

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 SUBCOMMITTEE RECOMMENDATION
4 FOR

5 HOUSE BILL NO. 2954

6 By: Cockroft

7 SUBCOMMITTEE RECOMMENDATION

8 An Act relating to conversion of certain vehicles to
9 compressed natural gas; enacting the County Fleet
10 Vehicle Compressed Natural Gas Conversion Funding Act
11 of 2014; creating the County Fleet Vehicle Compressed
12 Natural Gas Conversion Cost Revolving Fund; providing
13 for apportionment of revenues to fund; stating
14 purposes; prescribing method for expenditure of
15 funds; providing for management and control by
16 circuit engineering districts; providing for
17 separation of fund into accounts; imposing
18 restriction on expenditures; providing for
19 termination of provisions by specified date; imposing
20 requirements related to conversion equipment;
21 amending 68 O.S. 2011, Section 1004, as last amended
22 by Section 1, Chapter 205, O.S.L. 2012 (68 O.S. Supp.
23 2013, Section 1004), which relates to the
24 apportionment of gross production tax revenues;
modifying apportionment to General Revenue Fund of
State Treasury; providing for apportionment of
revenues to the County Fleet Vehicle Compressed
Natural Gas Conversion Cost Revolving Fund; providing
for apportionment based on specified fiscal years;
providing for codification; providing an effective
date; and declaring an emergency.

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

1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1451 of Title 19, unless there
3 is created a duplication in numbering, reads as follows:

4 This act shall be known and may be cited as the "County Fleet
5 Vehicle Compressed Natural Gas Conversion Funding Act of 2014".

6 SECTION 2. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 1452 of Title 19, unless there
8 is created a duplication in numbering, reads as follows:

9 There is hereby created in the State Treasury a revolving fund
10 for the circuit engineering districts of the State of Oklahoma to be
11 designated the "County Fleet Vehicle Compressed Natural Gas
12 Conversion Cost Revolving Fund". The fund shall be a continuing
13 fund, not subject to fiscal year limitations, and shall consist of
14 all monies received by the fund from the apportionment of gross
15 production tax revenues as provided in Section 1004 of Title 68 of
16 the Oklahoma Statutes. All monies accruing to the credit of said
17 fund are hereby appropriated and may be budgeted and expended by the
18 circuit engineering districts for the purpose of offsetting the
19 costs associated with converting fleet vehicles to compressed
20 natural gas. Expenditures from said fund shall be made upon
21 warrants issued by the State Treasurer against claims filed as
22 prescribed by law with the Director of the Office of Management and
23 Enterprise Services for approval and payment.

24

1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1453 of Title 19, unless there
3 is created a duplication in numbering, reads as follows:

4 A. The circuit engineering districts shall make available to
5 each county an equal share of the total funds in the County Fleet
6 Vehicle Compressed Natural Gas Conversion Cost Revolving Fund. The
7 total amount of the balance of the fund shall be divided by seventy-
8 seven (77) and each county shall have an account within the fund
9 equal to such amount.

10 B. The circuit engineering districts shall have the authority
11 to use the monies in the fund in order to pay costs for the
12 conversion of the existing county fleet vehicles to compressed
13 natural gas.

14 C. The fund shall only be used for costs related to the
15 acquisition of county fleet vehicles and shall not be used for any
16 other purpose.

17 D. The provisions of this section shall cease to have the force
18 and effect of law on July 1, 2019.

19 E. Any equipment used for conversion of a vehicle to compressed
20 natural gas shall:

21 1. Be new, not previously used to modify or retrofit any
22 vehicle propelled by gasoline or diesel fuel and be installed by an
23 alternative fuels equipment technician who is certified in
24 accordance with the Alternative Fuels Technician Certification Act;

1 2. Meet all Federal Motor Vehicle Safety Standards set forth in
2 49 CFR 571; or

3 3. For any commercial motor vehicle (CMV), follow the Federal
4 Motor Carrier Safety Regulations or Oklahoma Intrastate Motor
5 Carrier Regulations.

6 SECTION 4. AMENDATORY 68 O.S. 2011, Section 1004, as
7 last amended by Section 1, Chapter 205, O.S.L. 2012 (68 O.S. Supp.
8 2013, Section 1004), is amended to read as follows:

9 Section 1004. A. Beginning July 1, ~~2002~~ 2014, the gross
10 production tax provided for in Section 1001 of this title is hereby
11 levied and shall be collected and apportioned as follows:

12 1. For all monies collected from the tax levied on asphalt or
13 ores bearing uranium, lead, zinc, jack, gold, silver or copper:

14 a. eighty-five and seventy-two one-hundredths percent
15 (85.72%) shall be paid to the State Treasurer of the
16 state to be placed in the General Revenue Fund of the
17 state and used for the general expense of state
18 government, to be paid out pursuant to direct
19 appropriation by the Legislature,

20 b. seven and fourteen one-hundredths percent (7.14%) of
21 the sum collected from natural gas and/or casinghead
22 gas or asphalt or ores bearing uranium, lead, zinc,
23 jack, gold, silver or copper shall be paid to the
24 various county treasurers to be credited to the County

1 Highway Fund as follows: Each county shall receive a
2 proportionate share of the funds available based upon
3 the proportion of the total value of production from
4 such county in the corresponding month of the
5 preceding year, and

6 c. seven and fourteen one-hundredths percent (7.14%)
7 shall be allocated to each county as provided for in
8 subparagraph b of this paragraph and shall be
9 apportioned, on an average daily attendance per capita
10 distribution basis, as certified by the State
11 Superintendent of Public Instruction to the school
12 districts of the county where such pupils attend
13 school regardless of residence of such pupil, provided
14 the school district makes an ad valorem tax levy of
15 fifteen (15) mills for the current year and maintains
16 twelve (12) years of instruction;

17 2. For all monies collected from the tax levied on natural gas
18 and/or casinghead gas at a tax rate of seven percent (7%) pursuant
19 to the provisions of subsection B of Section 1001 of this title:

20 a. ~~eighty-five and seventy-two one-hundredths percent~~
21 ~~(85.72%)~~

22 (1) for the fiscal years ending not later than June
23 30, 2019, eighty and seventy-two one-hundredths
24 percent (80.72%) shall be paid to the State

1 Treasurer ~~of the state~~ to be placed in the
2 General Revenue Fund ~~of the state~~ and used for
3 the general expense of state government, to be
4 paid out pursuant to direct appropriation by the
5 Legislature, and

6 (2) for the fiscal years ending June 30, 2020, and
7 for each fiscal year thereafter, eighty-five and
8 seventy-two one-hundredths percent (85.72%) shall
9 be paid to the State Treasurer to be placed in
10 the General Revenue Fund and used for the general
11 expense of state government, to be paid out
12 pursuant to direct appropriation by the
13 Legislature,

- 14 b. seven and fourteen one-hundredths percent (7.14%) of
15 the sum collected from natural gas and/or casinghead
16 gas shall be paid to the various county treasurers to
17 be credited to the County Highway Fund as follows:
18 Each county shall receive a proportionate share of the
19 funds available based upon the proportion of the total
20 value of production from such county in the
21 corresponding month of the preceding year, ~~and~~
- 22 c. seven and fourteen one-hundredths percent (7.14%)
23 shall be allocated to each county as provided for in
24 subparagraph b of this paragraph and shall be

1 apporportioned, on an average daily attendance per capita
2 distribution basis, as certified by the State
3 Superintendent of Public Instruction to the school
4 districts of the county where such pupils attend
5 school regardless of residence of such pupil, provided
6 the school district makes an ad valorem tax levy of
7 fifteen (15) mills for the current year and maintains
8 twelve (12) years of instruction, and

9 d. for the fiscal years ending not later than June 30,
10 2019, five percent (5.0%) shall be apportioned to the
11 County Fleet Vehicle Compressed Natural Gas Conversion
12 Cost Revolving Fund created by Section 2 of this act;

13 3. For all monies collected from the tax levied on natural gas
14 and/or casinghead gas at a tax rate of four percent (4%) pursuant to
15 the provisions of subsection B of Section 1001 of this title:

16 a. ~~seventy-five percent (75%)~~

17 (1) for the fiscal years ending not later than June
18 30, 2019, seventy-percent (70%) shall be paid to
19 the State Treasurer of the state to be placed in
20 the General Revenue Fund of the state and used
21 for the general expense of state government, to
22 be paid out pursuant to direct appropriation by
23 the Legislature, and

1 (2) for the fiscal years ending June 30, 2020, and
2 for each fiscal year thereafter, seventy-five
3 percent (75%) shall be paid to the State
4 Treasurer to be placed in the General Revenue
5 Fund and used for the general expense of state
6 government to be paid out pursuant to direct
7 appropriation by the Legislature,

8 b. twelve and one-half percent (12.5%) of the sum
9 collected from natural gas and/or casinghead gas shall
10 be paid to the various county treasurers to be
11 credited to the County Highway Fund as follows: Each
12 county shall receive a proportionate share of the
13 funds available based upon the proportion of the total
14 value of production from such county in the
15 corresponding month of the preceding year, ~~and~~

16 c. twelve and one-half percent (12.5%) shall be allocated
17 to each county as provided for in subparagraph b of
18 this paragraph and shall be apportioned, on an average
19 daily attendance per capita distribution basis, as
20 certified by the State Superintendent of Public
21 Instruction to the school districts of the county
22 where such pupils attend school regardless of
23 residence of such pupil, provided the school district
24 makes an ad valorem tax levy of fifteen (15) mills for

1 the current year and maintains twelve (12) years of
2 instruction, and

3 d. for fiscal years ending not later than June 30, 2019,
4 five percent (5.0%) shall be apportioned to the County
5 Fleet Vehicle Compressed Natural Gas Conversion Cost
6 Revolving Fund created by Section 2 of this act;

7 4. For all monies collected from the tax levied on natural gas
8 and/or casinghead gas at a tax rate of one percent (1%) pursuant to
9 the provisions of subsection B of Section 1001 of this title:

10 a. fifty percent (50%) of the sum collected from natural
11 gas and/or casinghead gas shall be paid to the various
12 county treasurers to be credited to the County Highway
13 Fund as follows: Each county shall receive a
14 proportionate share of the funds available based upon
15 the proportion of the total value of production from
16 such county in the corresponding month of the
17 preceding year, and

18 b. fifty percent (50%) shall be allocated to each county
19 as provided for in subparagraph a of this paragraph
20 and shall be apportioned, on an average daily
21 attendance per capita distribution basis, as certified
22 by the State Superintendent of Public Instruction to
23 the school districts of the county where such pupils
24 attend school regardless of residence of such pupil,

1 provided the school district makes an ad valorem tax
2 levy of fifteen (15) mills for the current year and
3 maintains twelve (12) years of instruction;

4 5. For all monies collected from the tax levied on oil at a tax
5 rate of seven percent (7%) pursuant to the provisions of subsection
6 B of Section 1001 of this title:

7 a. twenty-five and seventy-two one-hundredths percent
8 (25.72%) shall be paid to the State Treasurer to be
9 placed in the Common Education Technology Revolving
10 Fund created in Section 34.90 of Title 62 of the
11 Oklahoma Statutes,

12 b. twenty-five and seventy-two one-hundredths percent
13 (25.72%) shall be paid to the State Treasurer to be
14 placed in the Higher Education Capital Revolving Fund
15 created in Section 34.91 of Title 62 of the Oklahoma
16 Statutes,

17 c. twenty-five and seventy-two one-hundredths percent
18 (25.72%) shall be paid to the State Treasurer to be
19 placed in the Oklahoma Student Aid Revolving Fund
20 created in Section 34.92 of Title 62 of the Oklahoma
21 Statutes,

22 d. three and seven hundred forty-five one-thousandths
23 percent (3.745%) shall be distributed to the various
24 counties of the state for deposit into the County

1 Bridge and Road Improvement Fund of each county based
2 on a formula developed by the Department of
3 Transportation and approved by the Department of
4 Transportation County Advisory Board created pursuant
5 to Section 302.1 of Title 69 of the Oklahoma Statutes
6 to be used for the purposes set forth in the County
7 Bridge and Road Improvement Act. The formula shall be
8 similar to the formula currently used for the
9 distribution of monies in the County Bridge Program
10 funds, but shall also take into consideration the
11 effect of the terrain and traffic volume as related to
12 county road improvement and maintenance costs,

13 e. four and twenty-eight one-hundredths percent (4.28%)
14 shall be paid to the State Treasurer to be apportioned
15 to:

16 (1) the following sources and in the following
17 amounts through the fiscal year ending June 30,
18 2016:

19 (a) thirty-three and one-third percent (33 1/3%)
20 to the Oklahoma Tourism and Recreation
21 Department Capital Expenditure Revolving
22 Fund created pursuant to Section 2254.1 of
23 Title 74 of the Oklahoma Statutes,
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1 (b) thirty-three and one-third percent (33 1/3%)
2 to the Oklahoma Conservation Commission
3 Infrastructure Revolving Fund created
4 pursuant to Section 3-2-110 of Title 27A of
5 the Oklahoma Statutes, and

6 (c) thirty-three and one-third percent (33 1/3%)
7 to the Community Water Infrastructure
8 Development Revolving Fund created pursuant
9 to Section 1085.7A of Title 82 of the
10 Oklahoma Statutes, and

11 (2) the Oklahoma Water Resources Board Rural Economic
12 Action Plan Water Projects Fund for the fiscal
13 year beginning July 1, 2016, and for each fiscal
14 year thereafter,

15 f. seven and fourteen one-hundredths percent (7.14%) of
16 the sum collected from oil shall be paid to the
17 various county treasurers, to be credited to the
18 County Highway Fund as follows: Each county shall
19 receive a proportionate share of the funds available
20 based upon the proportion of the total value of
21 production from such county in the corresponding month
22 of the preceding year,

23 g. seven and fourteen one-hundredths percent (7.14%)
24 shall be allocated to each county as provided in

1 subparagraph f of this paragraph and shall be
2 apportioned, on an average daily attendance per capita
3 distribution basis, as certified by the State
4 Superintendent of Public Instruction, to the school
5 districts of the county where such pupils attend
6 school regardless of residence of such pupil, provided
7 the school district makes an ad valorem tax levy of
8 fifteen (15) mills for the current year and maintains
9 twelve (12) years of instruction, and

10 h. five hundred thirty-five one-thousandths percent
11 (0.535%) of the levy shall be transmitted by the
12 Oklahoma Tax Commission to the Statewide Circuit
13 Engineering District Revolving Fund as created in
14 Section 687.2 of Title 69 of the Oklahoma Statutes;

15 6. For all monies collected from the tax levied on oil at a tax
16 rate of four percent (4%) pursuant to the provisions of subsection B
17 of Section 1001 of this title:

18 a. twenty-two and one-half percent (22.5%) shall be paid
19 to the State Treasurer to be placed in the Common
20 Education Technology Revolving Fund created in Section
21 34.90 of Title 62 of the Oklahoma Statutes,

22 b. twenty-two and one-half percent (22.5%) shall be paid
23 to the State Treasurer to be placed in the Higher
24

1 Education Capital Revolving Fund created in Section
2 34.91 of Title 62 of the Oklahoma Statutes,

3 c. twenty-two and one-half percent (22.5%) shall be paid
4 to the State Treasurer to be placed in the Oklahoma
5 Student Aid Revolving Fund created in Section 34.92 of
6 Title 62 of the Oklahoma Statutes,

7 d. three and twenty-eight one-hundredths percent (3.28%)
8 shall be distributed to the various counties of the
9 state for deposit into the County Bridge and Road
10 Improvement Fund of each county based on a formula
11 developed by the Department of Transportation and
12 approved by the Department of Transportation County
13 Advisory Board created pursuant to Section 302.1 of
14 Title 69 of the Oklahoma Statutes to be used for the
15 purposes set forth in the County Bridge and Road
16 Improvement Act. The formula shall be similar to the
17 formula currently used for the distribution of monies
18 in the County Bridge Program funds, but shall also
19 take into consideration the effect of the terrain and
20 traffic volume as related to county road improvement
21 and maintenance costs,

22 e. three and seventy-five one-hundredths percent (3.75%)
23 shall be paid to the State Treasurer to be apportioned
24 to:

1 (1) the following sources and in the following
2 amounts through the fiscal year ending June 30,
3 2016:

4 (a) thirty-three and one-third percent (33 1/3%)
5 to the Oklahoma Tourism and Recreation
6 Department Capital Expenditure Revolving
7 Fund created pursuant to Section 2254.1 of
8 Title 74 of the Oklahoma Statutes,

9 (b) thirty-three and one-third percent (33 1/3%)
10 to the Oklahoma Conservation Commission
11 Infrastructure Revolving Fund created
12 pursuant to Section 3-2-110 of Title 27A of
13 the Oklahoma Statutes, and

14 (c) thirty-three and one-third percent (33 1/3%)
15 to the Community Water Infrastructure
16 Development Revolving Fund created pursuant
17 to Section 1085.7A of Title 82 of the
18 Oklahoma Statutes, and

19 (2) the Oklahoma Water Resources Board Rural Economic
20 Action Plan Water Projects Fund for the fiscal
21 year beginning July 1, 2016, and for each fiscal
22 year thereafter,

23 f. twelve and one-half percent (12.5%) of the sum
24 collected from oil shall be paid to the various county

1 treasurers, to be credited to the County Highway Fund
2 as follows: Each county shall receive a proportionate
3 share of the funds available based upon the proportion
4 of the total value of production from such county in
5 the corresponding month of the preceding year,

6 g. twelve and one-half percent (12.5%) shall be allocated
7 to each county as provided in subparagraph f of this
8 paragraph and shall be apportioned on an average daily
9 attendance per capita distribution basis, as certified
10 by the State Superintendent of Public Instruction, to
11 the school districts of the county where such pupils
12 attend school regardless of residence of such pupil,
13 provided the school district makes an ad valorem tax
14 levy of fifteen (15) mills for the current year and
15 maintains twelve (12) years of instruction, and

16 h. forty-seven one-hundredths percent (0.47%) of the levy
17 shall be transmitted by the Tax Commission to the
18 Statewide Circuit Engineering District Revolving Fund
19 as created in Section 687.2 of Title 69 of the
20 Oklahoma Statutes;

21 7. For all monies collected from the tax levied on oil at a tax
22 rate of one percent (1%) pursuant to the provisions of subsection B
23 of Section 1001 of this title:

1 a. fifty percent (50%) of the sum collected shall be paid
2 to the various county treasurers, to be credited to
3 the County Highway Fund as follows: Each county shall
4 receive a proportionate share of the funds available
5 based upon the proportion of the total value of
6 production from such county in the corresponding month
7 of the preceding year, and

8 b. fifty percent (50%) shall be allocated to each county
9 as provided for in subparagraph a of this paragraph
10 and shall be apportioned on an average daily
11 attendance per capita distribution basis, as certified
12 by the State Superintendent of Public Instruction, to
13 the school districts of the county where such pupils
14 attend school regardless of residence of such pupil,
15 provided the school district makes an ad valorem tax
16 levy of fifteen (15) mills for the current year and
17 maintains twelve (12) years of instruction.

18 B. Provided, notwithstanding any other provision of this
19 section, the total amounts deposited to the Common Education
20 Technology Revolving Fund, the Higher Education Capital Revolving
21 Fund, the Oklahoma Student Aid Revolving Fund, the Rural Economic
22 Action Plan Water Projects Fund, the Oklahoma Tourism and Recreation
23 Department Capital Expenditure Revolving Fund, the Oklahoma
24 Conservation Commission Infrastructure Revolving Fund and the

1 Community Water Infrastructure Development Revolving Fund pursuant
2 to paragraphs 5 and 6 of subsection A of this section shall not
3 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in any
4 fiscal year. Except as otherwise provided in this subsection, all
5 sums in excess of One Hundred Fifty Million Dollars
6 (\$150,000,000.00) in any fiscal year which would otherwise be
7 deposited in such funds shall be apportioned by the Oklahoma Tax
8 Commission to the General Revenue Fund of the state. Provided,
9 amounts which would otherwise be apportioned by the Oklahoma Tax
10 Commission to the General Revenue Fund for the fiscal year ending on
11 June 30, 2012, pursuant to this subsection, shall be apportioned as
12 follows:

13 1. Thirty-seven Million Six Hundred Thousand Dollars
14 (\$37,600,000.00) to the State Department of Education disbursing
15 fund authorized by the Office of State Finance pursuant to the
16 provisions of Section 34.48 of Title 62 of the Oklahoma Statutes, to
17 be used for the purpose of funding the certified employee and
18 support personnel health benefit allowance;

19 2. Fourteen Million Eight Hundred Forty-five Thousand Seven
20 Hundred Dollars (\$14,845,700.00) to the State Department of
21 Education disbursing fund authorized by the Office of State Finance
22 pursuant to the provisions of Section 34.48 of Title 62 of the
23 Oklahoma Statutes, to be used for the purpose of providing bonuses
24 to teachers who have achieved National Board certification, to

1 school psychologists who have been designated as Nationally
2 Certified School Psychologists by the National School Psychology
3 Certification Board, and to speech-language pathologists and
4 audiologists who hold a Certificate of Clinical Competence awarded
5 by the American Speech-Language Hearing Association, pursuant to the
6 Education Leadership Oklahoma Act;

7 3. Five Million Dollars (\$5,000,000.00) to the Department of
8 Public Safety Patrol Academy Revolving Fund created in Section 2-146
9 of Title 47 of the Oklahoma Statutes;

10 4. One Million Dollars (\$1,000,000.00) to the Chief Medical
11 Examiner Revolving Fund created in Section 954 of Title 63 of the
12 Oklahoma Statutes;

13 5. Thirty-four Million One Hundred Forty-five Thousand Seven
14 Hundred Six Dollars (\$34,145,706.00) to the State Emergency Fund
15 created in Section 139.42 of Title 62 of the Oklahoma Statutes; and

16 6. All funds except those deposited pursuant to the provisions
17 of paragraphs 1 through 5 of this subsection to the General Revenue
18 Fund.

19 SECTION 5. This act shall become effective July 1, 2014.

20 SECTION 6. It being immediately necessary for the preservation
21 of the public peace, health and safety, an emergency is hereby
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1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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