

An Act

ENROLLED HOUSE
BILL NO. 1072

By: Gann of the House

and

Quinn and Dahm of the
Senate

An Act relating to the Oklahoma Liquefied Petroleum Gas Regulation Act; amending 52 O.S. 2021, Sections 420.4, 420.5, 420.9, and 420.15, which relate to registration permit, fees on sale, reports, and penalties, and safety schools for liquefied petroleum dealers; providing for additional permit classes to be assessed annual fee; modifying public hearing dates; directing promulgation of rules; clarifying language; providing for in person or virtual instruction for safety school; and providing an effective date.

SUBJECT: Sunset

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

SECTION 1. AMENDATORY 52 O.S. 2021, Section 420.4, is amended to read as follows:

Section 420.4 A. No person, firm or corporation shall manufacture, fabricate, assemble or install in this state any system, container, apparatus or appliance used or to be used in this state in or for the transportation, storage, dispensing or utilization of LPG, nor shall any transporter, distributor or retailer of LPG store, dispense or transport over the highways of this state any LPG intended for use in this state in any such system, container, apparatus or appliance, without having first applied for and obtained a registration permit to do so. A permit shall not be required by any person, firm or corporation engaged in

the production or manufacture of LPG, or selling or reselling LPG to transporters, gas processors, distributors or retailers, nor by any person, firm or corporation selling or delivering motor vehicles or tractors which are factory equipped with an LPG system, container, apparatus or appliance for the utilization of LPG as motor fuel. The provisions of this section shall not prevent an individual from installing in his or her own single-unit residence any system, container, apparatus or appliance which uses or will utilize LPG, provided that such individual has secured an inspection of the installation by the Administrator or someone designated by the Administrator or by a person duly licensed to make such an installation prior to the use of the system, container, apparatus or appliance. Applications for registration permits shall be in writing, on a form provided by the Board, and shall contain such pertinent information as is required by the Board. Upon approval of each application and receipt of the certificates of insurance or securities required by the provisions of this section, the Administrator shall issue to the applicant a permit to engage in the phase of the LPG industry in this state to which such permit applies. No permit other than the Class I Dealer Permit shall be transferable. The Board is authorized to establish a fee for the transfer of a Class I Permit. Nothing in Sections 420.1 through 420.15 of this title shall be construed to regulate the manufacturing, fabrication, assembling, selling or installing of any system, container, apparatus or appliance having a fuel container with a maximum individual water capacity of less than two and one-half (2 1/2) pounds.

B. 1. The Board is authorized to establish an annual permit fee for the issuance of each class of permit listed in subsection C of this section.

2. All such registration permits shall expire annually with no permit extending longer than one (1) calendar year. The expiration dates shall be set by the Board in the rules. The Administrator may issue a semiannual permit to applicants engaging in the business within six (6) months or less of the annual renewal date. A semiannual permit shall expire on the following annual expiration date. The fee for a semiannual permit shall be one-half (1/2) that of the fee of the annual permit. All registration permits required pursuant to the provisions of this section shall be renewed upon payment of the annual fees on or before the expiration of the registration permit, and upon fulfilling all insurance requirements. The Board is authorized to establish necessary penalty provisions required to ensure prompt payment of the annual fees.

3. The Board is authorized to establish specifications which set forth the scope of authority for each class of permits.

4. The Board is authorized to establish an initial permit fee for the issuance of Class I and Class II permits to any person, firm or corporation for the first time.

C. Persons, firms and corporations required to be registered pursuant to the provisions of Sections 420.1 through 420.15 of this title, at the time of issuance of each permit, shall pay to the Administrator the initial permit fee, if applicable, and any annual fee that is applicable to the following permit classes:

1. Class I - Dealer Permit;
2. Class II - Truck Transporter Permit;
3. Class III - DOT Cylinder Transporter Permit;
4. Class IV - Installer Permit;
5. Class IV-D - Driver/Installer Permit;
6. Class VI - DOT Cylinder and/or LPG Motor Fuel Station;
7. Class VI-A - LPG Dispensing Permit;
8. Class VII - Cylinder Exchange Program Permit;
9. Class VIII - Unodorized LPG Permit;
10. Class IX - LPG Container Sales Permit;

~~10.~~ 11. Class IX-A - Manufactured Homes and Recreation Sales Permit; and

~~11.~~ 12. Class X - Manager's Permit.

D. 1. Each person, firm or corporation holding a permit authorizing the use of an LPG bulk delivery truck or trailer shall ~~pay~~ owe at the time of inspection an annual inspection fee in an amount as established by the Board for each delivery truck or trailer belonging to the person, firm or corporation. Each person, firm or corporation who does not hold a permit issued by the Board

authorizing the use of an LPG bulk delivery truck or trailer in the state shall pay an annual inspection fee in an amount as established by the Board for each such truck or trailer belonging to person, firm or corporation being used to dispense or transport LPG in the state.

2. The inspection fee shall increase to an amount established by the Board per vehicle if the inspection is not completed within sixty (60) days of the expiration date, or at a later date at the discretion of the Administrator.

E. Any LPG bulk delivery truck or trailer failing to be approved at its annual inspection shall be assessed a fee in an amount as established by the Board at the time that it is reinspected.

F. The fees provided for in this section shall be applicable to residents and nonresidents of Oklahoma.

G. The Board is authorized to approve or disapprove applications for registration permits to distributors and retailers of LPG and managers of LPG establishments. The Administrator is authorized to approve or disapprove all other applications for registration permits that may be issued pursuant to the provisions of this section.

1. No application shall be approved by the Administrator unless the Administrator is satisfied that the applicant by written examination has shown a working knowledge of the safety requirements provided by the rules of the Board.

2. No application shall be approved by the Board unless the Board is satisfied by adequate written examination of the applicant, or the individual who is or shall be directly responsible for actively supervising the operations of such applicant which is a partnership, firm or corporation, that the applicant or such individual has a working knowledge of the safety requirements provided by the rules of the Board. The Board shall cause to be held public hearings ~~on the second Monday~~ in the months of January, April, July and October of each year on all applications for new registration permits required by the provisions of this section, or upon such other occasions as the Board may deem necessary. Notice of each hearing shall be mailed to each such applicant and shall be posted in a conspicuous place in the Office of the Administrator in Oklahoma City, Oklahoma, at least thirty (30) days prior to the date

of the hearing. The notice shall include the name, address, permit class and business location of each applicant whose application is to be considered at the hearing. The applicant, or the individual who is or shall be directly responsible for and actively supervising the operations of the applicant, may be present at the hearing. If, after the public hearing, an applicant is found by the Board to have a working knowledge of the safety requirements provided by the rules and regulations of the Board, the Board shall cause an order to that effect to be entered upon its records and the application shall be approved. In the event an applicant fails to qualify, the fact shall be entered upon the Board's records.

3. The Board shall charge a fee, in an amount established by the Board, for testing materials and the expense of holding the examinations provided for in this section. The fee shall be paid upon filing an application for any permit.

H. A registration permit shall not be issued to any applicant unless the Administrator has received certificates of insurance or security as required by this section.

I. Except as otherwise provided for in this section, all persons, firms or corporations engaged in the business of manufacturing, fabricating, assembling or installing any LPG system, container, apparatus or appliance in this state, and required to be registered pursuant to the provisions of Sections 420.1 through 420.15 of this title, shall file with the Administrator a certificate indicating liability insurance coverage for the manufacturer and contractor. The Board is authorized to establish coverage amounts for each class of permit, provided coverage shall be for an amount of not less than Twenty-five Thousand Dollars (\$25,000.00) to Fifty Thousand Dollars (\$50,000.00) for bodily injury and limits of not less than Twenty-five Thousand Dollars (\$25,000.00) for property damage, and shall be in full force and effect, covering the plant, equipment and motor vehicles used in such business, and the operations of the business.

J. Except as otherwise provided for in this section, all transporters, distributors, or retailers of LPG in this state, required to be registered pursuant to Sections 420.1 through 420.15 of this title, shall file with the Administrator a certificate indicating that public liability and property damage insurance coverage has been issued. The Board is authorized to establish coverage amounts for each class of permit, provided coverage shall be for an amount of not less than Twenty-five Thousand Dollars

(\$25,000.00) to Fifty Thousand Dollars (\$50,000.00) for bodily injury and limits of not less than Twenty-five Thousand Dollars (\$25,000.00) for property damage has been issued, and is in full force and effect, covering the plant, equipment, and motor vehicles used in such business, and the operations of the business.

K. Insurance pursuant to the provisions of this section shall be maintained in full force and effect during the operation of the business for which the coverage was issued. Except as otherwise provided for in this section, or in administrative rules promulgated by the Board, no registration permit shall be issued until the certificate is filed with the Administrator. No insurance coverage shall be canceled or terminated without thirty (30) days prior written notice of cancellation or termination to the Administrator.

L. The Board is authorized, upon proof of or a satisfactory showing that any person, firm or corporation is financially able to pay or satisfy any judgment, claim or demand against the person, firm or corporation, to waive the insurance coverage required by this section. The Board, in lieu of the certificate, may require the deposit, with the Administrator, of securities, or satisfactory indemnity bond, in an amount and of a kind designated by the Board, to secure the liability of such person, firm or corporation to pay any judgment, claim or demand. The security shall not be in excess of the limits set forth in this section. If the Board deems the financial status of such person, firm or corporation to be impaired so as to reduce the ability of such person, firm or corporation to make payment or to satisfy any judgment, claim or demand, the Board may revoke the waiver and require the person, firm or corporation to file certificates required by this section within thirty (30) days after written notice is sent by the Board to the person, firm or corporation.

SECTION 2. AMENDATORY 52 O.S. 2021, Section 420.5, is amended to read as follows:

Section 420.5 A. The Board is authorized to establish a fee, to be paid to the Administrator, upon the sale, purchase, rental and/or use in this state of liquefied petroleum gas refillable cylinders and all other liquefied petroleum gas containers.

B. Each manufacturer of LP-Gas containers in Oklahoma, each vendor of containers manufactured ~~without~~ outside of the state, and each person, firm or corporation placing any LPG container or cylinder in use in this state shall pay the applicable fee. For

vendors of containers manufactured ~~without~~ outside of this state, the fee or fees shall apply and become due upon delivery to the vendors, or for their account, ~~within the state,~~ of containers or cylinders purchased ~~without~~ outside of the state. In no event shall the fees herein levied be paid or become payable on any container or cylinder sold, rented, purchased or placed in use in this state prior to the effective date of this act, or more than once on any container or cylinder, or upon any container or cylinder resold, rerented, repurchased or reused in this state. The Administrator is authorized to refund or credit fees upon containers sold ~~without~~ outside of the state upon which the fees have previously been paid, or any fees which have erroneously been paid, upon written application supported by affidavit setting forth the basis for such refund. The Administrator is authorized to adopt a system of identification of containers on which the fees herein levied have been paid.

C. No person, firm or corporation shall use or install in this state any container or cylinder upon which the applicable fee levied above applies and has not been paid. In case of failure to pay within the specified time, there shall be assessed a penalty of twenty-five percent (25%), which shall be added to the applicable fee.

SECTION 3. AMENDATORY 52 O.S. 2021, Section 420.9, is amended to read as follows:

Section 420.9 A. All liquefied petroleum gases designated as commercial propane, commercial butane or mixtures thereof, sold for consumption in this state, shall, when subjected to the test methods of the ~~Gas Processors Association of America~~ GPA Midstream Association, meet applicable specifications adopted as tentative standards by the Association for the particular product sold.

B. All vehicles used in hauling or transporting liquefied petroleum gases upon the highways of this state shall be identified in such manner as the Administrator may, by rule, prescribe.

C. The Department of Public Safety of the State of Oklahoma shall cooperate with the Administrator in the enforcement of the provisions of this section, and the rules promulgated thereunder.

D. Transport trucks transporting liquefied petroleum gases intrastate which are owned or operated by a person subject to and licensed by the Oklahoma Liquefied Petroleum Gas Regulation Act

shall not be required to obtain or possess an intrastate motor carrier or private carrier license issued by the Oklahoma Corporation Commission.

E. Containers shall be filled or used only upon authorization of the fee simple owner. The name of the fee simple owner, if other than the consumer, shall be conspicuously shown on the container.

F. At least one attendant shall remain close to the transfer connection from the time the connections are first made until they are finally disconnected, during the transfer of the product. During the actual transfer of liquids into containers at domestic type dwellings and installations, the attendant shall not enter into any type of enclosure including but not limited to truck cabs, dwellings and barns and shall maintain visual contact with the liquid level gauge at all times.

SECTION 4. AMENDATORY 52 O.S. 2021, Section 420.15, is amended to read as follows:

Section 420.15 The LP-Gas Board shall provide for the holding of safety schools for the benefit of the liquefied petroleum gas dealers and employees in the State of Oklahoma, at such times and in such places as may be deemed advisable ~~and~~. The Board may, by lawfully adopted rules, require attendance and successful completion of courses, by in-person or virtual instruction, held as a condition precedent to retaining permits issued hereunder. Such courses shall be in the format as established by the Board in its sole discretion. The Administrator shall perform such duties in connection with those schools as the Board might direct.

SECTION 5. This act shall become effective November 1, 2022.

Passed the House of Representatives the 19th day of May, 2022.

Presiding Officer of the House
of Representatives

Passed the Senate the 28th day of April, 2022.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____