



## States' Biofuels Statutes

### STATE OF OKLAHOMA

*This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [States' Biofuels Statutory Citations](#).*

*Current through the 2014 Legislative Session of the Oklahoma State Legislature.*

#### **§ 130. Alternative fuels--Transfer of powers, duties and responsibilities**

All powers, duties, and responsibilities of the Oklahoma Alternative Fuels Conversion Act<sup>1</sup> and the Alternative Fuels Technician Certification Act<sup>2</sup> now exercised by the Corporation Commission pursuant to law are hereby transferred to the Office of Management and Enterprise Services, together with all unexpended funds, property, records, personnel, and any outstanding financial obligations and encumbrances related thereto.

**Credits:** [Laws 1991, c. 235, § 21, eff. July 1, 1991](#); [Laws 2012, c. 304, § 822](#).

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#### **§ 130.1. Short title**

Sections 1 through 10 of this act<sup>1</sup> shall be known and may be cited as the “Oklahoma Alternative Fuels Conversion Act”.

**Credits:** [Laws 1990, c. 336, § 1, operative July 1, 1990](#). Renumbered from [Title 17, § 601](#), by [Laws 1991, c. 235, § 23, eff. July 1, 1991](#).

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#### **§ 130.2. Definitions**

As used in the Oklahoma Alternative Fuels Conversion Act:

1. “Alternative fuels” means natural gas and liquid fuels produced from natural gas, liquefied petroleum gas, ethanol, methanol, electricity, biodiesel, coal-derived liquid fuels, hydrogen and fuels derived from biological materials;
2. “Charge station” means the physical device that provides a connection from a power source to an electric vehicle;
3. “Conversion kit” means the equipment installed to modify a motor vehicle which is propelled by gasoline or diesel fuel so that the vehicle may be propelled by an alternative fuel;

4. “Diesel fuel” means diesel engine fuel, and all other liquids suitable for the generation of power for the propulsion of motor vehicles except gasoline;
5. “Fill station” means the equipment and conveyance property that provides the delivery and, if required, compression of an alternative fuel other than electricity;
6. “Gallon” means the quantity of fluid or liquid at a temperature of sixty degrees (60°) Fahrenheit necessary to completely fill a United States standard gallon liquid measure;
7. “Gasoline” means the same as motor fuel and means every liquid petroleum product, or any combination thereof, other than solvents as herein defined, having an A.P.I. gravity of forty-six degrees (46°) or above at a temperature of sixty degrees (60°) Fahrenheit and at atmospheric pressure, and includes drip, casinghead or natural gasoline. The term gasoline also includes any liquid of less than forty-six degrees (46°) A.P.I. gravity at a temperature of sixty degrees (60°) Fahrenheit compounded, blended, manufactured or otherwise produced by mixing or blending gasoline or solvents with any blending materials, as hereinafter defined, when the blended product can be used for generating power in internal combustion engines, regardless of how such liquid is made, compounded, manufactured or recovered and regardless of the name by which such liquid may be known or sold;
8. “Government vehicle” means all motor vehicles, including, but not limited to, transit vehicles operated by any entity pursuant to [Section 4031 et seq. of Title 69 of the Oklahoma Statutes](#) or designated as public transit by the Department of Transportation, buses, trucks, law enforcement vehicles and emergency vehicles, owned and operated by the State of Oklahoma, any public trust authority, county, municipality, town or city within this state;
9. “Sale” means sales, barter, exchanges, and every other manner, method, and form of transferring the ownership of personal property from one person to another, and also includes the use or consumption in this state in the first instance of gasoline received from without the state or of any other gasoline upon which the surcharge has not been paid;
10. “School vehicle” means all buses and multi-passenger motor vehicles owned and approved to operate by the State Department of Education or any school district within this state; and
11. “Solvents” means especially prepared commercial and industrial solvents, cleaners’ and painters’ naphthas, and raw petroleum materials or petrochemical intermediates when used as or sold for use in production or manufacture of plastics, detergents, synthetic rubber, herbicides, insecticides and other chemicals or products which are not prepared, advertised, offered for sale, or sold for use or suitable for use as fuel for generating power in internal combustion engines.

**Credits:** [Laws 1990, c. 336, § 2, operative July 1, 1990](#). Renumbered from [Title 17, § 602](#) and amended by [Laws 1991, c. 235, §§ 1, 23, eff. July 1, 1991](#). [Laws 1993, c. 224, § 1, eff. Sept. 1, 1993](#); [Laws 1994, c. 379, § 2, eff. Sept. 1, 1994](#); [Laws 1998, c. 160, § 1, eff. Nov. 1, 1998](#); [Laws 2005, c. 287, § 2, eff. July 1, 2005](#); [Laws 2009, c. 371, § 4, emerg. eff. May 29, 2009](#).

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### **§ 130.3. Conversion of school and government vehicles to operate on alternative fuel**

A. All school vehicles and all government vehicles may be converted to operate on an alternative fuel. The state, any county or municipal government and any school district within the state may have access to the Oklahoma Alternative Fuels Conversion Fund and the reasonable expenses of the conversions and/or the installation of a fill station or charge station may be reimbursed in the manner pursuant to [Section 130.4](#) of this title if the state, county, municipality or school district can pay back such conversion and/or fill station or charge station installation costs within seven (7) years of the date of conversion and/or fill station or charge station installation. Beginning July 1, 1995, all school districts within this state should consider only purchasing school vehicles which have the capability to operate on an alternative fuel.

B. The reasonable expenses of the conversion of the school vehicle fleets and the government vehicle fleets that are converted pursuant to subsection A of this section shall be reimbursed in the manner pursuant to [Section 130.4](#) of this title.

C. The reasonable expenses of the installation of a fill station or charge station that is installed pursuant to subsection A of this section shall be reimbursed in the manner pursuant to [Section 130.4](#) of this title.

D. Any vehicle converted to have the capability of being fueled or charged by alternative fuels pursuant to the provisions of the Oklahoma Alternative Fuels Conversion Act shall not be sold or otherwise transferred to another person or entity before the total reimbursement of the cost of such conversion pursuant to the provisions of the Oklahoma Alternative Fuels Conversion Act unless such conversion equipment is removed and installed on another government vehicle or school vehicle owned by such public entity.

E. Any fill station or charge station installed pursuant to the provisions of the Oklahoma Alternative Fuels Conversion Act shall not be sold or otherwise transferred to another person or entity before the total reimbursement of the cost of such fill station or charge station pursuant to the provisions of the Oklahoma Alternative Fuels Conversion Act.

F. All school vehicles and all government vehicles which are converted to operate on alternative fuel shall be required to use such alternative fuel whenever a fill station or charge station is in operation within a five-mile radius of the respective department, district, agency, office, or political subdivision that has converted vehicles to operate on alternative fuel, and the price of the alternative fuel is comparable to the price of the fuel being displaced. School vehicles and government vehicles that are capable of operating on a conventional fuel as well as an alternative fuel shall be exempt from this restriction on those occasions when the vehicle or vehicles must be refueled outside the five-mile radius of the respective department, district, agency, office or political subdivision that has said vehicle and no alternative fuel fill station or charge station is reasonably available.

**Credits:** [Laws 1990, c. 336, § 3, operative July 1, 1990.](#) Renumbered from [Title 17, § 603](#) and amended by [Laws 1991, c. 235, §§ 2, 23, eff. July 1, 1991.](#) [Laws 1994, c. 379, § 3, eff. Sept. 1, 1994;](#) [Laws 1998, c. 160, § 2, eff. Nov. 1, 1998;](#) [Laws 2003, c. 232, § 1, eff. Nov. 1, 2003.](#)

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#### **§ 130.4. Oklahoma Alternative Fuels Conversion Fund**

A. There is hereby created in the State Treasury a revolving fund for the Office of Management and

Enterprise Services to be designated as the “Oklahoma Alternative Fuels Conversion Fund”. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Office of Management and Enterprise Services pursuant to [Section 130.5](#) of this title.

B. All monies accruing to the credit of the revolving fund shall be expended by the Office of Management and Enterprise Services to reimburse expenses relative to the conversion of government vehicles and school vehicles to have the capability of being fueled or charged by alternative fuels and/or the expenses relative to the installation of a fill station or charge station. The maximum amount expended per vehicle shall be the actual cost of vehicle conversion or Ten Thousand Dollars (\$10,000.00), whichever is less. The maximum amount expended per fill station or charge station shall be the actual cost of the installation or Three Hundred Thousand Dollars (\$300,000.00), whichever is less. The balance on deposit in the fund shall never exceed the sum of Five Million Dollars (\$5,000,000.00).

C. Expenditures from the revolving fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

**Credits:** [Laws 1990, c. 336, § 4, operative July 1, 1990](#). Renumbered from [Title 17, § 604](#) and amended by [Laws 1991, c. 235, §§ 3, 23, eff. July 1, 1991](#). [Laws 1993, c. 224, § 2, eff. Sept. 1, 1993](#); [Laws 1998, c. 160, § 3, eff. Nov. 1, 1998](#); [Laws 2002, c. 38, § 1](#); [Laws 2009, c. 371, § 5, emerg. eff. May 29, 2009](#); [Laws 2012, c. 304, § 823](#).

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### **§ 130.5. Reimbursement of Alternative Fuels Fund--Accounts--Surcharge on sales of alternative fuels--Collection and apportionment--Suspension of surcharge**

A. The Oklahoma Alternative Fuels Conversion Fund shall be reimbursed by a surcharge on alternative fuels sold within the state under the provisions of the Oklahoma Alternative Fuels Conversion Act.

B. A reimbursement account shall be established in the name of each recipient of reimbursement for vehicle conversion and/or fill station installation pursuant to the provisions of [Section 603](#) of this title.<sup>1</sup> The initial amount of each recipient’s account shall be the amount of the reimbursement received by that recipient. A recipient’s account shall be increased by the amount of any subsequent reimbursement received by that recipient; a recipient’s account shall be reduced by the amount of all surcharges on alternative fuels paid by that recipient.

C. A surcharge in an amount equivalent to the per gallon fuel cost savings in utilizing alternative fuels is hereby levied on sales of alternative fuels to recipients of reimbursement for vehicle conversion and/or fill station installation pursuant to the provisions of [Section 603](#) of this title. Initially, the amount of the surcharge shall be based upon monthly fuel savings as determined in the manner prescribed in [subsection A of Section 603](#) of this title. Such amount shall be adjusted periodically, by the Oklahoma Tax Commission, to reflect any change in the amount of fuel savings actually received by the recipient. The surcharge shall not be levied on sales of alternative fuels for any other purposes. The surcharge shall continue on sales to each such recipient for so long as that recipient maintains a reimbursement account. When the reimbursement account for a recipient is reduced to zero, the

surcharge levied by this section shall terminate until such time as a reimbursement account may be re-established for that recipient.

D. The surcharge levied by this section shall be collected by the Oklahoma Tax Commission and apportioned monthly to the Oklahoma Alternative Fuels Conversion Fund.

E. The surcharge levied by this section shall be suspended whenever the price of the alternative fuel used by the recipient is equal to or greater than the price of the original fuel displaced by the alternative fuel which may be purchased by such recipient. Provided, such surcharge shall be reinstated whenever the price of the alternative fuel used by the recipient becomes less than the price of the original fuel displaced by the alternative fuel which may be purchased by such recipient.

F. The Oklahoma Tax Commission shall adopt rules and regulations relating to the payment and collection of the surcharge levied by this section.

**Credits:** [Laws 1990, c. 336, § 5, operative July 1, 1990.](#) Renumbered from [Title 17, § 605](#) and amended by [Laws 1991, c. 235, §§ 4, 23, eff. July 1, 1991.](#)

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#### **§ 130.6. Fund expenditures not deemed debt of governmental entity**

Expenditures from the Oklahoma Alternative Fuels Conversion Fund for vehicle conversions and/or fill station installations pursuant to [Section 603](#) of this title<sup>1</sup> shall not at any time be deemed to constitute a debt of the state, county, municipality or school district which owns such vehicle or fill station or a pledge of the faith and credit of the state or such county, municipality or school district, but such expenditures shall be reimbursed solely by a surcharge on the alternative fuel sold to the state or such county, municipality or school district pursuant to [Section 605](#) of this title.<sup>2</sup>

**Credits:** [Laws 1990, c. 336, § 6, operative July 1, 1990.](#) Renumbered from [Title 17, § 606](#) and amended by [Laws 1991, c. 235, §§ 5, 23, eff. July 1, 1991.](#)

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#### **§ 130.7. Compliance with Act**

Compliance with the provisions of the Oklahoma Alternative Fuels Conversion Act shall be dependent upon the existence of funds within the Oklahoma Alternative Fuels Conversion Fund.

**Credits:** [Laws 1990, c. 336, § 7, operative July 1, 1990.](#) Renumbered from [Title 17, § 607](#) by [Laws 1991, c. 235, § 23, eff. July 1, 1991.](#)

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#### **§ 130.8. Pricing and selling of transportation fuels not to be regulated by governmental entity**

The price and sale of natural gas, methanol, electricity, "M-85", and biodiesel utilized as a transportation fuel in a motor vehicle shall not be regulated by any governmental entity within this state.

**Credits:** [Laws 1991, c. 235, § 6, eff. July 1, 1991](#); [Laws 1993, c. 224, § 3, eff. Sept. 1, 1993](#); [Laws 1998, c. 160, § 4, eff. Nov. 1, 1998](#); [Laws 2005, c. 287, § 3, eff. July 1, 2005](#).

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### **§ 130.9. Rules and regulations**

Except as provided for in [subsection F of Section 130.5](#) of this title, the Office of Management and Enterprise Services shall adopt rules and regulations necessary to carry out the provisions of the Oklahoma Alternative Fuels Conversion Act.

**Credits:** [Laws 1990, c. 336, § 9, operative July 1, 1990](#). Renumbered from [Title 17, § 609](#) and amended by [Laws 1991, c. 235, §§ 7, 23, eff. July 1, 1991](#); [Laws 2012, c. 304, § 824](#).

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### **§ 130.10. Penalties**

Any person convicted of violating the provisions of the Oklahoma Alternative Fuels Conversion Act shall be guilty of a misdemeanor and shall be punished by a fine of not more than Five Hundred Dollars (\$500.00) or by confinement in the county jail not to exceed thirty (30) days, or by both fine and imprisonment.

**Credits:** [Laws 1990, c. 336, § 10, operative July 1, 1990](#). Renumbered from [Title 17, § 610](#) by [Laws 1991, c. 235, § 23, eff. July 1, 1991](#).