**SENATE FLOOR VERSION**
April 8, 2014

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 3297 By: Osborn and Cockroft of the House

and

Justice of the Senate

An Act relating to compressed natural gas; transferring the regulation of compressed natural gas fueling stations from the Corporation Commission to the Department of Labor; transferring the implementation and enforcement of the Alternative Fuels Technician Certification Act from the Office of Management and Enterprise Services to the Department of Labor; allowing certain contracts; providing for the transfer of certain funds, property, records and financial obligations; limiting expenditures of certain funds and use of certain property; providing for the transfer of funds, property and records acquired after certain date; including certain licensing fees and payment of fines; prohibiting certain contracts; providing for the enforcement of licenses, registrations, certifications and accreditations; requiring the Director of the Office of Management and Enterprise Services to coordinate certain transfers; providing for enforcement of certain administrative rules; granting the Department of Labor authority to amend or repeal certain rules; amending Section 1, Chapter 95, O.S.L. 2013 (52 O.S. Supp. 2013, Section 348), which relates to inspection of compressed natural gas fueling stations or pumps by the Corporation Commission; changing authority from the Corporation Commission to the Department of Labor; amending 74 O.S. 2011, Sections 130.11, 130.14, as amended by Section 825, Chapter 304, O.S.L. 2012, 130.15, as amended by Section 826, Chapter 304, O.S.L. 2012, 130.16, as amended by Section 827, Chapter 304, O.S.L. 2012, 130.17, as

amended by Section 828, Chapter 304, O.S.L. 2012, 130.18, as amended by Section 829, Chapter 304, O.S.L. 2012, 130.19, as amended by Section 830, Chapter 304, O.S.L. 2012, 130.21, as amended by Section 831, Chapter 304, O.S.L. 2012, 130.22, as amended by Section 832, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2013, Sections 130.14, 130.15, 130.16, 130.17, 130.18, 130.19, 130.21 and 130.22), which relate to the Alternative Fuels Technician Certification Act; updating statutory language; changing references from the Director of the Office of Management and Enterprise Services to the Commissioner of Labor; changing references from the Office of Management and Enterprise Services to the Department of Labor; deleting obsolete language; deleting designation of the Alternative Fuels Technician Hearing Board; changing references from the Alternative Fuels Technician Hearing Board to the Commissioner of Labor; authorizing the Commissioner of Labor or designee to suspend or revoke a license, certificate or registration under certain circumstance; amending 68 O.S. 2011, Section 2357.22, as last amended by Section 1, Chapter 252, O.S.L. 2013 (68 O.S. Supp. 2013, Section 2357.22), which relates to credit for investments in qualified clean-burning motor fuel vehicle property; modifying credit for qualified clean-burning motor vehicle fuel property; directing the Oklahoma Tax Commission to transfer certain amount of revenue based on the credit to the Compressed Natural Gas Conversion Safety and Regulation Fund; creating the Compressed Natural Gas Conversion Safety and Regulation Fund; stating source of funding; specifying purpose of expenditures from the fund; requiring expenditures to be made on warrants; providing for codification; providing for recodification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 142.1 of Title 40, unless there is created a duplication in numbering, reads as follows:

A. On the effective date of this act, all powers, duties, responsibilities, records and equipment of the Corporation Commission relating exclusively to the regulation of compressed natural gas fueling stations are hereby transferred and shall be placed under the authority of the Department of Labor.

B. On the effective date of this act, all powers, duties, responsibilities, records and equipment of the Office of Management and Enterprise Services relating exclusively to the implementation and enforcement of the Alternative Fuels Technician Certification Act are hereby transferred and shall be placed under the authority of the Department of Labor. To the extent practicable, the transfer shall include all computer hardware and software used in regulating the functions listed in this subsection.

C. The Corporation Commission, the Commissioner of Labor and the Director of the Office of Management and Enterprise Services may contract for additional legal and administrative services as necessary to effectuate the transfers as provided for in this section.

D. 1. All unexpended funds, property, furnishings, equipment, supplies, records, and outstanding financial obligations and encumbrances of the Corporation Commission relating to the

regulation of natural gas fueling stations and of the Office of Management and Enterprise Services relating to the implementation and enforcement of the Alternative Fuels Technician Certification Act shall be transferred to the Department of Labor for the continuing performance of duties relating to the regulation of natural gas fueling stations and implementation and enforcement of the Alternative Fuels Technician Certification Act. No funds, property, furnishings, equipment, supplies or records may be expended or used for any purpose other than the performance of duties and responsibilities as directed and required in this act.

2. Any funds, properties, furnishings, equipment, supplies, or records related in any manner to the regulation of natural gas fueling stations and implementation and enforcement of the Alternative Fuels Technician Certification Act which may not be in the current possession of the Corporation Commission or the Office of Management and Enterprise Services on the effective date of this act, but which come into the possession of the Corporation Commission or the Office of Management and Enterprise Services after the transfer of authority to the Department of Labor as provided in this act, shall immediately be transferred to the Department of Labor. Items subject to the immediate transfer shall include, but are not limited to, any misdirected licensing fees or payments of outstanding administrative fines.

E. The Corporation Commission and the Director of the Office of Management and Enterprise Services shall not enter into any contract or agreement relating to the regulation of natural gas fueling stations or implementation and enforcement of the Alternative Fuels Technician Certification Act extending beyond the effective date of the transfer without approval by the Commissioner of Labor.

F. All licenses, registrations, certifications and accreditations issued by the Office of Management and Enterprise Services pursuant to the Alternative Fuels Technician Certification Act that are in effect on the effective date of this act shall remain in full force and effect and shall be enforceable by the Department of Labor.

G. The Director of the Office of Management and Enterprise Services shall coordinate the transfer of funds, allotments, purchase orders and outstanding financial obligations and encumbrances relating to the regulation of natural gas fueling stations and the implementation and enforcement of the Alternative Fuels Technician Certification Act as transferred pursuant to the provisions of this act.

H. Upon the effective date of this act, all administrative rules promulgated by the Office of Management and Enterprise Services relating to the implementation and enforcement of the Alternative Fuels Technician Certification Act shall be enforceable by the Commissioner of Labor. The rules shall continue in force and

effect after the effective date of this act, and the Commissioner of Labor shall have authority to amend, repeal, recodify or make additions to the rules pursuant to the Administrative Procedures Act.

SECTION 2. AMENDATORY Section 1, Chapter 95, O.S.L. 2013 (52 O.S. Supp. 2013, Section 348), is amended to read as follows:

Section 348. A. The ~~Corporation Commission~~ Department of Labor shall have authority to have access to and inspect any equipment, including compression equipment and storage tanks, practices or methods used by or in association with any public access compressed natural gas fueling station or pump.

B. The ~~Commission~~ Department may promulgate rules as necessary to implement the provisions of this section.

SECTION 3. AMENDATORY 74 O.S. 2011, Section 130.11, is amended to read as follows:

Section 130.11 ~~Sections 1 through 14 of this~~ This act shall be known and may be cited as the "Alternative Fuels Technician Certification Act".

SECTION 4. AMENDATORY 74 O.S. 2011, Section 130.14, as amended by Section 825, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2013, Section 130.14), is amended to read as follows:

Section 130.14 A. There is hereby established the Committee of Alternative Fuels Technician Examiners which shall consist of eight

(8) members. All members of the Committee shall be residents of this state.

B. Five voting members of the Committee shall be appointed by the ~~Director of the Office of Management and Enterprise Services~~ Commissioner of Labor as follows:

1. ~~Beginning September 1, 1994, three~~ Three members shall be alternative fuels technicians selected from a list of names submitted by the State Board of Career and Technology Education, with at least one member being an alternative fuels equipment technician and at least one member being an alternative fuels compression technician;

2. One member shall be a person involved in compressed natural gas technology in an oil and/or gas industry; and

3. One member shall be a person involved in liquefied petroleum gas technology in an oil and/or gas industry.

C. ~~Beginning November 1, 1998, two~~ Two additional voting members shall be appointed by the ~~Director of the Office of Management and Enterprise Services~~ Commissioner of Labor, one of whom shall be selected from a list of names submitted by the State Board of Career and Technology Education and shall be an electric vehicle technician, and one of whom shall be a person involved in manufacturing, conversion, or research in the electric vehicle industry.

D. All members shall each have at least two (2) years of active experience in alternative fuels technology. The terms of the voting members initially appointed to the Committee shall be staggered as follows:

1. One alternative fuels technician shall be appointed for a term of two (2) years;

2. One alternative fuels technician shall be appointed for a term of three (3) years;

3. One alternative fuels technician shall be appointed for a term of four (4) years;

4. One person involved in compressed natural gas technology in an oil and/or gas industry shall be appointed for a term of three (3) years;

5. One person involved in liquefied petroleum gas technology in an oil and/or gas industry shall be appointed for a term of four (4) years;

6. One electric vehicle technician shall be appointed for a term of <u>two</u> (2) years; and

7. One person involved in manufacturing, conversion, or research in the electric vehicle industry shall be appointed for a term of three (3) years.

Thereafter, each voting member of the Committee shall be appointed for a term of five (5) years, or until their successors are appointed and qualified.

The nonvoting member shall be designated by the ~~Director of the Office of Management and Enterprise Services~~ Commissioner of Labor to serve as Program Administrator and Recording Secretary to the Committee. ~~It is the intent of the Legislature that the person acting as the Program Administrator and Recording Secretary to the Committee as of the effective date of this act be transferred to the Office of Management and Enterprise Services to continue in his or her capacity.~~

E. Vacancies which may occur in the membership of the Committee shall be filled by appointment of the ~~Director of the Office of Management and Enterprise Services~~ Commissioner of Labor. Each person who has been appointed to fill a vacancy shall serve for the remainder of the term for which the member such person succeeds was appointed and until a successor has been appointed and has qualified. Members of the Committee may be removed from office by the ~~Director of the Office of Management and Enterprise Services~~ Commissioner of Labor for cause in the manner provided by law for the removal of officers not subject to impeachment.

F. The Committee shall assist and advise the ~~Office of Management and Enterprise Services~~ Commissioner of Labor on all matters relating to the formulation of rules and standards in accordance with the Alternative Fuels Technician Certification Act. The Committee shall administer the examinations of applicants for certification as alternative fuels equipment technicians,

alternative fuels compression technicians, and electric vehicle technicians provided that such examinations shall be in accordance with the provisions of the Alternative Fuels Technician Certification Act.

G. All members of the Committee shall be reimbursed for expenses incurred while in the performance of their duties in accordance with the State Travel Reimbursement Act.

H. A majority of the total membership of the Committee shall constitute a quorum for the transaction of business.

SECTION 5. AMENDATORY 74 O.S. 2011, Section 130.15, as amended by Section 826, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2013, Section 130.15), is amended to read as follows:

Section 130.15 A. Examinations for certification as alternative fuels equipment technicians shall be uniform and practical in nature for alternative fuels equipment technician certification and shall be sufficiently strict to test the qualifications and fitness of the applicants for certificates.

B. Examinations for certification as alternative fuels compression technicians shall be uniform and practical in nature for alternative fuels compression technician certification and shall be sufficiently strict to test the qualifications and fitness of the applicants for certificates.

C. Examinations for certification as electric vehicle technicians shall be uniform and practical in nature for electric

vehicle technician certification and shall be sufficiently strict to test the qualifications and fitness of the applicants for certificates.

D. Examinations shall be in whole or in part in writing. The Committee shall conduct examinations twice a year and at such other times as it deems necessary. Any applicant initially failing to pass the examination shall not be permitted to take another examination for a period of thirty (30) days. Any applicant subsequently failing to pass the examination shall not be permitted to take another examination for a period of ninety (90) days.

E. The ~~Office of Management and Enterprise Services~~ Department of Labor shall enforce the provisions of this section.

SECTION 6. AMENDATORY 74 O.S. 2011, Section 130.16, as amended by Section 827, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2013, Section 130.16), is amended to read as follows:

Section 130.16 A. The ~~Office of Management and Enterprise Services~~ Department of Labor shall issue a certificate as an alternative fuels equipment technician to any person who:

1. Has been licensed by the Oklahoma Liquefied Petroleum Gas Board and has successfully passed the appropriate examination as provided in the Alternative Fuels Technician Certification Act; or

2. Has been certified by the Committee as either having successfully passed the appropriate examination or having a valid license or certificate issued by another governmental entity with

licensing or certification requirements similar to those provided in the Alternative Fuels Technician Certification Act;

3. Has paid the certification fee and otherwise complied with the provisions of the Alternative Fuels Technician Certification Act; and

4. Has provided proof of liability insurance with limits of not less than Fifty Thousand Dollars ($50,000.00) general liability.

B. The ~~Office of Management and Enterprise Services~~ Department of Labor shall issue a certificate as an alternative fuels compression technician to any person who:

1. Has successfully passed the appropriate examination as provided in the Alternative Fuels Technician Certification Act or has been certified by the Committee as having a valid license or certificate issued by another governmental entity with licensing or certification requirements similar to those provided in the Alternative Fuels Technician Certification Act;

2. Has paid the certification fee and otherwise complied with the provisions of the Alternative Fuels Technician Certification Act; and

3. Has provided proof of liability insurance with limits of not less than Fifty Thousand Dollars ($50,000.00) general liability.

C. The ~~Office of Management and Enterprise Services~~ Department of Labor shall issue a certificate as an electric vehicle technician to any person who:

1. Has been certified by the Committee as either having successfully passed the appropriate examination or having a valid license or certificate issued by another governmental entity with licensing or certification requirements similar to those provided in the Alternative Fuels Technician Certification Act;

2. Has paid the certification fee and otherwise complied with the provisions of the Alternative Fuels Technician Certification Act; and

3. Has provided proof of liability insurance with limits of not less than Fifty Thousand Dollars ($50,000.00) general liability.

D. In the case of a company, partnership or corporation engaged in the business of installing, servicing, repairing, modifying or renovating equipment used in the conversion of engines to engines fueled by alternative fuels, a separate certificate shall be issued by the ~~Office of Management and Enterprise Services~~ Department of Labor to that individual company, partnership or corporation. This certificate is for the express purpose of recognizing that the company, partnership or corporation is an authorized alternative fuels conversion business and employs state-certified alternative fuels equipment technicians. Any violations by a certified alternative fuels equipment technician shall be deemed a violation by the certified company, partnership or corporation employing such certified technician.

E. In the case of a company, partnership or corporation engaged in the business of installing, servicing, repairing, modifying or renovating fill stations, a separate certificate shall be issued by the ~~Office of Management and Enterprise Services~~ Department of Labor to that individual company, partnership or corporation. This certificate is for the express purpose of recognizing that the company, partnership or corporation is an authorized fill station installation business and employs state-certified alternative fuels compression technicians or electric vehicle technicians. Any violations by a certified alternative fuels compression technician or electric vehicle technician shall be deemed a violation by the certified company, partnership or corporation employing such certified technician.

F. In conjunction with subsection A of this section, the ~~Office of Management and Enterprise Services~~ Department of Labor shall issue an Alternative Fuels Equipment Installation Certification to any public entity or private company, partnership or corporation that operates commercial, private or public fleets of vehicles and employs ten ~~(10)~~ or more auto service technicians per location. The certification shall be based on the ability of the applicant to provide their own alternative fuels equipment technician training program which shall be certified by the ~~Office of Management and Enterprise Services~~ Department of Labor, Committee of Alternative Fuels Technician Examiners. This subsection shall not apply to

allow certification of any alternative fuels compression technician training programs.

G. All alternative fuels equipment technician certificates, alternative fuels compression technician certificates, and electric vehicle technician certificates shall be nontransferable and it shall be unlawful for any person certified pursuant to the provisions of the Alternative Fuels Technician Certification Act to loan or allow the use of such certificate by any other person, except as specifically provided in the Alternative Fuels Technician Certification Act.

H. The standards for the storage and handling of liquefied petroleum gases adopted by the National Fire Protection Association and published in the latest edition of its Pamphlet No. 58 and the standards for the installation of compressed natural gas vehicular fuel systems adopted by the National Fire Protection Association and published in its Pamphlet No. 52 shall be the accepted standards for this state. The accepted standards for this state for electric vehicle charge stations shall be the National Electric Code (NEC). The ~~Office of Management and Enterprise Services~~ Commissioner of Labor is authorized, and it shall be its duty to adopt and promulgate such rules or specifications relating to safety in the manufacture, assembly, sale, installation and use of vehicular alternative fuel systems. The ~~Office of Management and Enterprise Services~~ Commissioner of Labor is further authorized to modify or

amend such rules or specifications as it deems reasonable and necessary.

SECTION 7. AMENDATORY 74 O.S. 2011, Section 130.17, as amended by Section 828, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2013, Section 130.17), is amended to read as follows:

Section 130.17 A. 1. All applications for examination, certification or renewal of certification shall be made in writing to the ~~Office of Management and Enterprise Services~~ Department of Labor on forms provided, if necessary, by the ~~Office of Management and Enterprise Services~~ Department of Labor. All applications shall be accompanied by the appropriate fee.

2. If a person holds a valid Class I Dealer Permit properly issued by the Oklahoma Liquefied Petroleum Gas Board, pursuant to Section 420.4 of Title 52 of the Oklahoma Statutes, the requirements of this section for certification or renewal of certification shall not be required.

B. The following shall be the fees charged under the Alternative Fuels Technician Certification Act.

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| Alternative Fuels Equipment Technician Examination | $50.00 |
| Alternative Fuels Compression Technician Examination | $50.00 |
| Electric Vehicle Technician Examination | $50.00 |
| Alternative Fuels Equipment Technician Certificate | $50.00 |
| Alternative Fuels Compression Technician Certificate | $50.00 |
| Electric Vehicle Technician Certificate | $50.00 |

Certificate renewal, if made within thirty (30) days after expiration:

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| Alternative Fuels Equipment Technician Certificate | $50.00 |
| Alternative Fuels Compression Technician Certificate | $50.00 |
| Electric Vehicle Technician Certificate | $50.00 |

Penalty for Late Certification Renewal:

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| Alternative Fuels Equipment Technician Certificate | $10.00 |
| Alternative Fuels Compression Technician Certificate | $10.00 |
| Electric Vehicle Technician Certificate | $10.00 |

Certificate fee if certified after March 1 of each year:

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| Alternative Fuels Equipment Technician Certificate | $25.00 |
| Alternative Fuels Compression Technician Certificate | $25.00 |
| Electric Vehicle Technician Certificate | $25.00 |

Certificate fee if certified after June 1 of each year:

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| Alternative Fuels Equipment Technician Certificate | $12.50 |
| Alternative Fuels Compression Technician Certificate | $12.50 |
| Electric Vehicle Technician Certificate | $12.50 |
| Company, Partnership or Corporation Certificate | $100.00 |
| Annual Renewal for Company, Partnership or Corporation Certificate | $100.00 |
| Training Program Certification (one-time fee) | $500.00 |
| Alternative Fuels Installation Certification Per Location | $1,000.00 |

Annual Renewal of Alternative Fuels Installation Certification Per Location $1,000.00

SECTION 8. AMENDATORY 74 O.S. 2011, Section 130.18, as amended by Section 829, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2013, Section 130.18), is amended to read as follows:

Section 130.18 The ~~Office of Management and Enterprise Services~~ Commissioner of Labor shall adopt rules and guidelines for the expiration of certificates for alternative fuels equipment technicians, alternative fuels compression technicians, and electric vehicle technicians, and for determining the recertification of alternative fuels equipment technicians, alternative fuels compression technicians, and electric vehicle technicians.

SECTION 9. AMENDATORY 74 O.S. 2011, Section 130.19, as amended by Section 830, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2013, Section 130.19), is amended to read as follows:

Section 130.19 A. ~~A person or persons designated by the Director of the Office of Management and Enterprise Services and~~ The Commissioner of Labor or designee may suspend or revoke any license, certificate or registration for cause upon recommendation of the Committee ~~shall act as the~~ of Alternative Fuels Technician ~~Hearing Board~~ Examiners and shall comply with the provisions of the Administrative Procedures Act.

B. The ~~Alternative Fuels Technician Hearing Board~~ Commissioner of Labor or designee may, upon ~~its own~~ the motion of the

Commissioner or designee, and shall, upon written complaint filed by any person, investigate the business transactions of any certified alternative fuels equipment or compression technician, or electric vehicle technician. The results of the investigation may be presented to the Committee and the Committee may recommend suspension or revocation of the license, certificate or registration. The ~~Board~~ Commissioner of Labor or designee shall suspend or revoke any certificate or registration obtained by false or fraudulent representation. The ~~Board~~ Commissioner of Labor or designee shall also suspend or revoke any certificate or registration for any of the following:

1. Making a material misstatement in the application for a certificate or registration, or the renewal of a certificate or registration;

2. Loaning or illegally using a certificate;

3. Demonstrating incompetence to act as an alternative fuels equipment technician, alternative fuels compression technician, or electric vehicle technician;

4. Violating any provisions of the Alternative Fuels Technician Certification Act, or any rule or order prescribed by the ~~Office of Management and Enterprise Services~~ Department of Labor; or

5. Willfully failing to perform normal business obligations without justifiable cause.

Any person whose alternative fuels equipment technician certificate, alternative fuels compression technician certificate, or electric vehicle technician certificate has been revoked by the ~~Alternative Fuels Technician Hearing Board~~ Commissioner of Labor or designee may apply for a new certificate one (1) year from the date of such revocation.

SECTION 10. AMENDATORY 74 O.S. 2011, Section 130.21, as amended by Section 831, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2013, Section 130.21), is amended to read as follows:

Section 130.21 Any holder of a certificate or registration issued in accordance with the provisions of the Alternative Fuels Technician Certification Act shall promptly notify the ~~Office of Management and Enterprise Services~~ Department of Labor of any change in such holder's address.

SECTION 11. AMENDATORY 74 O.S. 2011, Section 130.22, as amended by Section 832, Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2013, Section 130.22), is amended to read as follows:

Section 130.22 All monies received by the ~~Office of Management and Enterprise Services~~ Department of Labor under the Alternative Fuels Technician Certification Act shall be deposited with the State Treasurer and credited to the "Alternative Fuels Technician Certification Revolving Fund". The revolving fund shall be a continuing fund not subject to fiscal year limitations and shall be under the control and management of the ~~Office of Management and~~

~~Enterprise Services~~ Department of Labor. Expenditures from this fund shall be made pursuant to the purposes of the Alternative Fuels Technician Certification Act and shall include, but not be limited to, payment of operating costs, costs of programs designed to promote public awareness of the alternative fuels industry, expenditures for the preparation and printing of regulations, bulletins or other documents and the furnishing of copies of the documents to those persons engaged in the alternative fuels industry or the public, and expenses the ~~Office~~ Department of Labor incurs to support program operations. Warrants for expenditures shall be drawn by the State Treasurer based on claims signed and approved for payment by the Director of the Office of Management and Enterprise Services.

SECTION 12. AMENDATORY 68 O.S. 2011, Section 2357.22, as last amended by Section 1, Chapter 252, O.S.L. 2013 (68 O.S. Supp. 2013, Section 2357.22), is amended to read as follows:

Section 2357.22. A. For tax years beginning before January 1, 2020, there shall be allowed a one-time credit against the income tax imposed by Section 2355 of this title for investments in qualified clean-burning motor vehicle fuel property placed in service after December 31, 1990.

B. As used in this section, "qualified clean-burning motor vehicle fuel property" means:

1. Equipment installed to modify a motor vehicle which is propelled by gasoline or diesel fuel so that the vehicle may be propelled by a hydrogen fuel cell, compressed natural gas, liquefied natural gas or liquefied petroleum gas; provided, equipment installed on a vehicle propelled by a hydrogen fuel cell shall only be eligible for tax year 2010. The equipment covered by this paragraph must:

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

b. meet all Federal Motor Vehicle Safety Standards set forth in 49 CFR 571, or

c. for any commercial motor vehicle (CMV), follow the Federal Motor Carrier Safety Regulations or Oklahoma Intrastate Motor Carrier Regulations;

2. A motor vehicle originally equipped so that the vehicle may be propelled by a hydrogen fuel cell, compressed natural gas, liquefied natural gas or liquefied petroleum gas but only to the extent of the portion of the basis of such motor vehicle which is attributable to the storage of such fuel, the delivery to the engine of such motor vehicle of such fuel, and the exhaust of gases from combustion of such fuel. A motor vehicle originally equipped so

that the vehicle may be propelled by a hydrogen fuel cell shall only be eligible for tax year 2010;

3. Property, not including a building and its structural components, which is:

a. directly related to the delivery of compressed natural gas, liquefied natural gas or liquefied petroleum gas, or hydrogen, for commercial purposes or for a fee or charge, into the fuel tank of a motor vehicle propelled by such fuel including compression equipment and storage tanks for such fuel at the point where such fuel is so delivered but only if such property is not used to deliver such fuel into any other type of storage tank or receptacle and such fuel is not used for any purpose other than to propel a motor vehicle, or

b. a metered-for-fee, public access recharging system for motor vehicles propelled in whole or in part by electricity. The property covered by this paragraph must be new, and must not have been previously installed or used to refuel vehicles powered by compressed natural gas, liquefied natural gas or liquefied petroleum gas, hydrogen or electricity.

Any property covered by this paragraph which is related to the delivery of hydrogen into the fuel tank of a motor vehicle shall only be eligible for tax year 2010; or

4. Property which is directly related to the compression and delivery of natural gas from a private home or residence, for noncommercial purposes, into the fuel tank of a motor vehicle propelled by compressed natural gas. The property covered by this paragraph must be new and must not have been previously installed or used to refuel vehicles powered by natural gas.

C. As used in this section, "motor vehicle" means a motor vehicle originally designed by the manufacturer to operate lawfully and principally on streets and highways.

D. The credit provided for in subsection A of this section shall be as follows:

1. ~~For~~ After July 1, 2014, for the qualified clean-burning motor vehicle fuel property defined in paragraph 1 or 2 of subsection B of this section, ~~fifty percent (50%)~~ forty-five percent (45%) of the cost of the qualified clean-burning motor vehicle fuel property;

2. For qualified clean-burning motor vehicle fuel property defined in paragraph 3 of subsection B of this section, a per-location credit of seventy-five percent (75%) of the cost of the qualified clean-burning motor vehicle fuel property; and

3. For qualified clean-burning motor vehicle fuel property defined in paragraph 4 of subsection B of this section, a per-location credit of the lesser of fifty percent (50%) of the cost of the qualified clean-burning motor vehicle fuel property or Two Thousand Five Hundred Dollars ($2,500.00).

E. In cases where no credit has been claimed pursuant to paragraph 1 of subsection D of this section by any prior owner and in which a motor vehicle is purchased by a taxpayer with qualified clean-burning motor vehicle fuel property installed by the manufacturer of such motor vehicle and the taxpayer is unable or elects not to determine the exact basis which is attributable to such property, the taxpayer may claim a credit in an amount not exceeding the lesser of ten percent (10%) of the cost of the motor vehicle or One Thousand Five Hundred Dollars ($1,500.00).

F. If the tax credit allowed pursuant to subsection A of this section exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of the credit not used as an offset against the income taxes of a taxable year may be carried forward as a credit against subsequent income tax liability for a period not to exceed five (5) years.

G. A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half (1/2) of the tax credit that would have been allowed for a joint return.

H. The Oklahoma Tax Commission is herein empowered to promulgate rules by which the purpose of this section shall be administered, including the power to establish and enforce penalties for violations thereof.

I. Notwithstanding the provisions of Section 2352 of this title, for the fiscal year beginning on July 1, 2014, and each fiscal year thereafter, the Tax Commission shall calculate an amount that equals five percent (5%) of the cost of qualified clean-burning motor vehicle fuel property as provided for in paragraph 1 of subsection D of this section for tax year 2012. For each subsequent fiscal year thereafter, the Tax Commission shall perform the same computation with respect to the second tax year preceding the beginning of each subsequent fiscal year. The Tax Commission shall then transfer an amount equal to the amount calculated in this subsection from the revenue derived pursuant to the provisions of subsections A, B and E of Section 2355 of this title to the Compressed Natural Gas Conversion Safety and Regulation Fund created in Section 13 of this act.

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 130.25 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving fund for the Department of Labor to be designated as the "Compressed Natural Gas Conversion Safety and Regulation Fund". The fund shall

be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Department of Labor pursuant to Section 2357.22 of Title 68 of the Oklahoma Statutes.

B. All monies accruing to the credit of the revolving fund shall be expended by the Department of Labor to inspect, regulate and enforce safety regulations of the conversion of motor vehicles for operation on compressed natural gas.

C. Expenditures from the revolving fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 14. RECODIFICATION Section 1, Chapter 95, O.S.L. 2013 (52 O.S. Supp. 2013, Section 348), as amended by Section 2 of this act, shall be recodified as Section 142.1 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 15. RECODIFICATION 74 O.S. 2011, Section 130.11, as amended by Section 3 of this act, shall be recodified as Section 142.2 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 16. RECODIFICATION 74 O.S. 2011, Section 130.12, shall be recodified as Section 142.3 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 17. RECODIFICATION 74 O.S. 2011, Section 130.13, shall be recodified as Section 142.4 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 18. RECODIFICATION 74 O.S. 2011, Section 130.14, as last amended by Section 4 of this act, shall be recodified as Section 142.5 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 19. RECODIFICATION 74 O.S. 2011, Section 130.15, as last amended by Section 5 of this act, shall be recodified as Section 142.6 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 20. RECODIFICATION 74 O.S. 2011, Section 130.16, as last amended by Section 6 of this act, shall be recodified as Section 142.7 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 21. RECODIFICATION 74 O.S. 2011, Section 130.17, as last amended by Section 7 of this act, shall be recodified as Section 142.8 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 22. RECODIFICATION 74 O.S. 2011, Section 130.18, as last amended by Section 8 of this act, shall be recodified as Section 142.9 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 23. RECODIFICATION 74 O.S. 2011, Section 130.19, as last amended by Section 9 of this act, shall be recodified as Section 142.10 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 24. RECODIFICATION 74 O.S. 2011, Section 130.20, shall be recodified as Section 142.11 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 25. RECODIFICATION 74 O.S. 2011, Section 130.21, as last amended by Section 10 of this act, shall be recodified as Section 142.12 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 26. RECODIFICATION 74 O.S. 2011, Section 130.22, as last amended by Section 11 of this act, shall be recodified as Section 142.13 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 27. RECODIFICATION 74 O.S. 2011, Section 130.23, shall be recodified as Section 142.14 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 28. RECODIFICATION 74 O.S. 2011, Section 130.24, shall be recodified as Section 142.15 of Title 40 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 29. This act shall become effective July 1, 2014.

SECTION 30. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby

declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

COMMITTEE REPORT BY: COMMITTEE ON FINANCE
April 8, 2014 - DO PASS AS AMENDED