

1 **SENATE FLOOR VERSION**

2 March 1, 2012

3 As Amended

4 SENATE BILL NO. 1336

5 By: Branam and Ivester of the
6 Senate

7 and

8 Shannon of the House

9 **[Petroleum Storage Tank Indemnity Fund - assessment
10 on motor fuel - termination date -
11 emergency]**

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

13 SECTION 1. AMENDATORY 17 O.S. 2011, Section 354, is
14 amended to read as follows:

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

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

22 2. The Petroleum Storage Tank Indemnity Fund pursuant to
23 paragraphs 3 and 4 of subsection C of this section;

1 3. The State Transportation Fund pursuant to subparagraph b of
2 paragraph 5 of subsection C of this section;

3 4. The Corporation Commission Storage Tank Regulation Revolving
4 Fund pursuant to subparagraph a of paragraph 5 of subsection C of
5 this section;

6 5. The Department of Environmental Quality Revolving Fund
7 pursuant to paragraph 2 of subsection C of this section; and

8 6. The Higher Education Facilities Revolving Fund pursuant to
9 paragraph 3 of subsection C of this section.

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

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

- 17 a. the state government,
18 b. the federal government,
19 c. class I and class II railroads, and
20 d. sales for exportation outside of this state by a
21 licensed exporter.

22 2. Exempt from the assessment imposed for purposes specified in
23 paragraph 3 of subsection A of this section are sales of:
24

- 1 a. motor fuel used solely and exclusively in district-
2 owned or leased public school buses, FFA and 4-H club
3 trucks for the purposes of legally transporting public
4 school children, or in the operation of vehicles used
5 in driver training,
- 6 b. motor fuels used solely and exclusively to propel
7 motor vehicles on the public roads and highways of
8 this state when leased or owned and being operated for
9 the sole benefit of a county, city, town, volunteer
10 fire department with a state certification and rating,
11 rural electric cooperative, rural water and sewer
12 district, rural ambulance service district, or
13 federally recognized Indian tribe as specified by
14 Section 500.10 of Title 68 of the Oklahoma Statutes,
- 15 c. motor fuel to counties and cities and towns,
- 16 d. diesel fuel for off-road purposes specified by Section
17 500.10 of Title 68 of the Oklahoma Statutes,
- 18 e. motor fuel used for agricultural purposes specified by
19 Section 500.10 of Title 68 of the Oklahoma Statutes,
20 and
- 21 f. motor fuel used in aircraft or in aircraft engines
22 pursuant to Section 500.10 of Title 68 of the Oklahoma
23 Statutes.
- 24

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

3 1. The first One Million Dollars (\$1,000,000.00) collected
4 during each fiscal year shall be deposited into the Corporation
5 Commission Revolving Fund created in Section 180.7 of this title;

6 2. After deduction of the amount required pursuant to paragraph
7 1 of this subsection, eight percent (8%) of the remainder of the
8 revenue collected during each fiscal year shall be deposited into
9 the Department of Environmental Quality Revolving Fund created in
10 Section 2-3-401 of Title 27A of the Oklahoma Statutes;

11 3. Until the total amount deposited since July 1, 2008, in the
12 State Transportation Fund totals Fifty-one Million Dollars
13 (\$51,000,000.00), Five Hundred Thousand Dollars (\$500,000.00) per
14 month of all revenue from the assessment received over the amount
15 required by paragraphs 1 and 2 of this subsection shall be deposited
16 in the Weigh Station Improvement Revolving Fund, created in Section
17 1167 of Title 47 of the Oklahoma Statutes and shall be used solely
18 for the purpose of constructing weigh stations;

19 4. After the total amount deposited in the Weigh Station
20 Improvement Revolving Fund totals Fifty-one Million Dollars
21 (\$51,000,000.00), any revenue from the assessment received over the
22 amounts required in paragraphs 1 and 2 of this subsection shall be
23 deposited in the Petroleum Storage Tank Indemnity Fund created in
24 Section 353 of this title in amounts necessary to maintain the

1 maintenance level of the Indemnity Fund pursuant to subsection D of
2 this section; and

3 5. The balance of any revenue from the assessment remaining
4 above the amount required in paragraphs 1 through 4 of this
5 subsection shall be deposited as follows:

6 a. the first One Million Dollars (\$1,000,000.00)
7 collected during each fiscal year shall be deposited
8 in the Corporation Commission Storage Tank Regulation
9 Revolving Fund for the purpose of implementing the
10 provisions of the Oklahoma Storage Tank Regulation Act
11 and the rules promulgated thereunder, and

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

17 D. 1. If at any time the Petroleum Storage Tank Indemnity Fund
18 falls below the required maintenance level on or before December 31,
19 ~~2012~~ 2022, the Administrator shall notify the Tax Commission that
20 the Indemnity Fund has fallen below the required maintenance level
21 and that the assessment is to be deposited into the Indemnity Fund
22 for at least three (3) calendar months pursuant to the provisions of
23 paragraph 2 of this subsection.

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

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

20 b. motor fuels used solely and exclusively to propel
21 motor vehicles on the public roads and highways of the
22 state when leased or owned and being operated for the
23 sole benefit of a county, city or town, volunteer fire
24 department with a state certification and rating,

1 rural electric cooperative, rural water and sewer
2 district, rural ambulance service district, or
3 federally recognized Indian tribe as specified by
4 Section 500.10 of Title 68 of the Oklahoma Statutes,
5 c. motor fuel to counties and cities and towns,
6 d. diesel fuel for off-road purposes specified by Section
7 500.10 of Title 68 of the Oklahoma Statutes,
8 e. motor fuel used for agricultural purposes specified by
9 Section 500.10 of Title 68 of the Oklahoma Statutes,
10 and
11 f. motor fuel used in aircraft and aircraft engines
12 pursuant to Section 500.10 of Title 68 of the Oklahoma
13 Statutes.

14 3. After the collection period required by this subsection has
15 expired, the revenue collected from the assessment shall be again
16 deposited in the Corporation Commission Storage Tank Regulation
17 Revolving Fund and the State Transportation Fund as provided in
18 paragraph 5 of subsection C of this section.

19 SECTION 2. It being immediately necessary for the preservation
20 of the public peace, health and safety, an emergency is hereby
21 declared to exist, by reason whereof this act shall take effect and
22 be in full force from and after its passage and approval.

23 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-29-12 - DO
24 PASS, As Amended and Coauthored.