

OKLAHOMA STATE SENATE
JOINT

COMMITTEE REPORT

May 9, 2017

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

SB 836

By: David and Fields of the Senate and Osborn (Leslie) and Wallace of the House

Title: Motor fuel assessment; modifying date for certain notification to Oklahoma Tax Commission. Emergency.

Recommendation: **DO PASS AS AMENDED**

Aye: Allen, Bergstrom, Bice, Boggs, Brecheen, Brown, Dahm, Daniels, Dossett, Dugger, Floyd, Fry, Griffin, Holt, Jech, Kidd, Leewright, Matthews, McCortney, Newberry, Paxton, Pederson, Pemberton, Pittman, Pugh, Rader, Scott, Sharp, Shaw, Silk, Simpson, Smalley, Sparks, Standridge, Stanislawski, Thompson, Yen, Fields, David

Nay:

Pass:

Senator Kim David, Chair

Committee Substitute, motion by Senator DAVID - Adopted (Request No: 1814)

OKLAHOMA HOUSE OF REPRESENTATIVES
COMMITTEE REPORT

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

SB836

By: Osborn (Leslie) et al of the House

David et al of the Senate

Title: Motor fuel assessment; modifying date for certain notification to
Oklahoma Tax Commission. Emergency.

Coauthored By:

Recommendation: **DO PASS AS AMENDED BY CS**

Amendments:

1. Committee Substitute Attached

 Chr.
Representative Leslie Osborn

YEAS: 17

Biggs, Caldwell, Cockroft, Dunnington, Henke, Kouplen, Martin, Murphey, O'Donnell, Ortega, Osborn
(L), Ownbey, Pfeiffer, Russ, Sears, Virgin, Wallace

NAYS: 4

Calvey, Loring, Proctor, Stone

CONSTITUTIONAL PRIVILEGE: 0

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 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.

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

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

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

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

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

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

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

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

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

23 a. the state government,

24 b. the federal government,

1 c. class I and class II railroads, and

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

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

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

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

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

21 d. diesel fuel for off-road purposes specified by Section
22 500.10 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,

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

3 4. After the total amount deposited in the Weigh Station
4 Improvement Revolving Fund totals Eighty-one Million Dollars
5 (\$81,000,000.00), any revenue from the assessment received over the
6 amounts required in paragraphs 1 and 2 of this subsection shall be
7 deposited in the Petroleum Storage Tank Indemnity Fund created in
8 Section 353 of this title in amounts necessary to maintain the
9 maintenance level of the Indemnity Fund pursuant to subsection D of
10 this section; and

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

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

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

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

- 22 a. motor fuel used solely and exclusively in district-
23 owned or leased public school buses, FFA and 4-H Club
24 trucks for the purposes of legally transporting public

1 school children or in the operation of vehicles used
2 in driver's training,

- 3 b. motor fuels used solely and exclusively to propel
4 motor vehicles on the public roads and highways of the
5 state when leased or owned and being operated for the
6 sole benefit of a county, city or town, volunteer fire
7 department with a state certification and rating,
8 rural electric cooperative, rural water and sewer
9 district, rural ambulance service district, or
10 federally recognized Indian tribe as specified by
11 Section 500.10 of Title 68 of the Oklahoma Statutes,
- 12 c. motor fuel to counties and cities and towns,
- 13 d. diesel fuel for off-road purposes specified by Section
14 500.10 of Title 68 of the Oklahoma Statutes,
- 15 e. motor fuel used for agricultural purposes specified by
16 Section 500.10 of Title 68 of the Oklahoma Statutes,
17 and
- 18 f. motor fuel used in aircraft and aircraft engines
19 pursuant to Section 500.10 of Title 68 of the Oklahoma
20 Statutes.

21 3. After the collection period required by this subsection has
22 expired, the revenue collected from the assessment shall be again
23 deposited in the Corporation Commission Storage Tank Regulation
24

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

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

4 SECTION 3. It being immediately necessary for the preservation
5 of the public peace, health or safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

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