

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 HOUSE BILL 1718

By: Osborn

4
5
6 AS INTRODUCED

7 An Act relating to compressed natural gas;
8 amending 17 O.S. 2011, Section 306, which relates to
9 the Oklahoma Storage Tank Regulation Act; authorizing
10 the Corporation Commission to inspect compressed
11 natural gas fueling stations or pumps; amending 68
12 O.S. 2357.22, which relates to credit for investments
13 in qualified clean-burning motor fuel vehicle
14 property; requiring a conversion of motor fuel
15 vehicle property to be done by a certified
16 technician; and declaring an emergency.

17
18
19
20
21
22
23
24
BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 17 O.S. 2011, Section 306, is
amended to read as follows:

Section 306. In addition to other powers and duties prescribed
by law, the Corporation Commission shall have the power and duty to:

1. Issue, renew, deny, modify, suspend, refuse to renew and
revoke permits for storage tank systems pursuant to the provisions
of the Oklahoma Storage Tank Regulation Act and rules promulgated
pursuant thereto;

2. Enter at any reasonable time upon any public or private
property for the purpose of inspecting and investigating storage

1 tank system monitoring or remediation equipment and taking such
2 samples as may be necessary to determine compliance with the
3 provisions of the Oklahoma Storage Tank Regulation Act, and rules
4 promulgated pursuant thereto;

5 3. Request issuance of an administrative warrant or search
6 warrant as may be necessary by Commission application after notice
7 and hearing to allow entry, inspection, testing, sampling, or
8 copying on public or private property;

9 4. Have access to and copy any records required to be
10 maintained pursuant to the provisions of the Oklahoma Storage Tank
11 Regulation Act or rules promulgated pursuant thereto;

12 5. Inspect any equipment, practice or method prior to
13 implementation which is required by the provisions of the Oklahoma
14 Storage Tank Regulation Act or rules promulgated pursuant thereto;

15 6. Have access to and inspect any monitoring stations, samples,
16 or conduct tests to identify any actual or suspected release of a
17 regulated substance;

18 7. Employ or designate personnel to conduct investigations and
19 inspections, to make reports of compliance with the provisions of
20 the Oklahoma Storage Tank Regulation Act and rules promulgated
21 pursuant thereto;

22 8. Within its discretion, report to the district attorney
23 having jurisdiction or to the Attorney General any act committed by
24 an owner, operator or employee of a facility which may constitute a

1 violation of the provisions of the Oklahoma Storage Tank Regulation
2 Act or rules promulgated pursuant thereto;

3 9. Advise, consult, assist, and cooperate with other agencies
4 of this state, the federal government, other states and interstate
5 agencies and with affected groups and political subdivisions to
6 further the purposes of the provisions of the Oklahoma Storage Tank
7 Regulation Act;

8 10. Financially assist other agencies and political
9 subdivisions of the state where the Petroleum Storage Tank Division
10 has jurisdiction;

11 11. Administer the Storage Tank Program in lieu of the federal
12 government upon approval by the Environmental Protection Agency;

13 12. Promulgate and enforce rules to implement the provisions of
14 the Oklahoma Storage Tank Regulation Act;

15 13. Establish minimum standards and schedules for storage tank
16 system;

17 14. Require any owner or operator of a storage tank system
18 within this state to:

19 a. submit such reports and information concerning the
20 storage tank system as may be determined necessary by
21 the Commission pursuant to the provisions of the
22 Oklahoma Storage Tank Regulation Act or rules
23 promulgated pursuant thereto,
24

- 1 b. perform tests, install release detection devices, and
2 where appropriate, monitor the environment to ensure
3 that pollution is not occurring,
- 4 c. make timely reports to the Commission of pollution,
5 releases, or testing and sampling events at or above
6 Commission action levels,
- 7 d. temporarily or permanently cease operation of a
8 storage tank system, modify and immediately remove or
9 control any regulated substance that is found to be
10 causing pollution when such cessation, removal or
11 control is determined to be necessary by the
12 Commission,
- 13 e. provide an alternate or temporary drinking water
14 source to any person deprived of drinking water if it
15 is found that such owner or operator is responsible
16 for polluting the drinking water source beyond
17 applicable drinking water standards, or where no such
18 standard exists, such standard as the Department of
19 Environmental Quality shall determine,
- 20 f. take full corrective action if such owner or operator
21 is found to be responsible for the release, and
- 22 g. take appropriate action to temporarily relocate
23 residents affected by the release;
- 24

1 15. Establish and enforce administrative penalties for
2 violations pursuant to the provisions of the Oklahoma Storage Tank
3 Regulation Act, including issuance of field citations by designated
4 personnel for violations of the Oklahoma Storage Tank Regulation
5 Act, including but not limited to the authority to close a facility
6 found to pose an imminent threat to the health, safety or the
7 environment, to be operating a storage tank system for which permit
8 fees have not been paid, or to be operating a storage tank system
9 with an outstanding unpaid field citation or fine. Issuance or
10 payment of field citations shall in no way preclude other
11 enforcement proceedings, administrative penalties, fines or order of
12 the Commission if an owner or operator fails to correct a violation
13 or abate a threat to health, safety or the environment in a
14 reasonable manner, as determined by the Commission. If a citation
15 is issued or a facility is closed under the provisions of the
16 Oklahoma Storage Tank Regulation Act, the owner or operator of the
17 facility on application to the Commission shall be afforded a
18 hearing within ten (10) days of filing an application. Any
19 penalties or fines assessed pursuant to this section shall be
20 established by the Commission by rules promulgated pursuant to the
21 Administrative Procedures Act;

22 16. Institute and maintain or intervene in any action or
23 proceeding where deemed necessary by the Commission pursuant to the
24 provisions of the Oklahoma Storage Tank Regulation Act to protect

1 the health, safety and welfare of any resident of this state or the
2 environment;

3 17. Prepare an emergency response plan for spills or releases
4 of regulated substances or review emergency response plans developed
5 outside the Commission;

6 18. Establish a schedule of fees for issuance of any permit
7 required pursuant to the provisions of the Oklahoma Storage Tank
8 Regulation Act. The fees shall be in an amount to cover the costs
9 of the Commission in administering the Oklahoma Storage Tank
10 Regulation Act. Payment of the permitting fees for any storage tank
11 system required pursuant to the provisions of the Oklahoma Storage
12 Tank Regulation Act or to rules promulgated pursuant thereto shall
13 prohibit the assessment of additional licensing or permitting fees
14 for such storage tank systems by any other agency or municipality of
15 this state;

16 19. Create and implement an internally coordinated management
17 system between the Storage Tank Regulation Program and the Oklahoma
18 Petroleum Storage Tank Release Indemnity Program;

19 20. When necessary, economically advantageous, reasonable and
20 integral to a remediation effort or to establish an alternative
21 water supply, the Petroleum Storage Tank Division may purchase real
22 property and easements, and if an owner/operator is unwilling,
23 unknown, unavailable or financially unable, the Petroleum Storage
24 Tank Division may arrange for the design, construction and operation

1 of an alternative water supply system conjunctive with a remediation
2 effort and/or the establishment of an alternative water supply with
3 funds from the Petroleum Storage Tank Indemnity Fund. Provided, no
4 real property shall be purchased by the Commission pursuant to this
5 paragraph which will impose liability on the Petroleum Storage Tank
6 Indemnity Fund or on the state for environmental claims or hazards.
7 Disposition of property purchased by the Petroleum Storage Tank
8 Indemnity Fund shall be made pursuant to the provisions of Section
9 129.4 of Title 74 of the Oklahoma Statutes. Proceeds from any sale
10 shall be deposited to the credit of the Petroleum Storage Tank
11 Indemnity Fund;

12 21. Implement and coordinate an Underground Storage Tank
13 Operator Training Program pursuant to the provisions of Section ~~6~~
14 319 of this ~~act~~ title, issue annual permits related thereto and
15 assess any fees necessary for such training and permitting; ~~and~~

16 22. Have access to and inspect any equipment, including
17 compression equipment and storage tanks, practice or method used by
18 or in association with any public access compressed natural gas
19 fueling station or pump; and

20 23. Exercise all incidental powers as necessary and proper for
21 the administration of the Oklahoma Storage Tank Regulation Act.

22 SECTION 2. AMENDATORY 68 O.S. 2011, Section 2357.22, is
23 amended to read as follows:

24

1 Section 2357.22 A. For tax years beginning before January 1,
2 2015, there shall be allowed a one-time credit against the income
3 tax imposed by Section 2355 of this title

4 1. For investments in qualified clean-burning motor vehicle
5 fuel property placed in service after December 31, 1990; and

6 2. For investments in qualified electric motor vehicle property
7 placed in service after December 31, 1995, and before July 1, 2010.

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

10 1. Equipment installed to modify a motor vehicle which is
11 propelled by gasoline or diesel fuel so that the vehicle may be
12 propelled by a hydrogen fuel cell, compressed natural gas, liquefied
13 natural gas or liquefied petroleum gas; provided, equipment
14 installed on a vehicle propelled by a hydrogen fuel cell shall only
15 be eligible for tax year 2010. The equipment covered by this
16 paragraph must be new and must not have been previously used to
17 modify or retrofit any vehicle propelled by gasoline or diesel fuel
18 and must be installed by an alternative fuels equipment technician
19 who is certified in accordance with the Alternative Fuels Technician
20 Certification Act;

21 2. A motor vehicle originally equipped so that the vehicle may
22 be propelled by a hydrogen fuel cell, compressed natural gas,
23 liquefied natural gas or liquefied petroleum gas but only to the
24 extent of the portion of the basis of such motor vehicle which is

1 attributable to the storage of such fuel, the delivery to the engine
2 of such motor vehicle of such fuel, and the exhaust of gases from
3 combustion of such fuel. A motor vehicle originally equipped so
4 that the vehicle may be propelled by a hydrogen fuel cell shall only
5 be eligible for tax year 2010;

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

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

19 b. a metered-for-fee, public access recharging system for
20 motor vehicles propelled in whole or in part by
21 electricity. The property covered by this paragraph
22 must be new, and must not have been previously
23 installed or used to refuel vehicles powered by
24

1 compressed natural gas, liquefied natural gas or
2 liquefied petroleum gas, hydrogen or electricity.

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

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

12 C. As used in this section, "qualified electric motor vehicle
13 property" means a motor vehicle originally equipped to be propelled
14 only by electricity; provided, if a motor vehicle is also equipped
15 with an internal combustion engine, then such vehicle shall be
16 considered "qualified electric motor vehicle property" only to the
17 extent of the portion of the basis of such motor vehicle which is
18 attributable to the propulsion of the vehicle by electricity. The
19 term "qualified electric motor vehicle property" shall not apply to
20 vehicles known as "golf carts", "go-carts" and other motor vehicles
21 which are manufactured principally for use off the streets and
22 highways.

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

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

6 1. For the qualified clean-burning motor vehicle fuel property
7 defined in paragraph 1 or 2 of subsection B of this section and for
8 the qualified electric motor vehicle property, fifty percent (50%)
9 of the cost of the qualified clean-burning motor vehicle fuel
10 property or qualified electric motor vehicle property;

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

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

20 F. In cases where no credit has been claimed pursuant to
21 paragraph 1 of subsection E of this section by any prior owner and
22 in which a motor vehicle is purchased by a taxpayer with qualified
23 clean-burning motor vehicle fuel property or qualified electric
24 motor vehicle property installed by the manufacturer of such motor

1 vehicle and the taxpayer is unable or elects not to determine the
2 exact basis which is attributable to such property, the taxpayer may
3 claim a credit in an amount not exceeding the lesser of ten percent
4 (10%) of the cost of the motor vehicle or One Thousand Five Hundred
5 Dollars (\$1,500.00).

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

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

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

20 SECTION 3. It being immediately necessary for the preservation
21 of the public peace, health and safety, an emergency is hereby
22 declared to exist, by reason whereof this act shall take effect and
23
24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

be in full force from and after its passage and approval.

54-1-6559 KB 01/15/13