklahoma and shall:

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

2. Employ, discharge, appoint or contract with, and fix the duties and compensation of such assistants, attorneys, chemists, geologists, energy professionals, engineers, administrative, clerical and technical, investigators, aides and such other personnel, either on a full-time, part-time, fee or contractual basis, as in his or her judgment and discretion shall be deemed necessary, expedient, convenient or appropriate to the performance or carrying out of any of the purposes, objectives, responsibilities or statutory provisions relating to the Energy Commission of Oklahoma, or to assist the Executive Director in the performance of his or her official duties and functions;

3. Establish internal policies and procedures for the proper and efficient administration of the Commission; and

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

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

A. 1. Effective July 1, 1997, there is hereby created the Energy Commission of Oklahoma. Except as otherwise specifically provided by the Legislature, and until July 1, 1998, the Energy Commission of Oklahoma shall:

- a. assist the Transition Coordinator in the performance of his or her duties pursuant to the provisions of this act relating to transitional authority,
- b. assist the Energy Commission Board as necessary, in the promulgation of rules necessary to implement the programs and functions within the jurisdiction of the Energy Commission of Oklahoma,
- c. initiate a search for appropriate and adequate office space needed for purposes of implementing the Oklahoma Energy Administration Reform Act to be leased at such time as provided by the Legislature. Until such time as specified by the Legislature, space shall be provided to the Energy Commission of Oklahoma to the extent necessary to implement the provisions of the Oklahoma Energy Administration Reform Act in the Jim Thorpe Office Building, and
- d. perform such other duties designated to it by the Governor.

2. For the purposes of this section, the Transition Coordinator shall serve as the Executive Director of the Commission until July 1, 1998, or until an Executive Director has been appointed by the Energy Commission Board.

B. Effective July 1, 1998, within its jurisdictional areas of responsibility, the Energy Commission of Oklahoma shall have the power and duty to:

1. Issue, renew, deny or suspend, revoke or refuse to renew licenses or permits pursuant to the provisions of the Oklahoma Energy Administration Reform Act;

2. Assess those administrative penalties as otherwise specifically authorized by law against any person or entity who violates any of the provisions of this act or any rule promulgated thereunder;

3. Employ, direct, discharge and define the duties and set the salaries of such office personnel as deemed necessary by the Executive Director;

4. Request criminal prosecution proceedings as authorized by law against any person or entity who has violated any of the provisions of this act or any rule promulgated pursuant thereto;

5. Investigate alleged violations of the Oklahoma Energy Administration Reform Act or of the rules and orders of the Executive Director;

6. Advise, consult and cooperate with other agencies of the state, towns, cities and counties, industries, other states and the federal government and with affected groups;

7. Encourage and conduct studies, investigations and research relating to energy-related pollution and its causes, effects, prevention, control and abatement;

8. Collect and disseminate information relating to energy-related pollution, its prevention and control;

9. Enter into agreements for, accept, use, disburse and administer grants of money, personnel and property from the federal government or any department or agency thereof, or from any state or state agency, or from any other source, to promote and carry on in this state any program relating to energy regulation;

10. Determine, charge and receive fees to be collected for services and permits, to file other papers, to make copies of

documents, to make prints of maps and drawings, and to certify copies of documents, maps and drawings as authorized by law;

11. Provide a toll-free hot line for energy-related complaints;

12. Cause investigations, inquiries and inspections to be made.

The Executive Director or his or her representative shall have the right of access to any premises for such purpose at any reasonable time, upon presentation of identification;

13. Authorize persons in the Energy Commission of Oklahoma to conduct investigations, inquiries, and to perform other acts that the Executive Director is authorized or required to conduct or perform;

14. Enforce the provisions of the Oklahoma Energy Administration Reform Act; and

15. Exercise all incidental powers which are necessary and proper to implement the purposes of the Oklahoma Energy Administration Reform Act.

C. Effective July 1, 1998, there is hereby created within the Energy Commission of Oklahoma:

1. The oil and gas division which shall be responsible for regulating the exploration and production of oil and gas and such other areas designated to it by the Executive Director;

2. The fuels division which shall be responsible for inspection and regulation of fuel dispensing facilities and such other areas designated to it by the Executive Director;

3. The mining division which shall be responsible for the inspection and regulation of mines and such other areas within the jurisdiction of the Commission designated to it by the Executive Director;

4. An administration and planning division which shall be responsible for interagency coordination and such other responsibilities within the jurisdiction of the Commission designated to it by the Executive Director; and

5. Such other divisions and offices as the Executive Director may determine necessary to implement programs and functions within the jurisdiction of the Commission pursuant to the Oklahoma Energy Administration Reform Act.

D. The provisions of this act shall not limit or restrict the existing exclusive jurisdiction of the Corporation Commission being transferred to the Energy Commission of Oklahoma, nor extend the existing jurisdiction of any other state agency, over oil and gas exploration and production activities.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1008 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. Effective July 1, 1997, there are hereby created:

1. The Oil and Gas Council; and
2. The Fuels Council.

B. 1. Each Council created pursuant to subsection A of this section shall consist of nine (9) members. Three members shall be appointed by the Governor, three members shall be appointed by the Speaker of the House of Representatives and three members shall be appointed by the President Pro Tempore of the Senate. The initial appointments for each gubernatorial and legislative member shall be for progressive terms of one (1) through three (3) years so that only one term expires each calendar year; subsequent appointments shall be for three-year terms. Members of the Councils shall serve at the pleasure of and may be removed from office by the appointing authority. Members shall continue to serve until their successors are appointed. Any vacancy shall be filled in the same manner as the original appointments. Five members shall constitute a quorum.

2. Each Council shall elect a chair and a vice-chair from among its members. Each Council shall meet as required for rule development, review and recommendation and for such other purposes

specified by law. Special meetings may be called by the chair or by the concurrence of any three (3) members.

C. All members of the Oil and Gas Council shall be knowledgeable of oil and gas regulation. The Council shall be composed as follows:

1. The Governor shall appoint three members as follows:
  - a. one member representing the field of petroleum engineering,
  - b. one member representing a statewide nonprofit environmental organization or landowner organization, and
  - c. one member representing mineral owners;

2. The President Pro Tempore of the Senate shall appoint three members as follows:

- a. one member representing the independent oil and gas industry located in this state,
- b. one member representing a major oil company, and
- c. one member representing the field of petroleum geology;

3. The Speaker of the House of Representatives shall appoint three members as follows:

- a. one member representing oil producers,
- b. one member representing natural gas producers, and
- c. one member representing marginal well producers.

D. All members of the Fuels Council shall be knowledgeable of the regulation of fuels. The Council shall be composed as follows:

1. The Governor shall appoint three members as follows:
  - a. one member representing the propane industry located in this state,
  - b. one member representing a statewide nonprofit environmental organization, and
  - c. one member representing the general public;

2. The President Pro Tempore of the Senate shall appoint three members as follows:

- a. one member representing retail petroleum marketers,
- b. one member representing an alternative fuels industry,  
and
- c. one member representing environmental contractors;

3. The Speaker of the House of Representatives shall appoint three members as follows:

- a. one member representing the field of engineering,
- b. one member representing the retail petroleum  
marketers, and
- c. one member representing the field of geology.

E. The Oklahoma Mining Commission created pursuant to Section 1 of Title 45 of the Oklahoma Statutes shall continue as the Oklahoma Mining Council and carry on the powers and duties assigned to it by law. The current members of the Oklahoma Mining Council shall remain on such Council until the expiration of their individual terms of office or until such offices are vacated. Future appointments to the Council shall be made according to the provisions of Section 1 of Title 45 of the Oklahoma Statutes.

F. Each Council created herein shall have sole authority to recommend, as applicable, to the Energy Commission Board, rules on behalf of the Energy Commission of Oklahoma within their jurisdictional areas insofar as such matters are within the jurisdiction of the Commission pursuant to the Oklahoma Energy Administration Reform Act. The Energy Commission of Oklahoma shall not have standing to recommend rules or changes to rules submitted to the Board by the various Advisory Councils.

G. Members of the Councils shall serve without compensation but may be reimbursed expenses incurred in the performance of their duties, as provided in the State Travel Reimbursement Act. The

Councils are authorized to obtain administrative assistance from the Energy Commission of Oklahoma, as necessary.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1009 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. Effective July 1, 1998, with regard to all programs and functions transferred and assigned among the state energy agencies pursuant to this act, all agency rules relating to such programs and functions are hereby transferred to the Energy Commission of Oklahoma for the purpose of maintaining and operating such programs and functions. Such rules shall remain in effect until June 30, 1999, at which time such transferred rules will terminate unless earlier superseded by rules promulgated by the Energy Commission of Oklahoma. By February 1, 1999, the Energy Commission of Oklahoma shall have promulgated new permanent rules to implement the programs and functions within the jurisdiction of the agency pursuant to this act.

B. Unexpired or unrevoked licenses, permits, certifications or registrations issued prior to July 1, 1998, shall remain valid for stated terms and conditions until otherwise provided by law. Such licenses, permits or registrations shall be subject to the laws and rules of the Energy Commission of Oklahoma to which jurisdiction over such licenses, permits or registrations are transferred pursuant to the Oklahoma Energy Administration Reform Act.

C. All rights, obligations and remedies arising out of laws, rules, agreements and causes of action are also transferred to such Commission.

D. Nothing in the Oklahoma Energy Administration Reform Act shall operate to bar or negate any existing order, claim or cause of action transferred or available to any state energy agency or its respective predecessor, nor shall it operate to affect enforcement action undertaken by any program, division or service prior to such

transfer to any state energy agency. Violations of provisions of law now contained in this title, and violations of rules, permits or final orders which occurred prior to the transfer of jurisdiction and authority to any state energy agency shall be subject to penalties available and existing at the time of violation.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1010 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. Effective July 1, 1998, all powers, duties, and responsibilities now exercised by the Corporation Commission pursuant to Titles 17 and 52 of the Oklahoma Statutes relating to the Commission's Fuels Division and Oil and Gas Division, the underground and aboveground storage tanks regulatory programs, the Oklahoma Leaking Underground Storage Tank Fund, oil and gas regulatory programs, pollution abatement and underground injection control are hereby transferred to the Energy Commission of Oklahoma, together with all unexpended funds, property, records, personnel, and any outstanding financial obligations and encumbrances related to the activities of such divisions or programs, including appropriate administrative and support services regardless of the division within which they are located. To the extent that there are vacant positions within the job classifications being transferred or personnel are filling more than one position within the Corporation Commission, one of which is not within the division or programs being transferred, the vacant positions shall be transferred to the Energy Commission of Oklahoma and personnel filling more than one position shall remain in the position not transferred from the Corporation Commission and the other position shall be transferred as a vacant position to the Energy Commission of Oklahoma.

B. As used in Titles 17 and 52 of the Oklahoma Statutes and in statutes relating to the administration of the above-mentioned

divisions and programs, the term "Corporation Commission" shall mean the Energy Commission of Oklahoma.

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

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1011 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. Effective July 1, 1998, all powers, duties, and responsibilities now exercised by the Oklahoma Liquefied Petroleum Gas Board pursuant to law are hereby transferred to the Energy Commission of Oklahoma, together with all unexpended funds, property, records, personnel, and any outstanding financial obligations and encumbrances related thereto.

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

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

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1012 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. Effective July 1, 1998, all powers, duties, and responsibilities of the Oklahoma Alternative Fuels Conversion Act and the Alternative Fuels Technician Certification Act now exercised by the Department of Central Services pursuant to law are hereby transferred to the Energy Commission of Oklahoma, together with all unexpended funds, property, records, personnel, and any outstanding financial obligations and encumbrances related thereto.

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

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

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1013 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. Effective July 1, 1998, all powers, duties, and responsibilities now exercised by the Department of Mines pursuant to law are hereby transferred to the Energy Commission of Oklahoma, together with all unexpended funds, property, records, personnel, and any outstanding financial obligations and encumbrances related thereto.

B. As used in Title 45 of the Oklahoma Statutes, the term "Department of Mines" shall mean the Energy Commission of Oklahoma created by this act and the term "Oklahoma Mining Commission" shall mean the Oklahoma Mining Commission Advisory Council of the Energy Commission of Oklahoma.

C. All rules promulgated and permits issued by the Oklahoma Department of Mines prior to the effective date of this act shall be transferred to the Energy Commission of Oklahoma and shall remain in full force and effect until amended, modified, revoked or repealed by the Energy Commission Board or the Energy Commission of Oklahoma and shall be enforced by the Commission.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1014 of Title 52, unless there is created a duplication in numbering, reads as follows:

There is hereby created the Energy Administration Court. The Energy Administration Court shall exercise the judicial and quasi-judicial powers of the Corporation Commission, Oklahoma Liquefied Petroleum Gas Board, the Oklahoma Department of Mines and the Department of Central Services for the jurisdictional areas being transferred to the Energy Commission of Oklahoma. The Energy Administration Court shall be a court of record and shall have the same powers as currently vested in the Corporation Commission when sitting as a judicial or quasi-judicial body. All appeals from the Energy Administration Court shall be to the Supreme Court in the manner as appeals are now taken from the Corporation Commission.

SECTION 15. AMENDATORY Section 5, Chapter 360, O.S.L. 1996, is amended to read as follows:

Section 5. A. There is hereby created a legislative task force to be known as the Energy Administration Reform Task Force. The Energy Administration Reform Task Force shall consist of thirty-three (33) members. Appointments to the Task Force shall be made by July 1, 1996. Members of the Task Force shall be as follows:

1. The Chair of the Senate Committee on Energy, Environmental Resources and Regulatory Affairs;

2. The Chair of the House Committee on Energy and Environment;

3. The Chair of the Corporation Commission;

4. The Secretary of Energy;

5. The President Pro Tempore of the Senate shall appoint fifteen members as follows:

a. three members of the Senate, to include at least one member of the minority party,

b. one member representing the purchasers and transporters of natural gas,

c. one member representing the mineral bar,

d. one member representing the citizens of the state,

e. one member representing retail petroleum marketers,

f. one member representing underground storage tank consultants or contractors,

g. two members representing royalty owners, one of whom shall be an attorney,

h. one member representing major oil companies, and

i. four members representing independent oil and gas producers, two of whom shall be primarily oil producers and one of whom shall be primarily a natural gas producer; and

6. The Speaker of the House of Representatives shall appoint fourteen members as follows:

a. three members of the House of Representatives, to include at least one member of the minority party,

b. one member representing the purchasers and transporters of oil,

c. one member representing the mineral bar,

d. one member representing the environmental groups of the state,

- e. one member representing retail petroleum marketers,
- f. two members representing royalty owners, one of whom shall also represent the interests of surface owners,
- g. one member representing major oil companies,
- h. three members representing independent oil and gas producers, two of whom shall be primarily natural gas producers and one of whom shall be primarily an oil producer, and
- i. one member representing the liquefied petroleum gas industry.

B. The Chair of the Senate Committee on Energy, Environmental Resources and Regulatory Affairs shall serve as Chair of the Energy Administration Reform Task Force. The Chair of the House of Representatives Committee on Energy and Environment shall serve as Vice-Chair. The Corporation Commission, the Liquefied Petroleum Gas Board, the Department of Mines, ~~the Office of Public Affairs~~ Department of Central Services and all other agencies of the state are directed to cooperate fully with the Task Force and to provide such support and information as the Task Force or its Chair shall request. Staffing for the Task Force shall be provided by the staffs of the State Senate and the House of Representatives.

C. The Energy Administration Reform Task Force shall meet as often as required to carry out its responsibilities. Meetings shall be called by the Chair. In addition, the Chair may establish such subcommittees as the Chair shall deem appropriate to assist the Task Force in carrying out its responsibilities. Such subcommittees shall consist of Task Force members designated by the Chair and such other persons the Chair believes may assist a subcommittee. Subcommittees shall have duties and responsibilities as set forth by the Chair. All activities of the Task Force and its subcommittees shall be open to public participation.

D. The Task Force shall submit its report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives on or before January 15, ~~1997~~ 1998. The purpose of the Task Force shall be to review Enrolled Senate Bill No. 793 of the 2nd Session of the 45th Oklahoma Legislature and issues related to the reform of energy administration and regulation activities of the state and the consolidation of energy-related functions within the independent Department of Energy. Issues to be specifically addressed by the Task Force shall include, but not be limited to, maintaining exclusive regulatory jurisdiction over the oil and gas industry, streamlining the hearing and permitting process while maintaining the existing judicial review process, providing adequate and stable funding sources for the regulation of the energy industry, improving the operation and efficiency of the regulation of the energy industry, consolidating fuels administration functions and programs, consolidating energy- and mining-related functions and programs, meeting the needs of the energy industry as it evolves into the 21st Century and providing strong, responsive leadership for the energy industry at the state level of government. The report of the Task Force shall provide specific recommendations for implementation by the Legislature and shall include specific legislative proposals to carry out its recommendations.

E. The Task Force shall cease to exist as of ~~May 31, 1997~~ June 30, 1998.

SECTION 16. Section 15 of this act is to be codified as Section 1015 of Title 52 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 17. 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.

46-1-0335

MJM