BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.:	**HB 1952**
Version:	**Proposed Committee Sub (6781)**
Author:	**Speaker Benge**
Date:	**February 23, 2009**
Impact:	**Increased State Revenue: Alternative Vehicle Flat Tax ($100 Per Vehicle)** **Fuel Efficiencies - $585 Per Vehicle** **Alternative Fuel Industry: Increased Jobs/Increased State Tax Collections** **Estimated State Construction/Operations/ Installation Costs - $4.5 Million**

Bill Summary

Research Analyst: Dusty Darr

This measure allows the Department of Central Services to construct, install, acquire, operate and provide alternative fueling infrastructure for use by state agencies or for leasing and transferring to political subdivisions of the state. The Director of Central Services is allowed to enter into fleet services agreements with any political subdivision of the state, and the Department may also offer public access to alternative fueling infrastructure in areas of the state where access to alternative fueling infrastructure is not readily available. If a privately owned alternative fueling station is placed within a five-mile radius of a DCS alternative fueling station, the Department must cease allowing public access to the station.

The maximum loan amount from the Oklahoma Alternative Fuels Conversion Fund expended for the construction of a fill station or charge station is increased from $150,000.00 to $300,000.00, and the maximum amount the Department may expend for the construction, installation or acquisition of an alternative fueling infrastructure to be leased to a political subdivision of the state cannot exceed $500,000.00. Certain definitions regarding alternative fuels are modified. In addition, this measure repeals the current statutory requirement that each Compressed Natural Gas (CNG) conversion kit installed in any motor vehicle in the state of Oklahoma meet the exhaust emissions standards of the California Air Resources Board.

Fiscal Summary

Fiscal Analyst: Terry McKenna

HB 1952, as introduced, provides that the Department of Central Services (DCS) shall construct, install, acquire, operate and provide alternative fueling infrastructure for use by state agencies or for leasing and transferring to political subdivisions of the state. The measure authorizes DCS to enter into agreements with any political subdivision in order to provide fleet services established by the Fleet Management Division. DCS may offer public access to alternative fueling infrastructure owned and operated by the agency in areas of the state in which access to an alternative fueling infrastructure is not readily available to the public; but shall cease allowing such access if a privately owned alternative fueling infrastructure locates within a five-mile radius of the DCS fueling station. The Fleet Management Fund may be used for expenses associated with constructing, installing, acquiring, and operating alternative fueling infrastructure for use by state agencies or for leasing and transferring to political subdivisions of the state.

Payments received by the Department for the lease of alternative fueling infrastructure shall be deposited to the credit of the fund.

Fiscal Analysis

The Department of Central Services (DCS) advises that actual costs will depend upon the number and type of infrastructure funded and installed. A “Time Fill” infrastructure is estimated at $46,125 per installation, a “Cascade” at $1,235,970 per installation and a “Buffer” at $1,258,000 per installation. A request for appropriation has been submitted to the Legislature for $4.5 Million with concurrent Federal HR1 grant application pending by DCS. Costs do not include freight, installation, commissioning, service or spare parts or special equipment requirements (fire/safety codes may require upgraded electrical systems and additional Fire Detection/Alarm Equipment).

Long Term Fiscal Considerations

Allowing public access at these facilities will increase the number of privately owned alternative fuel vehicles placed in use in the state; provide concurrent, additional state revenue in use of Alternative Vehicle Flat Tax fees ($100 per vehicle); increase fuel economy savings (CNG versus unleaded pricing). Conservative estimates for a vehicle driven 18,000 miles per year and achieving 20 MPG fuel efficiency would save $585 (1.68 unleaded versus 1.03 CNG) which will in turn be reinvested in Oklahoma businesses; increase the number of alternative fuel service and maintenance companies; increase jobs within the State.

Fiscal Analysis Reviewed by:

Mark Tygret

House Fiscal Director