

1 **SENATE FLOOR VERSION**

2 April 7, 2011

3 As Amended

4 ENGROSSED HOUSE

5 BILL NO. 1815

By: Morgan of the House

and

Marlatt of the Senate

7
8 [revenue and taxation - administration of motor fuel
9 taxation - defining compressed natural gas - levy of
10 tax - collection of tax - definition of special fuel
11 - requiring vendor license - noncodification -
12 effective date]

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

14 SECTION 1. NEW LAW A new section of law not to be
15 codified in the Oklahoma Statutes reads as follows:

16 A. The Legislature finds that the existing taxation system for
17 compressed natural gas requires modification to promote fairness and
18 improved administration of motor fuel taxation by the Oklahoma Tax
19 Commission.

20 B. The existing system for motor fuel taxation would require
21 the levy of sixteen cents (\$0.16) per gallon or gasoline gallons
22 equivalent (gge) for compressed natural gas except for the in lieu
23 treatment authorized by Section 723 of Title 68 of the Oklahoma
24 Statutes.

1 C. The Legislature finds that it would promote the development
2 of desirable alternative energy sources to modify the existing
3 taxation scheme for compressed natural gas by lowering the nominal
4 rate of motor fuel taxation for compressed natural gas to thirteen
5 cents (\$0.13) per gasoline gallons equivalent (gge), but to have a
6 rate of tax imposed at five cents (\$0.05) per gasoline gallons
7 equivalent for a period of time sufficient to allow the development
8 of compressed natural gas distribution systems.

9 D. The Legislature hereby finds that the principal purpose of
10 this act is not for raising revenue within the meaning of Section 33
11 of Article V of the Oklahoma Constitution even if revenue
12 collections associated with the levy upon compressed natural gas
13 would increase over time due to increased demand for compressed
14 natural gas as an alternative energy source on and after the
15 effective date of this act.

16 SECTION 2. AMENDATORY 68 O.S. 2001, Section 500.3, as
17 amended by Section 2, Chapter 327, O.S.L. 2006 (68 O.S. Supp. 2010,
18 Section 500.3), is amended to read as follows:

19 Section 500.3 As used in Section 500.1 et seq. of this title:

- 20 1. "Act" or "this act" means the Motor Fuel Tax Code;
- 21 2. "Agricultural purposes" means clearing, terracing or
22 otherwise preparing the ground on a farm; preparing soil for
23 planting and fertilizing, cultivating, raising and harvesting crops;
24 raising and feeding livestock and poultry; building fences; pumping

1 water for any and all uses on the farm, including irrigation;
2 building roads upon any farm by the owner or person farming same;
3 operating milking machines; sawing wood for use on a farm; producing
4 electricity for use on a farm; movement of tractors, farm implements
5 and equipment from one field to another and use of farm tractors to
6 move farm products from farm to market;

7 3. "Biodiesel" means a fuel comprised of mono-alkyl esters of
8 long chain fatty acids generally derived from vegetable oils or
9 animal fats, commonly known as "B100", that is commonly and
10 commercially known or sold as a fuel that is suitable for use in a
11 highway vehicle. The fuel meets this requirement if, without
12 further processing or blending, the fuel is a fluid and has
13 practical and commercial fitness for use in the propulsion of a
14 highway vehicle;

15 4. "Biodiesel blend" means a blend of biodiesel fuel with
16 petroleum-based diesel fuel, commonly designated as "Bxx", where
17 "xx" represents the volume percentage of biodiesel fuel in the
18 blend, and that is commonly and commercially known or sold as a fuel
19 that is suitable for use in a highway vehicle. The fuel meets this
20 requirement if, without further processing or blending, the fuel is
21 a fluid and has practical and commercial fitness for use in the
22 propulsion of a highway vehicle;

23 5. "Blend stock" means any petroleum product component of
24 gasoline, such as naphtha, reformate, or toluene, that can be

1 blended for use in a motor fuel without further processing.

2 However, the term does not include any substance that:

3 a. will be ultimately used for consumer nonmotor-fuel
4 use, and

5 b. is sold or removed in drum quantities (55 gallons) or
6 less at the time of the removal or sale;

7 6. "Blended fuel" means a mixture composed of gasoline or
8 diesel fuel and another liquid, other than a de minimis amount of a
9 product such as carburetor detergent or oxidation inhibitor, that
10 can be used as a fuel in a highway vehicle. This term includes
11 gasohol, ethanol and fuel grade ethanol;

12 7. "Blender" means any person that produces blended motor fuel
13 outside the bulk transfer/terminal system;

14 8. "Blending" means the mixing of one or more petroleum
15 products, with or without another product, regardless of the
16 original character of the product blended, if the product obtained
17 by the blending is capable of use or otherwise sold for use in the
18 generation of power for the propulsion of a motor vehicle, an
19 airplane, or a motorboat. The term does not include that blending
20 that occurs in the process of refining by the original refiner of
21 crude petroleum or the blending or products known as lubricating oil
22 and greases;

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1 9. "Bulk end user" means a person who receives into the
2 person's own storage facilities in transport truck lots of motor
3 fuel for the person's own consumption;

4 10. "Bulk plant" means a motor fuel storage and distribution
5 facility that is not a terminal and from which motor fuel may be
6 removed at a rack;

7 11. "Bulk transfer" means any transfer of motor fuel from one
8 location to another by pipeline tender or marine delivery within the
9 bulk transfer/terminal system;

10 12. "Bulk transfer/terminal system" means the motor fuel
11 distribution system consisting of refineries, pipelines, vessels,
12 and terminals. Gasoline in a refinery, pipeline, vessel, or
13 terminal is in the bulk transfer/terminal system. Motor fuel in the
14 fuel supply tank of any engine, or in any tank car, rail car,
15 trailer, truck, or other equipment suitable for ground
16 transportation is not in the bulk transfer/terminal system;

17 13. "Tax Commission" or "Commission" means the Oklahoma Tax
18 Commission;

19 14. "Compressed natural gas" means a volume of natural gas
20 consisting primarily of methane which has been reduced to
21 approximately one percent (1%) of its original volume for purposes
22 of storage and for use as a fuel in motor vehicles;

23 15. "Consumer" means the user of the motor fuel on the public
24 highways of this state;

1 ~~15.~~ 16. "Dead storage" means the amount of motor fuel that will
2 not be pumped out of a storage tank because the motor fuel is below
3 the mouth of the draw pipe. For purposes of Section 500.1 et seq.
4 of this title, a dealer may assume that the amount of motor fuel in
5 dead storage is two hundred (200) gallons for a tank with a capacity
6 of less than ten thousand (10,000) gallons and four hundred (400)
7 gallons for a tank with a capacity of ten thousand (10,000) gallons
8 or more;

9 ~~16.~~ 17. "Delivery" means the placing of motor fuel or any
10 liquid into the fuel tank of a motor vehicle;

11 ~~17.~~ 18. "Destination state" means the state, territory, or
12 foreign country to which motor fuel is directed for delivery into a
13 storage facility, a receptacle, a container, or a type of
14 transportation equipment for the purpose of resale or use;

15 ~~18.~~ 19. "Diesel fuel" means any liquid, including but not
16 limited to, biodiesel, biodiesel blend or other diesel blended fuel,
17 that is commonly or commercially known or sold as a fuel that is
18 suitable for use in a diesel-powered highway vehicle. A liquid
19 meets this requirement if, without further processing or blending,
20 the liquid has practical and commercial fitness for use in the
21 propulsion engine of a diesel-powered highway vehicle. Except as
22 provided in subsection B of Section 500.4 of this title, "diesel
23 fuel" does not include jet fuel sold to a buyer who is registered
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1 with and certified by the Internal Revenue Service to purchase jet
2 fuel subject to the Internal Revenue Service;

3 ~~19.~~ 20. "Diesel-powered highway vehicle" means a motor vehicle
4 operated on a highway that is propelled by a diesel-powered engine;

5 ~~20.~~ 21. "Distributor" means a person who acquires motor fuel
6 from a supplier or from another distributor for subsequent sale or
7 use;

8 ~~21.~~ 22. "Dyed diesel fuel" means diesel fuel that is required
9 to be dyed pursuant to United States Environmental Protection Agency
10 rules or is dyed pursuant to Internal Revenue Service rules or
11 pursuant to any other requirements subsequently set by the United
12 States Environmental Protection Agency or Internal Revenue Service
13 including any invisible marker requirements;

14 ~~22.~~ 23. "Eligible purchaser" means a person who has been
15 authorized by the Commission pursuant to Section 500.23 of this
16 title to make the election pursuant to Section 500.22 of this title;

17 ~~23.~~ 24. "Enterer" includes any person who is the importer of
18 record, pursuant to federal customs law, with respect to motor fuel.
19 If the importer of record is acting as an agent, the person for whom
20 the agent is acting is the enterer. If there is no importer of
21 record of motor fuel entered into this state, the owner of the motor
22 fuel at the time it is brought into this state is the enterer;

23 ~~24.~~ 25. "Entry" means the importing of motor fuel into this
24 state. Motor fuel brought into this state in the fuel tank of a

1 motor vehicle shall not be deemed to be an "entry" if not removed
2 from the fuel tank except as used for the propulsion of that motor
3 vehicle, except to the extent that motor fuel was acquired tax free
4 for export or a refund of tax was claimed as a result of exportation
5 from the state from which that motor fuel was transported into this
6 state;

7 ~~25.~~ 26. "Export" means to obtain motor fuel in this state for
8 sale or other distribution in another state. In applying this
9 definition, motor fuel delivered out of state by or for the seller
10 constitutes an export by the seller and motor fuel delivered out of
11 state by or for the purchaser constitutes an export by the
12 purchaser;

13 ~~26.~~ 27. "Exporter" means any person, other than a supplier, who
14 purchases motor fuel in this state for the purpose of transporting
15 or delivering the fuel to another state or country;

16 ~~27.~~ 28. "Farm tractor" means all tractor-type, motorized farm
17 implements and equipment but shall not include motor vehicles of the
18 truck-type, pickup truck-type, automobiles, and other motor vehicles
19 required to be registered and licensed each year pursuant to the
20 provisions of the motor vehicle license and registration laws of
21 this state;

22 ~~28.~~ 29. "Fuel transportation vehicle" means any vehicle
23 designed for highway use which is also designed or used to transport
24 motor fuels and includes transport trucks and tank wagons;

1 ~~29.~~ 30. "Gasoline" means all products, including but not
2 limited to, gasoline blend stocks, commonly or commercially known or
3 sold as gasoline that are suitable for use as a motor fuel.
4 Gasoline does not include products that have an American Society for
5 Testing Materials ("A.S.T.M.") octane number of less than seventy-
6 five (75) as determined by the "motor method". Except as provided
7 in subsection B of Section 500.4 of this title, "gasoline" does not
8 include aviation gasoline provided that the buyer is registered to
9 purchase aviation gasoline free of tax and the seller obtains
10 certification of such fact satisfactory to the Commission prior to
11 making the sale;

12 ~~30.~~ 31. "Gasoline blend stocks" includes any petroleum product
13 component of gasoline, such as naphtha, reformate, or toluene, that
14 can be blended for use in a motor fuel. The term shall not include
15 any substance that will be ultimately used for consumer nonmotor-
16 fuel use and is sold or removed in drum quantities of 55 gallons or
17 less at the time of the removal or sale;

18 ~~31.~~ 32. "Gross gallons" means the total measured motor fuel,
19 exclusive of any temperature or pressure adjustments, in U.S.
20 gallons;

21 ~~32.~~ 33. "Heating oil" means a motor fuel that is burned in a
22 boiler, furnace, or stove for heating or industrial processing
23 purposes;

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1 ~~33.~~ 34. "Highway vehicle" means a self-propelled vehicle that
2 is designed for use on a highway;

3 ~~34.~~ 35. "Import" means to bring motor fuel into this state by
4 any means of conveyance other than in the fuel supply tank of a
5 motor vehicle. In applying this definition, motor fuel delivered
6 into this state from out of state by or for the seller constitutes
7 an import by the seller, and motor fuel delivered into this state
8 from out of state by or for the purchaser constitutes an import by
9 the purchaser;

10 ~~35.~~ 36. "Import verification number" means the number assigned
11 by the Commission with respect to a single transport truck delivery
12 into this state from another state upon request for an assigned
13 number by an importer or the transporter carrying motor fuel into
14 this state for the account of an importer;

15 ~~36.~~ 37. "In this state" means the area within the border of
16 this state, including all land within the borders of this state
17 owned by the United States of America;

18 ~~37.~~ 38. "Indian country" means:

19 a. land held in trust by the United States of America for
20 the benefit of a federally recognized Indian tribe or
21 nation,

22 b. all land within the limits of any Indian reservation
23 under the jurisdiction of the United States
24 Government, notwithstanding the issuance of any

1 patent, and including rights-of-way running through
2 the reservation,

3 c. all dependent Indian communities within the borders of
4 the United States whether within the original or
5 subsequently acquired territory thereof, and whether
6 within or without the limits of a state, and

7 d. all Indian allotments, the Indian titles to which have
8 not been extinguished, including individual allotments
9 held in trust by the United States or allotments owned
10 in fee by individual Indians subject to federal law
11 restrictions regarding disposition of said allotments
12 and including rights-of-way running through the same.

13 The term shall also include the definition of Indian country as
14 found in 18 U.S.C., Section 1151;

15 ~~38.~~ 39. "Indian tribe", "tribes", or "federally recognized
16 Indian tribe or nation" means an Indian tribal entity which is
17 recognized by the United States Bureau of Indian Affairs as having a
18 special relationship with the United States. The term shall also
19 include the definition of a tribe as defined in 25 U.S.C., Section
20 479a;

21 ~~39.~~ 40. "Invoiced gallons" means the gallons actually billed on
22 an invoice in payment to a supplier;

23 ~~40.~~ 41. "K-1 kerosene" means a petroleum product having an
24 A.P.I. gravity of not less than forty degrees (40°), at a

1 temperature of sixty degrees (60°) Fahrenheit and a minimum flash
2 point of one hundred degrees (100°) Fahrenheit with a sulphur
3 content not exceeding five one-hundredths percent (0.05%) by weight;

4 ~~41.~~ 42. "Liquid" means any substance that is liquid in excess
5 of sixty degrees (60°) Fahrenheit and a pressure of fourteen and
6 seven-tenths (14.7) pounds per square inch absolute;

7 ~~42.~~ 43. "Motor fuel" means gasoline, diesel fuel and blended
8 fuel;

9 ~~43.~~ 44. "Motor fuel transporter" means a person who transports
10 motor fuel outside the bulk terminal/transfer system by transport
11 truck or railroad tank car;

12 ~~44.~~ 45. "Motor vehicle" means every automobile, truck, truck-
13 tractor or any motor bus or self-propelled vehicle not operated or
14 driven upon fixed rails or tracks. The term does not include:

15 a. farm tractors or machinery including tractors and
16 machinery designed for off-road use but capable of
17 movement on roads at low speeds,

18 b. a vehicle operated on rails, or

19 c. machinery designed principally for off-road use;

20 ~~45.~~ 46. "Net gallons" means the motor fuel, measured in U.S.
21 gallons, when corrected to a temperature of sixty degrees (60°)
22 Fahrenheit (13° Celsius) and a pressure of fourteen and seven-tenths
23 (14.7) pounds per square inch (psi);

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1 ~~46.~~ 47. "Permissive supplier" means an out-of-state supplier
2 that elects, but is not required, to have a supplier's license
3 pursuant to Section 500.1 et seq. of this title;

4 ~~47.~~ 48. "Person" means natural persons, individuals,
5 partnerships, firms, associations, corporations, estates, trustees,
6 business trusts, syndicates, this state, any county, city,
7 municipality, school district or other political subdivision of the
8 state, federally recognized Indian tribe, or any corporation or
9 combination acting as a unit or any receiver appointed by any state
10 or federal court;

11 ~~48.~~ 49. "Position holder" means the person who holds the
12 inventory position in motor fuel in a terminal, as reflected on the
13 records of the terminal operator. A person holds the inventory
14 position in motor fuel when that person has a contract with the
15 terminal operator for the use of storage facilities and terminaling
16 services for fuel at the terminal. The term includes a terminal
17 operator who owns fuel in the terminal;

18 ~~49.~~ 50. "Public highway" means every road, toll road, highway,
19 street, way or place generally open to the use of the public as a
20 matter of right for the purposes of vehicular travel, including
21 streets and alleys of any town or city notwithstanding that the same
22 may be temporarily closed for construction, reconstruction,
23 maintenance or repair;

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1 ~~50.~~ 51. "Qualified terminal" means a terminal designated as a
2 qualified terminal pursuant to the Internal Revenue Code, regulation
3 and practices and which has been assigned a terminal control number
4 ("tcn") by the Internal Revenue Service;

5 ~~51.~~ 52. "Rack" means a mechanism for delivering motor fuel from
6 a refinery, a terminal, or a bulk plant into a railroad tank car, a
7 transport truck or other means of bulk transfer outside of the bulk
8 transfer/terminal system;

9 ~~52.~~ 53. "Refiner" means any person that owns, operates, or
10 otherwise controls a refinery within the United States;

11 ~~53.~~ 54. "Refinery" means a facility used to produce motor fuel
12 from crude oil, unfinished oils, natural gas liquids, or other
13 hydrocarbons and from which motor fuel may be removed by pipeline,
14 by vessel, or at a rack;

15 ~~54.~~ 55. "Removal" means any physical transfer other than by
16 evaporation, loss, or destruction of motor fuel from a terminal,
17 manufacturing plant, customs custody, pipeline, marine vessel such
18 as a barge or tanker, refinery or any receptacle that stores motor
19 fuel;

20 ~~55.~~ 56. "Retailer" means a person that engages in the business
21 of selling or distributing to the consumer within this state;

22 ~~56.~~ 57. "Supplier" means a person that is:
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1 a. registered pursuant to Section 4101 of the Internal
2 Revenue Code for transactions in motor fuels in the
3 bulk transfer/terminal distribution system, and

4 b. one of the following:

5 (1) the position holder in a terminal or refinery in
6 this state,

7 (2) imports motor fuel into this state from a foreign
8 country,

9 (3) acquires motor fuel from a terminal or refinery
10 in this state from a position holder pursuant to
11 a two-party exchange, or

12 (4) the position holder in a terminal or refinery
13 outside this state with respect to motor fuel
14 which that person imports into this state on the
15 account of that person.

16 A terminal operator shall not be considered a supplier based solely
17 on the fact that the terminal operator handles motor fuel consigned
18 to it within a terminal. "Supplier" also means a person that
19 produces alcohol or alcohol derivative substances in this state,
20 produces alcohol or alcohol derivative substances for import to this
21 state into a terminal, or acquires upon import by truck, railcar or
22 barge into a terminal or refinery, alcohol or alcohol derivative
23 substances. "Supplier" includes a permissive supplier unless
24 specifically provided otherwise;

1 ~~57.~~ 58. "Tank wagon" means a straight truck having multiple
2 compartments designed or used to carry motor fuel;

3 ~~58.~~ 59. "Terminal" means a storage and distribution facility
4 for motor fuel, supplied by pipeline or marine vessel which is
5 registered as a qualified terminal by the Internal Revenue Service
6 and from which motor fuel may be removed at a rack;

7 ~~59.~~ 60. "Terminal bulk transfers" include but are not limited
8 to the following:

9 a. a marine barge movement of fuel from a refinery or
10 terminal to a terminal,

11 b. pipeline movements of fuel from a refinery or terminal
12 to a terminal,

13 c. book transfers of product within a terminal between
14 suppliers prior to completion of removal across the
15 rack, and

16 d. two-party exchanges between licensed suppliers;

17 ~~60.~~ 61. "Terminal operator" means any person that owns,
18 operates, or otherwise controls a terminal, and does not use a
19 substantial portion of the motor fuel that is transferred through or
20 stored in the terminal for its own use or consumption or in the
21 manufacture of products other than motor fuel. A terminal operator
22 may own the motor fuel that is transferred through or stored in the
23 terminal;

24 ~~61.~~ 62. "Throughputter" means any person that:

- 1 a. receives transfer of motor fuel from refiners,
2 importers, terminal operators, or other
3 throughputters,
4 b. stores the motor fuel in a terminal, and
5 c. owns the motor fuel or holds the inventory position to
6 the motor fuel, as reflected on the records of the
7 terminal operator, at the time of removal or sale from
8 a terminal;

9 ~~62.~~ 63. "Transmix" means the buffer or interface between two
10 different products in a pipeline shipment, or a mix of two different
11 products within a refinery or terminal that results in an off-grade
12 mixture;

13 ~~63.~~ 64. "Transport truck" means a semitrailer combination rig
14 designed or used for the purpose of transporting motor fuel over the
15 highways;

16 ~~64.~~ 65. "Transporter" means any operator of a pipeline, barge,
17 railroad or transport truck engaged in the business of transporting
18 motor fuels;

19 ~~65.~~ 66. "Two-party exchange" means a transaction in which the
20 motor fuel is transferred from one licensed supplier or licensed
21 permissive supplier to another licensed supplier or licensed
22 permissive supplier and:

- 23 a. which transaction includes a transfer from the person
24 that holds the original inventory position for motor

1 fuel in the terminal as reflected on the records of
2 the terminal operator, and

3 b. the exchange transaction is simultaneous with removal
4 from the terminal by the receiving exchange partner.

5 However, in any event, the terminal operator in the books and
6 records of such terminal operator treats the receiving exchange
7 party as the supplier which removes the product across a terminal
8 rack for purposes of reporting such events to this state;

9 ~~66.~~ 67. "Ultimate vendor" means a person that sells motor fuel
10 to the consumer;

11 ~~67.~~ 68. "Undyed diesel fuel" means diesel fuel that is not
12 subject to the United States Environmental Protection Agency dyeing
13 requirements, or has not been dyed in accordance with Internal
14 Revenue Service fuel dyeing provisions;

15 ~~68.~~ 69. "Vehicle fuel tank" means any receptacle on a motor
16 vehicle from which fuel is supplied for the propulsion of the motor
17 vehicle; and

18 ~~69.~~ 70. "Wholesaler" means a person that acquires motor fuel
19 from a supplier or from another wholesaler for subsequent sale and
20 distribution at wholesale.

21 SECTION 3. AMENDATORY 68 O.S. 2001, Section 500.4, is
22 amended to read as follows:

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1 Section 500.4 A. A tax is imposed on all gasoline, compressed
2 natural gas, and all diesel fuel used or consumed in this state as
3 follows:

- 4 1. Gasoline, sixteen cents (\$0.16) per gallon; ~~and~~
- 5 2. Diesel fuel, thirteen cents (\$0.13) per gallon; and
- 6 3. Compressed natural gas, five cents (\$0.05) per gasoline
7 gallons equivalent (gge) until the credit authorized pursuant to the
8 provisions of paragraph 1 of subsection A of Section 2357.22 of this
9 title expires. Upon the expiration of the credit authorized
10 pursuant to the provisions of paragraph 1 of subsection A of Section
11 2357.22 of this title, the rate of tax imposed upon compressed
12 natural gas shall be equal to the tax rate imposed on diesel fuel
13 using gasoline gallons equivalent (gge).

14 B. A tax is imposed on all gasoline, diesel fuel and kerosene
15 used or consumed in this state for use as fuel to generate power in
16 aircraft engines or for training, testing or research on aircraft
17 engines in the amount of eight one-hundredths of one cent (\$0.0008)
18 per gallon. All gasoline, diesel fuel and kerosene sold for use
19 under this subsection shall not be subject to the excise tax levied
20 in subsection A of this section.

21 C. Notwithstanding any exemption provided in Section 500.1 et
22 seq. of this title, all gasoline used or consumed in this state for
23 use as fuel for farm tractors or stationary engines and used
24 exclusively for agricultural purposes shall be subject to a tax in

1 the amount of two and eight one-hundredths cents (\$0.0208) per
2 gallon. All gasoline sold for use pursuant to this subsection shall
3 not be subject to the excise tax levied in subsection A of this
4 section. The term "farm tractor", as used herein, shall include all
5 tractor-type, motorized farm implements and equipment but shall not
6 include motor vehicles of the truck-type, pickup truck-type,
7 automobiles and other motor vehicles required to be registered and
8 licensed each year under the Oklahoma Vehicle License and
9 Registration Act.

10 D. It is the intent of this section to amend, revise,
11 incorporate and recodify the tax imposed on motor fuel and that the
12 tax shall be conclusively presumed to be a direct tax and shall be a
13 direct tax on the retail or ultimate consumer precollected for the
14 purpose of convenience and facility to the consumer. The levy and
15 assessment on other persons as specified in this act shall be as
16 agents of the state for the precollection of the tax. The
17 provisions of this section shall in no way affect the method of
18 collecting the tax as provided in this act. The tax imposed by this
19 section shall be collected and paid at those times, in the manner,
20 and by those persons specified in this act.

21 SECTION 4. AMENDATORY 68 O.S. 2001, Section 500.6, as
22 last amended by Section 1, Chapter 256, O.S.L. 2010 (68 O.S. Supp.
23 2010, Section 500.6), is amended to read as follows:

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1 Section 500.6 A. The tax of sixteen cents (\$0.16) per gallon
2 of gasoline that is levied by paragraph 1 of subsection A of Section
3 500.4 of this title, the tax upon compressed natural gas levied by
4 paragraph 3 of subsection A of Section 500.4 of this title, and the
5 tax of two and eight one-hundredths cents (\$0.0208) per gallon of
6 gasoline that is levied by subsection C of Section 500.4 of this
7 title, and penalties and interest thereon, collected by the Oklahoma
8 Tax Commission under the levy shall be apportioned and distributed
9 monthly as follows:

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

13 2. One and six hundred twenty-five one-thousandths percent
14 (1.625%) of the levy shall be remitted to the State Treasurer to the
15 credit of the High Priority State Bridge Revolving Fund as created
16 in Section 506 of Title 69 of the Oklahoma Statutes;

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

20 a. the first Eight Hundred Fifty Thousand Dollars
21 (\$850,000.00) collected each fiscal year shall be
22 transferred to the Public Transit Revolving Fund,
23 created in Section 4031 of Title 69 of the Oklahoma
24 Statutes, and

1 b. the second Eight Hundred Fifty Thousand Dollars
2 (\$850,000.00) collected each fiscal year shall be
3 transferred to the Oklahoma Tourism and Passenger Rail
4 Revolving Fund and shall be used by the Department of
5 Transportation:

6 (1) to contract railroad passenger services,
7 including but not limited to a route linking
8 stations in Oklahoma and Tulsa Counties with
9 other primary points in the national railroad
10 passenger system and passenger rail service
11 within the state, and a route beginning at a
12 station in Oklahoma County and extending north to
13 the Kansas state line in Kay County, and

14 (2) to provide necessary facility, signaling, and
15 track improvements for those contracted services,

16 c. forty-one and two-tenths percent (41.2%) of the monies
17 apportioned to the State Transportation Fund shall be
18 used for any purpose provided for in Section 1502 of
19 Title 69 of the Oklahoma Statutes,

20 d. nine and eight-tenths percent (9.8%) of the monies
21 apportioned to the State Transportation Fund shall be
22 used to provide funds for the construction and
23 maintenance of farm-to-market roads on the state
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1 highway system, and other rural farm-to-market roads
2 and bridges, and

3 e. any remaining amount of the apportionment shall be
4 deposited into the State Transportation Fund;

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

8 a. sixty-five and three-tenths percent (65.3%) of the
9 monies apportioned under this paragraph shall be used
10 on the following basis:

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

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

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1 b. twenty-three and one-tenth percent (23.1%) of the
2 monies apportioned under this paragraph shall be
3 distributed to the counties in the following manner:
4 One-third (1/3) on area; one-third (1/3) on rural
5 population, defined as including the population of all
6 municipalities with a population of less than five
7 thousand (5,000) according to the latest Federal
8 Decennial Census; and one-third (1/3) on county road
9 mileage, as last certified by the Department of
10 Transportation, as each county bears to the entire
11 area, rural population and road mileage of the state,
12 and

13 c. eleven and six-tenths percent (11.6%) of the monies
14 apportioned under this paragraph shall be distributed
15 to the various counties of the state based on a
16 formula developed by the Department of Transportation
17 and approved by the Department of Transportation
18 County Advisory Board created pursuant to Section
19 302.1 of Title 69 of the Oklahoma Statutes. The
20 formula shall be similar to the formula currently used
21 for the distribution of monies in the County Bridge
22 Program funds, but shall also take into consideration
23 the effect of the terrain and traffic volume as
24

1 related to county road improvement and maintenance
2 costs;

3 5. Three and one hundred twenty-five one-thousandths percent
4 (3.125%) of the levy shall be distributed to the various counties of
5 the state based on a formula developed by the Department of
6 Transportation and approved by the Department of Transportation
7 County Advisory Board created pursuant to Section 302.1 of Title 69
8 of the Oklahoma Statutes. The formula shall be similar to the
9 formula currently used for the distribution of monies in the County
10 Bridge Program funds, but shall also take into consideration the
11 effect of the terrain and traffic volume as related to county road
12 improvement and maintenance costs;

13 6. Two and two hundred ninety-seven one-thousandths percent
14 (2.297%) of the levy shall be distributed to the various counties of
15 the state for deposit into the County Bridge and Road Improvement
16 Fund of each county based on a formula developed by the Department
17 of Transportation and approved by the Department of Transportation
18 County Advisory Board created pursuant to Section 302.1 of Title 69
19 of the Oklahoma Statutes to be used for the purposes set forth in
20 the County Bridge and Road Improvement Act. The formula shall be
21 similar to the formula currently used for the distribution of monies
22 in the County Bridge Program funds, but shall also take into
23 consideration the effect of the terrain and traffic volume as
24 related to county road improvement and maintenance costs;

1 7. One and eight hundred seventy-five one-thousandths percent
2 (1.875%) of the levy shall be transmitted by the Tax Commission to
3 the treasurers of the various incorporated cities and towns of the
4 state in the percentage which the population, as shown by the last
5 Federal Decennial Census or the most recent annual estimate provided
6 by the U.S. Bureau of the Census, bears to the total population of
7 all the incorporated cities and towns in this state. The funds
8 shall be expended for the construction, repair and maintenance of
9 the streets and alleys of the incorporated cities and towns of this
10 state; and

11 8. Three hundred twenty-eight one-thousandths percent (0.328%)
12 of the levy shall be transmitted by the Tax Commission to the
13 Statewide Circuit Engineering District Revolving Fund as created in
14 Section 687.2 of Title 69 of the Oklahoma Statutes.

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

23 2. The funds received by any county shall not be diverted to
24 any other county of the state, and shall only be expended under the

1 direction and control of the board of county commissioners in the
2 county to which the funds are appropriated. If any part of the
3 funds is diverted for any other purpose, the county commissioners
4 shall be liable on their bond for double the amount of the money so
5 diverted. This paragraph shall not prohibit counties from entering
6 into cooperative agreements pertaining to the maintenance and
7 construction of roads and bridges.

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

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

1 amount sufficient to pay the salaries of the county commissioners of
2 the county for the fiscal year.

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

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

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

15 2. If any county has an accrued balance of funds which were
16 appropriated to or otherwise accrued in the County Road Improvement
17 Fund, or the County Bridge Improvement Fund, such funds shall, by
18 resolution approved by a majority of the board of county
19 commissioners and filed with the Department of Transportation, be
20 deposited in the county highway fund of the county;

21 3. If any county has an accrued balance of funds which were
22 appropriated to or otherwise accrued in the County Bridge and Road
23 Improvement Fund, ninety-nine percent (99%) of such funds shall be
24 remitted to the respective county treasurer for deposit in the

1 appropriate County Bridge and Road Improvement Fund to be used for
2 the purpose set forth in the County Bridge and Road Improvement Act.
3 The remaining one percent (1%) of such funds will be remitted to the
4 Statewide Circuit Engineering District Revolving Fund; and

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

18 D. The tax levied on gasoline pursuant to Section 500.4A of
19 this title, and the penalties and interest thereon, collected by the
20 Tax Commission under the levy shall be apportioned and distributed
21 on a monthly basis to the State Highway Construction and Maintenance
22 Fund for the purposes authorized by Section 1502 of Title 69 of the
23 Oklahoma Statutes.

24

1 SECTION 5. AMENDATORY 68 O.S. 2001, Section 500.28, as
2 amended by Section 3, Chapter 327, O.S.L. 2006 (68 O.S. Supp. 2010,
3 Section 500.28), is amended to read as follows:

4 Section 500.28 A. In the event the tax imposed by Section
5 500.4 of this title is not otherwise precollected, the tax shall be
6 collected:

7 1. Upon the first receipt of motor fuel when received from a
8 source outside of the state by any wholesaler, retailer or end-user
9 and the tax is imposed upon, and shall be the liability of, any such
10 wholesaler, retailer or end-user who first received the motor fuel
11 into the state; ~~and~~

12 2. Upon the first sale or use of motor fuel when produced in
13 this state by any person and the tax is imposed upon the first sale
14 or use by such person. The tax is imposed upon, and shall be the
15 liability of, the producer of the motor fuel; and

16 3. Upon the first sale of compressed natural gas by a
17 wholesaler to a retailer or end-user and the tax is imposed upon,
18 and shall be the liability of any such wholesaler to remit the same
19 to the Tax Commission on or before the same date and in the same
20 manner as provided in Section 500.20 of this title.

21 B. In the event the tax imposed by Section 500.4 of this title
22 is not otherwise precollected or collected pursuant to the
23 provisions of subsection A of this section, it shall be collected
24 from the ultimate consumer in accordance with regulations

1 promulgated by the Commission, for the use of motor fuel on the
2 highways by any consumer, unless such person is otherwise exempted
3 pursuant to paragraphs 5, 6 and 7 of Section 500.10 of this title,
4 upon the delivery into the fuel supply tank of a highway vehicle of,
5 including, but not limited to:

6 1. Any diesel fuel that contains a dye; or

7 2. Any motor fuel on which a claim for refund has been made.

8 C. The ultimate vendor of motor fuel, other than a federally
9 recognized Indian tribe, shall be jointly and severally liable for
10 the backup tax precollected by subsection A of this section if the
11 ultimate vendor knows or has reason to know that the motor fuel, as
12 to which tax imposed by this act has not been paid, is or will be
13 consumed in a nonexempt use.

14 SECTION 6. AMENDATORY 68 O.S. 2001, Section 500.33, is
15 amended to read as follows:

16 Section 500.33 A. Each supplier engaged in business in this
17 state as a supplier shall first obtain a supplier's license.

18 B. Any person who desires to precollect the tax imposed by this
19 act as a supplier and who meets the definition of a permissive
20 supplier may obtain a permissive supplier's license. Application
21 for or possession of a permissive supplier's license shall not in
22 itself subject the applicant or licensee to the jurisdiction of this
23 state for any other purpose than administration and enforcement of
24 this act.

1 C. Each terminal operator, other than a supplier licensed under
2 subsection A of this section, engaged in business in this state as a
3 terminal operator shall first obtain a terminal operator's license
4 for each terminal site.

5 D. Each person, except suppliers, desiring to export motor fuel
6 to a destination outside of this state shall first obtain an
7 exporter's license. The state shall require that any exporter who
8 exports product to another state without first paying the motor fuel
9 tax of that destination state to the supplier shall first obtain an
10 exporter's license.

11 E. Each person who is not licensed as a supplier or bonded
12 importer shall obtain a transporter's license before transporting
13 motor fuel by whatever manner from a point outside this state to a
14 point inside this state, or from a point inside this state to a
15 point outside this state, regardless of whether the person is
16 engaged for hire in interstate commerce or for hire in intrastate
17 commerce.

18 F. 1. Each person desiring to deliver motor fuel into this
19 state on behalf of such person, for the account of that person, or
20 for resale to a purchaser in this state, from another state in a
21 fuel transport truck or in a pipeline or barge shipment into storage
22 facilities other than a qualified terminal, shall first make
23 application for and obtain either an occasional importer's license,
24 or a bonded importer's license.

1 2. Paragraph 1 of this subsection shall not apply to persons
2 who exclusively import motor fuel which is exempted because in
3 accordance with paragraph 16 of Section ~~40~~ 500.10 of this ~~act~~ title
4 it has been dyed.

5 3. Paragraph 1 of this subsection shall not apply to persons
6 who import nonexempt motor fuels meeting the following conditions:

7 a. all of the motor fuel is subject to one or more tax
8 precollection agreements with suppliers as provided
9 under Section ~~49~~ 500.19 of this ~~act~~ title,

10 b. all of the motor fuel tax precollected by the supplier
11 is expressly evidenced on the terminal-issued shipping
12 paper as more specifically provided under Section ~~44~~
13 500.44 of this ~~act~~ title, and

14 c. the Commission has determined that all border states
15 have adopted terminal reporting requirements adequate
16 for the mutual enforcement of this act.

17 4. A person desiring to import motor fuel to a destination in
18 this state from another specific terminal source state, and who has
19 not entered into an agreement to prepay the motor fuel tax of this
20 state to the supplier or permissive supplier with respect to the
21 imports, shall obtain a valid occasional importer's license, or
22 subject to the bonding requirements of subsection B of Section ~~35~~
23 500.35 of this ~~act~~ title, a valid bonded importer's license under
24 paragraph 1 of this subsection. In either event, the person shall:

- 1 a. obtain an import verification number from the
2 Commission no sooner than twenty-four (24) hours prior
3 to entering the state for each separate import into
4 this state, but in any event the number shall be
5 obtained prior to entering this state, and
6 b. display the handwritten import verification number on
7 the terminal-issued shipping document required under
8 Section ~~50~~ 500.50 of this ~~act~~ title, and
9 c. comply with the payment requirements under Section ~~18~~
10 500.18 of this ~~act~~ title, whichever is applicable.

11 5. The importers' licenses issued pursuant to this section
12 shall be specific to each source of supply state, and in the event
13 that the other terminal source of supply state shall have adopted
14 reciprocal legislation, or a multi-state compact, providing for
15 collection of destination state tax by the terminal supplier in
16 accordance with terminal-issued shipping papers designating the
17 intended state of destination, then the importer shall be ineligible
18 for a license to import motor fuel outside the bulk transfer system
19 from the other state, and any license to so import from the other
20 state shall be rendered invalid.

21 G. Each person who is an importer of motor fuel into this state
22 by a tank wagon operating out of or controlling a bulk plant in
23 another state, if the destination of that tank wagon is within
24 twenty-five (25) miles of the border of this state, shall make

1 application for and obtain a license from the Commission prior to
2 engaging in such importation activities. However, registration as a
3 tank wagon operator-importer shall not constitute authorization of
4 such persons to acquire nonexempt motor fuel free of the tax imposed
5 by this act at a terminal either within this state or without this
6 state for direct delivery to a location in this state. Any person
7 who possesses a valid importer's license shall be eligible as a tank
8 wagon operator-importer without issuance of a separate license
9 provided the importer also operates one or more bulk plants outside
10 this state. Operators of a tank wagon delivering a product into
11 this state more than twenty-five (25) miles from the border shall be
12 required to apply for an importer's license under subsection F of
13 this section.

14 H. 1. Each person who engages in the business of selling motor
15 fuel or compressed natural gas at wholesale or retail, or storing or
16 distributing motor fuel or compressed natural gas for resale within
17 this state, shall first obtain a fuel vendor license which shall be
18 operative for all locations controlled or operated by that licensee
19 in this state or in any other state from which the person removes
20 fuel for delivery and use in this state.

21 2. Each fuel vendor shall maintain detailed records of all
22 purchases and sales for a period of not less than three (3) years.

23 3. All fuel vendor records shall be maintained in English and
24 Arabic numerals or language acceptable to electronic formats.

1 4. The Commission may, in its discretion, exempt from paragraph
2 1 of this subsection any or all classes of persons who possess a
3 valid supplier, terminal operator, carrier, importer, tank wagon
4 operator or exporter license.

5 SECTION 7. AMENDATORY 68 O.S. 2001, Section 701, is
6 amended to read as follows:

7 Section 701. The following words and phrases when used in this
8 act are hereby defined as follows:

9 (a) The term "motor vehicle" or "vehicle" means and includes
10 any automobile, truck, truck-tractor, bus, vehicle or mechanical
11 contrivance which is propelled by an internal combustion engine or
12 motor and not used in the air or upon fixed rails or tracks.

13 (b) The term "person" means and includes every natural person,
14 fiduciary, individual, partnership, firm, association, limited
15 liability company, corporation, business trust, or combination
16 acting as a unit, or any receiver appointed by any state or federal
17 court, and the use of the singular number shall include the plural.
18 Whenever used in any clause prescribing and imposing a fine or
19 imprisonment or both, the term "person" as applied to an association
20 means and includes the parties or members thereof, and as applied to
21 corporations, the officers thereof.

22 (c) "Commission" or "Tax Commission" means the Oklahoma Tax
23 Commission.

24

1 (d) The term "special fuel" or "fuel" means and includes all
2 combustible gases and liquids, including liquefied gases, which
3 exist in the gaseous state at a temperature of sixty (60) degrees
4 Fahrenheit and at a pressure of fourteen and seven-tenths (14.7)
5 pounds per square inch absolute, but the term does not include
6 compressed natural gas subject to the levy of tax pursuant to
7 paragraph 3 of subsection A of Section 500.4 of this title.

8 (e) The term "use" shall mean and include the following: (1)
9 the delivery or placing of special fuel into the fuel supply tank or
10 tanks of any motor vehicle in this state for use in whole or in part
11 to propel such vehicle on the public highways of this state; (2) the
12 consumption on the public highways of Oklahoma of any special fuel
13 imported into this state in the fuel supply tank or tanks of any
14 motor vehicle using the public highways of this state for commercial
15 purposes; (3) the consumption of special fuel in any type of motor
16 vehicle on the public highways of this state for any purpose by any
17 person who refuses to divulge the source of such fuel.

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

1 (g) The term "gallon" means one (1) United States standard
2 gallon at a temperature of sixty (60) degrees Fahrenheit.

3 (h) The term "special fuel dealer" shall mean any person
4 engaged in the business of handling special fuel who delivers any
5 part thereof into the fuel supply tank or tanks of any motor
6 vehicle.

7 (i) The term "special fuel user" shall mean and include any
8 person other than a special fuel dealer, who uses special fuel in
9 this state, within the meanings of the word "use" as defined in this
10 act, and shall include any person who consumes special fuel to
11 propel a motor vehicle upon the public highways of this state when
12 such special fuel has been purchased or obtained from any source
13 free from the payment to this state of the tax levied by this act.

14 SECTION 8. AMENDATORY 68 O.S. 2001, Section 723, is
15 amended to read as follows:

16 Section 723. A. In lieu of the special fuel tax imposed by
17 Sections 703, 705, 707.1, 707.2 and 707.3 of this title, there is
18 hereby levied a flat fee of Fifty Dollars (\$50.00) on each passenger
19 automobile, and on each pickup truck or van not exceeding one (1)
20 ton in capacity, using liquefied petroleum gas or natural gas as
21 fuel, except that no such fee shall be levied on any vehicle which
22 is the subject of an exemption pursuant to Section 708 of this
23 title. Provided that, should the passenger automobile, pickup truck
24 or van have been acquired or should the liquefied petroleum gas or

1 natural gas system be installed on or after July 1, the flat fee
2 shall be Twenty-five Dollars (\$25.00) for the remainder of the
3 calendar year, except as hereinafter provided.

4 B. Beginning January 1, 1991, in lieu of the special fuel tax
5 imposed by Sections 703, 705, 707.1, 707.2 and 707.3 of this title,
6 there is hereby levied a flat fee of One Hundred Dollars (\$100.00)
7 on each passenger automobile, and on each pickup truck or van not
8 exceeding one (1) ton in capacity, using ~~compressed natural gas,~~
9 liquefied natural gas, methanol or "M-85" which is a mixture of
10 methanol and gasoline containing at least eighty-five percent (85%)
11 methanol as fuel, except that no such fee shall be levied on any
12 vehicle which is the subject of an exemption pursuant to Section 708
13 of this title. Provided that, should the passenger automobile,
14 pickup truck or van have been acquired or should the ~~compressed~~
15 ~~natural gas,~~ liquefied natural gas, methanol or "M-85" system be
16 installed on or after July 1, the flat fee shall be Fifty Dollars
17 (\$50.00) for the remainder of the calendar year, except as
18 hereinafter provided.

19 C. ~~Beginning January 1, 1993, in~~ In lieu of the special fuel
20 tax imposed by Sections 703, 705, 707.1, 707.2 and 707.3 of this
21 title, there is hereby levied a flat fee of One Hundred Fifty
22 Dollars (\$150.00) on each vehicle exceeding one (1) ton in capacity,
23 using liquefied petroleum gas, ~~compressed natural gas,~~ liquefied
24 natural gas, methanol or "M-85" as fuel, except that no such fee

1 shall be levied on any vehicle which is the subject of an exemption
2 pursuant to Section 708 of this title. Provided that, should the
3 vehicle be acquired or should the ~~compressed natural gas~~, liquefied
4 natural gas, methanol or "M-85" system be installed on or after July
5 1, the flat fee shall be Seventy-five Dollars (\$75.00) for the
6 remainder of the calendar year, except as hereinafter provided.

7 D. Every person operating a vehicle using liquefied petroleum
8 gas, liquefied natural gas, ~~compressed natural gas~~, methanol or "M-
9 85" as fuel shall make application for and obtain a decal to be
10 issued on a yearly basis by the Oklahoma Tax Commission on forms
11 prescribed and furnished by the Tax Commission.

12 E. Every person required to make application for and receive a
13 decal under this section shall, at the time of making said
14 application, remit to the Tax Commission the total amount of the fee
15 due.

16 F. Each decal issued by the Tax Commission pursuant to the
17 provisions of this section, shall expire on December 31 of every
18 year, and in addition thereto said decals shall be displayed in the
19 lower right hand corner of the front windshield of said vehicle.
20 Upon receipt of satisfactory proof by the Tax Commission that it has
21 become necessary to replace the windshield of the vehicle for which
22 the decal was issued, another decal shall be issued by the Tax
23 Commission as a replacement for a fee of One Dollar (\$1.00).

24

1 G. When any vehicle using liquefied petroleum gas, liquefied
2 natural gas, ~~compressed natural gas~~, methanol or "M-85" as fuel and
3 displaying a current decal as provided in this section is sold, such
4 decal shall remain with the vehicle sold, unless the equipment
5 installed to enable the vehicle to use liquefied petroleum gas,
6 liquefied natural gas, ~~compressed natural gas~~, methanol or "M-85"
7 has been removed from the vehicle before the sale.

8 H. When the aforementioned equipment has been removed before
9 the sale, the seller of the vehicle shall also remove the decal
10 required of vehicles using liquefied petroleum gas, liquefied
11 natural gas, ~~compressed natural gas~~, methanol or "M-85". The
12 removed decal, a receipt from the Oklahoma Tax Commission showing
13 that the fee required has been paid for the current year, and the
14 payment of a one-dollar fee for duplicate decal shall entitle the
15 seller to make application for and obtain a new decal to be used for
16 the remainder of the year on any vehicle using liquefied petroleum
17 gas, liquefied natural gas, ~~compressed natural gas~~, methanol or "M-
18 85" in accordance with the provisions of this section.

19 I. Provisions contained in Sections 701 through 721 of this
20 title shall not apply to any vehicle using liquefied petroleum gas,
21 liquefied natural gas, ~~compressed natural gas~~, methanol or "M-85".

22 J. All funds derived from the fee imposed by subsection A of
23 this section shall be deposited annually in the General Revenue Fund
24 of the State Treasury by the Tax Commission. When any person fails

1 to obtain a current decal within thirty (30) days of the date said
2 decal is required as provided in this section, there shall become
3 due and payable a penalty of twenty percent (20%) of the fee in
4 addition to the fee. Said penalty to be deposited in the same
5 manner as the fee pursuant to this subsection.

6 K. All funds derived from the fee imposed by subsections B and
7 C of this section shall be collected by the Oklahoma Tax Commission
8 and apportioned annually to the State Transportation Fund. When any
9 person fails to obtain a current decal within thirty (30) days of
10 the date such decal is required as provided in this section, there
11 shall become due and payable a penalty of twenty percent (20%) of
12 the fee in addition to the fee. Such penalty shall be deposited in
13 the same manner as the fee pursuant to this subsection.

14 SECTION 9. NEW LAW A new section of law not to be
15 codified in the Oklahoma Statutes reads as follows:

16 Until the effective date of this act, the Oklahoma Tax Commission
17 shall presume that all sales of compressed natural gas for use in a
18 vehicle for fuel shall have been delivered into the fuel supply
19 system of a vehicle bearing a decal issued by the Tax Commission
20 pursuant to the provisions of Section 723 of Title 68 of the Oklahoma
21 Statutes.

22 SECTION 10. This act shall become effective January 1, 2012.

23 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 4-5-11 - DO PASS,
24 As Amended.