

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

SENATE BILL 836

By: David and Fields of the
Senate

and

Osborn (Leslie) and Wallace
of the House

AS INTRODUCED

An Act relating to motor fuel; 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 motor fuel assessment, exemptions and distribution; modifying date for certain notification to the Oklahoma Tax Commission; 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 1. The Corporation Commission Revolving Fund pursuant to
2 paragraph 1 of subsection C of this section;

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

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

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

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

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

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

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

- 21 a. the state government,
- 22 b. the federal government,
- 23 c. class I and class II railroads, and

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

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

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

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

19 c. motor fuel to counties and cities and towns,

20 d. diesel fuel for off-road purposes specified by Section
21 500.10 of Title 68 of the Oklahoma Statutes,

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

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

4 C. The assessment imposed by subsection A of this section shall
5 be distributed in the following manner:

6 1. The first One Million Dollars (\$1,000,000.00) collected
7 during each fiscal year shall be deposited into the Corporation
8 Commission Revolving Fund created in Section 180.7 of this title;

9 2. After deduction of the amount required pursuant to paragraph
10 1 of this subsection, eight percent (8%) of the remainder of the
11 revenue collected during each fiscal year shall be deposited into
12 the Department of Environmental Quality Revolving Fund created in
13 Section 2-3-401 of Title 27A of the Oklahoma Statutes;

14 3. Until the total amount deposited since July 1, 2008, in the
15 Weigh Station Improvement Revolving Fund totals Eighty-one Million
16 Dollars (\$81,000,000.00), Five Hundred Thousand Dollars
17 (\$500,000.00) per month of all revenue from the assessment received
18 over the amount required by paragraphs 1 and 2 of this subsection
19 shall be deposited in the Weigh Station Improvement Revolving Fund,
20 created in Section 1167 of Title 47 of the Oklahoma Statutes and
21 shall be used solely for the purpose of constructing weigh stations;

22 4. After the total amount deposited in the Weigh Station
23 Improvement Revolving Fund totals Eighty-one Million Dollars
24 (\$81,000,000.00), any revenue from the assessment received over the

1 amounts required in paragraphs 1 and 2 of this subsection shall be
2 deposited in the Petroleum Storage Tank Indemnity Fund created in
3 Section 353 of this title in amounts necessary to maintain the
4 maintenance level of the Indemnity Fund pursuant to subsection D of
5 this section; and

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

- 9 a. the first One Million Dollars (\$1,000,000.00)
10 collected during each fiscal year shall be deposited
11 in the Corporation Commission Storage Tank Regulation
12 Revolving Fund for the purpose of implementing the
13 provisions of the Oklahoma Storage Tank Regulation Act
14 and the rules promulgated thereunder, and
15 b. the balance of the monies collected during each fiscal
16 year shall be deposited in the State Transportation
17 Fund and shall be used solely for the purpose of
18 matching Federal-Aid funds for the construction of
19 highways and roads in this state.

20 D. 1. If at any time the Petroleum Storage Tank Indemnity Fund
21 falls below the required maintenance level on or before December 31,
22 ~~2022~~ 2024, the Administrator shall notify the Tax Commission that
23 the Indemnity Fund has fallen below the required maintenance level
24 and that the assessment is to be deposited into the Indemnity Fund

1 for at least three (3) calendar months pursuant to the provisions of
2 paragraph 2 of this subsection.

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

- 17 a. motor fuel used solely and exclusively in district-
18 owned or leased public school buses, FFA and 4-H Club
19 trucks for the purposes of legally transporting public
20 school children or in the operation of vehicles used
21 in driver's training,
- 22 b. motor fuels used solely and exclusively to propel
23 motor vehicles on the public roads and highways of the
24 state when leased or owned and being operated for the

1 sole benefit of a county, city or town, volunteer fire
2 department with a state certification and rating,
3 rural electric cooperative, rural water and sewer
4 district, rural ambulance service district, or
5 federally recognized Indian tribe as specified by
6 Section 500.10 of Title 68 of the Oklahoma Statutes,
7 c. motor fuel to counties and cities and towns,
8 d. diesel fuel for off-road purposes specified by Section
9 500.10 of Title 68 of the Oklahoma Statutes,
10 e. motor fuel used for agricultural purposes specified by
11 Section 500.10 of Title 68 of the Oklahoma Statutes,
12 and
13 f. motor fuel used in aircraft and aircraft engines
14 pursuant to Section 500.10 of Title 68 of the Oklahoma
15 Statutes.

16 3. After the collection period required by this subsection has
17 expired, the revenue collected from the assessment shall be again
18 deposited in the Corporation Commission Storage Tank Regulation
19 Revolving Fund and the State Transportation Fund as provided in
20 paragraph 5 of subsection C of this section.

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

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