STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

COMMITTEE SUBSTITUTE FOR SENATE BILL 836

By: David and Fields of the Senate

and

Osborn (Leslie) and Wallace of the House

COMMITTEE SUBSTITUTE

An Act relating to the Corporation Commission; amending 17 O.S. 2011, Section 354, as last amended by Section 9, Chapter 15, O.S.L. 2013 (17 O.S. Supp. 2016, Section 354), which relates to distribution of assessment on motor fuel; modifying amount distributed to specified fund and related procedures; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 17 O.S. 2011, Section 354, as last amended by Section 9, Chapter 15, O.S.L. 2013 (17 O.S. Supp. 2016, Section 354), is amended to read as follows:

Section 354. A. Except as otherwise provided by this section, there shall be an assessment of one cent ($0.01) per gallon upon the sale of each gallon of motor fuel used or consumed in this state.

The assessment imposed pursuant to the provisions of this section shall be for the purposes of providing revenue to:

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

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

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

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

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

6. The Weigh Station Improvement Revolving Fund pursuant to paragraph 3 of subsection C of this section.

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

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

a. the state government,

b. the federal government,

c. class I and class II railroads, and

d. sales for exportation outside of this state by a licensed exporter.

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

a. motor fuel used solely and exclusively in district-owned or leased public school buses, FFA and 4-H club trucks for the purposes of legally transporting public school children, or in the operation of vehicles used in driver training,

b. motor fuels used solely and exclusively to propel motor vehicles on the public roads and highways of this state when leased or owned and being operated for the sole benefit of a county, city, town, volunteer fire department with a state certification and rating, rural electric cooperative, rural water and sewer district, rural ambulance service district, or federally recognized Indian tribe as specified by Section 500.10 of Title 68 of the Oklahoma Statutes,

c. motor fuel to counties and cities and towns,

d. diesel fuel for off-road purposes specified by Section 500.10 of Title 68 of the Oklahoma Statutes,

e. motor fuel used for agricultural purposes specified by Section 500.10 of Title 68 of the Oklahoma Statutes, and

f. motor fuel used in aircraft or in aircraft engines pursuant to Section 500.10 of Title 68 of the Oklahoma Statutes.

C. The assessment imposed by subsection A of this section shall be apportioned and distributed monthly in the following manner:

1. The first ~~One Million Dollars ($1,000,000.00) collected during each fiscal year~~ Two Hundred Thousand Dollars ($200,000.00) of revenue collected each month shall be deposited into the Corporation Commission Revolving Fund created in Section 180.7 of this title;

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

3. Until the total amount deposited since July 1, 2008, in the Weigh Station Improvement Revolving Fund totals Eighty-one Million Dollars ($81,000,000.00), Five Hundred Thousand Dollars ($500,000.00) per month of all revenue from the assessment received over the amount required by paragraphs 1 and 2 of this subsection shall be deposited in the Weigh Station Improvement Revolving Fund,

created in Section 1167 of Title 47 of the Oklahoma Statutes and shall be used solely for the purpose of constructing weigh stations;

4. After the total amount deposited in the Weigh Station Improvement Revolving Fund totals Eighty-one Million Dollars ($81,000,000.00), any revenue from the assessment received over the amounts required in paragraphs 1 and 2 of this subsection shall be deposited in the Petroleum Storage Tank Indemnity Fund created in Section 353 of this title in amounts necessary to maintain the maintenance level of the Indemnity Fund pursuant to subsection D of this section; and

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

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

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

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

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

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

b. motor fuels used solely and exclusively to propel motor vehicles on the public roads and highways of the state when leased or owned and being operated for the sole benefit of a county, city or town, volunteer fire department with a state certification and rating, rural electric cooperative, rural water and sewer district, rural ambulance service district, or federally recognized Indian tribe as specified by Section 500.10 of Title 68 of the Oklahoma Statutes,

c. motor fuel to counties and cities and towns,

d. diesel fuel for off-road purposes specified by Section 500.10 of Title 68 of the Oklahoma Statutes,

e. motor fuel used for agricultural purposes specified by Section 500.10 of Title 68 of the Oklahoma Statutes, and

f. motor fuel used in aircraft and aircraft engines pursuant to Section 500.10 of Title 68 of the Oklahoma Statutes.

3. After the collection period required by this subsection has expired, the revenue collected from the assessment shall be again deposited in the Corporation Commission Storage Tank Regulation

Revolving Fund and the State Transportation Fund as provided in paragraph 5 of subsection C of this section.

SECTION 2. This act shall become effective July 1, 2017.

SECTION 3. It being immediately necessary for the preservation of the public peace, health or 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.

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