

Oklahoma Statutes Citationized

Title 52. Oil and Gas

Chapter 8 - Oklahoma Liquefied Petroleum Gas Regulation Act

Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act

Section 420.20 - Short Title

This act shall be known and may be cited as the "Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act".

Historical Data

Added by Laws 1994, c. 146, § 1, eff. July 1, 1994.

Section 420.21 - Definitions

As used in the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act:

1. "Commission" means the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission;
2. "Cargo container" means any receptacle mounted on a transport vehicle, including a bobtail or semitrailer designed and used for the transportation or storage of liquefied petroleum gas, but shall not include the motor fuel tank of the vehicle;
3. "First sale" means the first transaction within the State of Oklahoma in which ownership of odorized liquefied petroleum gas transfers from seller to purchaser;
4. "Importer" means the owner of odorized liquefied petroleum gas (LP gas) at the time of entry into this state from another state or from outside the United States;
5. "Liquefied petroleum gas (LP gas)" means any material that is composed predominantly of any of the following hydrocarbons or mixtures of hydrocarbons: propane, propylene, normal butane, isobutane or butylenes;
6. "Loading rack" means any material handling facility where LP gas is loaded into cargo containers, including, but not limited to, gas processing plants, refineries, underground and aboveground bulk storage facilities, pipeline terminals and unattended LP gas dispensing facilities;
7. "Loading rack operator" means the owner or any person or entity controlling the day-to-day operations of the facility. When this person or entity is not the person or entity invoicing the first sale of odorized LP gas dispensed into a cargo container at a loading rack, the person or entity invoicing the first sale of odorized LP gas dispensed into a cargo container at a loading rack shall be considered the loading rack operator;
8. "Person" means any individual, group of individuals, or any partnership, corporation, association, cooperative, or employee thereof, or any other entity; and

9. "Time of import" means the time of entry into the State of Oklahoma from another state or from outside the United States.

Historical Data

Added by Laws 1994, c. 146, § 2, eff. July 1, 1994; Amended by Laws 1995, c. 303, § 1, eff. July 1, 1995; Amended by Laws 1998, c. 91, § 1, eff. November 1, 1998 (superseded document available); Amended by Laws 2002, SB 1407, c. 202, § 6, emerg. eff. July 1, 2002 (superseded document available).

Section 420.22 - Oklahoma Liquefied Petroleum Gas Research, Marketing, and Safety Commission

Cite as: O.S. §, ___

A. There is hereby created until July 1, 2012, the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission which shall be subject to the provisions of the Oklahoma Sunset Law. The purpose of the Commission is to coordinate marketing and research activities of the LP gas industry and to promote safety through programs and education.

B. The Commission shall be subject to review and termination under the Oklahoma Sunset Law prior to July 1, 2012, if at least fifty-one percent (51%) of all Class I LP gas permit holders in the state sign a petition requesting such a review. The petition shall be submitted to the House of Representatives and State Senate committees responsible for sunset review.

Historical Data

Added by Laws 1994, HB 2418, c. 146, § 3, emerg. eff. July 1, 1994; Amended by Laws 2000, HB 1853, c. 22, § 1, eff. August 25, 2000 ([superseded document available](#)); Amended by Laws 2006, HB 2124, c. 41, § 1, eff. August 25, 2006 ([superseded document available](#)).

Section 420.23 - Composition of Liquefied Petroleum Gas Research, Marketing and Safety Commission - Vacancies - Travel Reimbursement

Cite as: O.S. §, ___

A. The Liquefied Petroleum Gas Research, Marketing and Safety Commission shall be composed of at least twelve (12) members. The twelve members shall be LP gas dealers who are holders of a permit from the State Liquefied Petroleum Gas Administration; four to be appointed by the Governor, four to be appointed by the President Pro Tempore of the Senate and four to be appointed by the Speaker of the House of Representatives. The Governor, President Pro Tempore of the Senate and Speaker of the House of Representatives shall make appointments of the LP gas dealers from a list of names submitted by the Oklahoma Propane Gas Association.

B. The members of the Commission shall:

1. Be at least twenty-five (25) years of age;
2. Be a resident of the State of Oklahoma; and
3. Have at least five (5) years of active experience in the LP gas industry.

C. The membership of the Commission shall be distributed geographically so that each quadrant of the state is represented equally. Each appointing authority shall make one appointment from each quadrant of the state. The boundaries of the quadrants shall be Interstate 35 and Interstate 40. A person shall be considered as

representing a quadrant of the state if the person's permanent residence is located in the quadrant.

D. Not more than two members of the Commission shall be employed by or represent the same person, business, corporation or entity or any subsidiary of an entity.

E. The initial term of office for members of the Commission shall be as follows: three members for one (1) year, three members for two (2) years and six members for three (3) years.

For the initial appointments which shall be made by September 1, 1994, each appointing authority shall make one appointment for a one-year term, one appointment for a two-year term and two appointments for three-year terms. Thereafter, the terms of the members shall be for three (3) years.

F. Vacancies shall be filled for the unexpired term of office in the same manner as the original appointment. The dealer members may be removed from office by a majority vote of the three appointing authorities in a manner as provided by law.

G. After October 1, 1994, the members of the Commission appointed pursuant to subsection A of this section may by majority vote appoint a maximum of three members representing companies which provide goods and services to propane dealers. These additional members shall have full voting rights and privileges and will serve three-year terms. They may be removed from the Commission by a majority vote of the LP gas dealer members of the Commission appointed pursuant to subsection A of this section.

H. The Commission shall at its first meeting elect one of its members as chairperson, who shall preside over meetings of the Commission and perform any other duties as may be required by the Commission.

I. No member of the Commission shall receive a salary or reimbursement for duties performed as a member of the Commission, however members are eligible to receive travel reimbursement as provided in the State Travel Reimbursement Act.

Historical Data

Added by Laws 1994, c. 146, § 4, eff. July 1, 1994.

Section 420.24 - Powers and Duties of Commission

The Commission shall have the power and duty to:

1. Administer and enforce the provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act;
2. Establish an office for the Commission within the State of Oklahoma;
3. Elect a chairperson and whatever other officers may be necessary to direct operations of the Commission;
4. Employ personnel as shall be deemed necessary to carry out the purpose and provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act and to prescribe their duties and fix their compensation;
5. Establish and administer the LP Gas Research, Marketing and Safety Revolving Fund;
6. Approve or disapprove the budget of the Commission;
7. Promulgate rules as it deems necessary to carry out the provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act;

8. Enter into contracts or agreements for studies, research projects, safety programs, experimental work, supplies or other services to carry out the purposes of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act, and incur those expenses necessary to carry out those purposes. Any contract or agreement shall provide that:

a. the person entering the contract or agreement on behalf of the Commission shall develop and submit to the Commission a plan or project together with a budget that shows estimated costs to be incurred for the plan or project, and

b. the person entering the contract or agreement shall keep accurate records of all of its transactions, account for funds received and expended, and make periodic reports to the Commission of activities conducted, and any other reports as the Commission may require;

9. Keep accurate records of all financial transactions performed pursuant to the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act. These records shall be audited annually by an independent auditor and an annual report shall be compiled and presented to the Governor;

10. Cooperate with any private, local, state or national commission, organization, agency or group and to make contracts and agreements for joint programs beneficial to the LP gas industry;

11. Accept donations, grants, contributions and gifts from any public or private source and deposit the money in the LP Gas Research, Marketing and Safety Revolving Fund;

12. Approve or disapprove the investment of any monies in the LP Gas Research, Marketing and Safety Revolving Fund pursuant to Section 7 of this act; and

13. Keep an accurate record of all assessments collected.

Historical Data

Added by Laws 1994, c. 146, § 5, eff. July 1, 1994.

. Section 420.25 - Annual Meeting of Commission - Annual Report and Proposed Budget Presentation - Appointment of Director

Cite as: O.S. §, __ __

A. There shall be an annual meeting of the Commission at which the annual report and proposed budget will be presented. The Commission shall, at the call of the chairperson, hold at least three other regular meetings each year. The chairperson shall establish the time, a manner and place of all meetings and shall provide notice of such meetings. A majority of the members of the Commission shall constitute a quorum for the transaction of any business. In addition, the Commission shall determine the circumstances under which additional meetings of the Commission may be held.

B. The Commission may appoint a Director who shall carry out the provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act. The Director shall not be one of the appointed Commission members.

Historical Data

Added by Laws 1994, c. 146, § 6, eff. July 1, 1994.

Section 420.26 - Creation of LP Gas Research, Marketing and Safety Revolving Fund

Cite as: O.S. §, ____

There is hereby created in the State Treasury a revolving fund for the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission to be designated the "LP Gas Research, Marketing and Safety Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations and shall consist of all monies received by the Commission from assessments received and collected pursuant to Section 420.27 of this title, and donations, grants, contributions and gifts from any public or private source and any monies appropriated by the Oklahoma State Legislature. The Commission may expend funds as provided for by law. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

Historical Data

Added by Laws 1994, c. 146, § 7, eff. July 1, 1994. Amended by Laws 1995, c. 277, § 3, emerg, eff. May 25, 1995.

Section 420.27 - Assessment Imposed on First Sale of Odorized LP Gas

Cite as: O.S. §, ____

A. To fund the activities of the Commission an assessment shall be imposed on the first sale of odorized LP gas or at the time of import of odorized LP gas into the State of Oklahoma. Each operator of a loading rack on delivery into any cargo container shall collect from the person who purchases the odorized LP gas an assessment in an amount of one-half cent (\$0.005) per gallon. Each owner of odorized LP gas, at the time of import into this state, shall be responsible for the payment of the one-half cent (\$0.005) per gallon assessment on the volume of LP gas at the time of import.

B. The assessment shall be computed on the net amount of odorized LP gas delivered into a cargo container.

C. Loading rack operators and importers shall maintain sufficient records regarding their LP gas operations to enable the Commission to determine whether the loading rack operators and importers have remitted all fees due under the provisions of subsection A of this section. Loading rack operators and importers shall make such records available to the Commission for inspection and shall maintain such records for the minimum period of time that business records are required to be maintained by the Internal Revenue Service.

D. Upon a determination by a majority vote of the Commission that just cause exists, a representative of the Commission may, at reasonable times and after reasonable notice to the loading rack operator and importer, enter an office, premises or place of business of a loading rack operator or importer to inspect, examine and obtain copies of the LP gas operation records maintained pursuant to subsection C of this section, for the purpose of conducting an audit or investigation or enforcing or administering this act. The loading rack operator or importer or their representative is entitled to be present when the Commission representative enters to make inspections and examinations on the premises of the loading rack operator or importer.

E. The Commission shall serve notice to the Oklahoma Liquefied Petroleum Gas Administrator regarding any importer who fails to remit the assessment as required under the provisions of this section. Upon notice and hearing, the Oklahoma Liquefied Petroleum Gas Board may suspend or revoke any registration permit issued to the loading rack operator or importer by the Oklahoma Liquefied Petroleum Gas Board until all assessments and penalties are paid in full.

Historical Data

Added by Laws 1994, c. 146, § 8, eff. July 1, 1994; Amended by Laws 1995, c. 303, § 2, eff. July 1, 1995;

Amended by Laws 1998, c. 91, § 2, eff. November 1, 1998 (superseded document available); Amended by Laws 2002, SB 1407, c. 202, § 7, emerg. eff. July 1, 2002 ([superseded document available](#)).

Section 420.28 - Report of Loading Rack Operator - Assessments - Penalty for Late Fees

Cite as: O.S. §, ___

A. Each operator of a loading rack or owner of LP gas at the time of import shall, on or before the 25th day of the month following the end of each calendar month, file a report with the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission and remit the amount of assessments required to be collected or paid during the preceding month to the Commission, which shall be deposited in the LP Gas Research, Marketing and Safety Revolving Fund.

B. Loading rack operators or owners of LP gas at the time of import filing a report or remitting fees later than the 25th day of the month in which fees are due, but within thirty (30) days of the deadline, shall remit a penalty in the amount of five percent (5%) of the amount of fees originally due and payable.

C. Loading rack operators or owners of LP gas at the time of import filing a report or remitting fees more than thirty (30) days after the deadline shall remit a penalty in the amount of ten percent (10%) of the fees originally due and payable.

D. An additional penalty of seventy-five percent (75%) of the amount of the fees and penalties due and payable will be added to penalties set forth in subsections B and C of this section if the failure to file a report or to remit the fees collected is determined by the Commission to be a result of fraud or an intent to evade the provisions of this act or the rules of the Commission.

E. The Commission shall be responsible for taking appropriate legal actions to collect any assessment which is not paid or is not properly paid. At the request of the Commission, the Attorney General is authorized to take any necessary action to collect any fees or penalties due under the provisions of this act.

Historical Data

Added by Laws 1994, c. 146, § 9, eff. July 1, 1994; Amended by Laws 1995, c. 303, § 3, eff. July 1, 1995; Amended by Laws 1998, c. 91, § 3, eff. November 1, 1998 (superseded document available); Amended by Laws 2002, SB 1407, c. 202, § 8, emerg. eff. July 1, 2002 (superseded document available).

Section 420.29 - Assessment Refund Request

Cite as: O.S. §, ___

A. Any person subject to the assessment levied by Section 420.27 of this title may request a refund, as provided for in this section, of the assessment paid on the first sale of odorized LP gas for the preceding calendar year. Upon compliance with the provisions of this section and rules promulgated by the Commission, the Commission shall refund to each person requesting a refund the amount of the assessment paid by or on behalf of such person during the preceding calendar year. Refunds made to persons subject to the assessment shall in turn be refunded by the person to each customer based on the percentage of the total volume of LP gas purchased by each customer. As used in this section, "customer" shall mean the end-user who consumes the LP gas.

B. The request for a refund of the assessment for the preceding calendar year must be made during the first calendar month following the calendar year for which the refund is requested. Failure to request a refund during this period shall terminate the right of any person to receive a refund for the assessment paid for the preceding calendar year. The Commission shall give notice of the availability of the refund through press releases or such other means as it deems appropriate.

C. Each person requesting a refund shall execute an affidavit showing the amount of refund requested and the

volume of sales of LP gas made by the person to each customer. The Commission may require records to be submitted verifying the volume of sales and may verify the accuracy of the request for refund.

D. No person or company who requests a refund under this section shall be eligible to serve or have a representative serve as a member of the Commission.

Historical Data

Added by Laws 1994, c. 146, § 10, eff. July 1, 1994. Amended by Laws 1995, c. 303, § 4, eff. July 1, 1995.

Section 420.29-1 - Exports Exempted from Fees - Claim of Exemption

Cite as: O.S. §, ___

A. No fee shall be collected on any deliveries of odorized LP gas destined for export out of this state if the LP gas is in continuous movement to a destination outside of this state.

B. Purchasers or representatives of purchasers claiming an exemption under this section must complete a form, provided by the Commission, and return it to the loading rack operator making the exempt delivery. Any purchaser requesting an exemption for a particular load or for all LP gas purchased shall complete a form provided by the Commission. Each loading rack operator shall keep all exemptions forms filed with him or her on file and available for inspection by the Commission for a period of four (4) years.

Historical Data

Added by Laws 1995, c. 303, § 5, eff. July 1, 1995.

Section 420.29-2 - Application for Refund of Fees to Loading Rack Operator

Cite as: O.S. §, ___

Any purchaser who pays a fee to a loading rack operator or owner of LP gas at the time of import on a load of LP gas that is exempt under the provisions of this act may apply to the loading rack operator or owner of LP gas at the time of import for a refund of the amount paid. To apply for a refund, the purchaser must complete a refund request form provided by the Commission, and return it to the loading rack operator or owner of LP gas at the time of import who collected the fee. Any loading rack operator or owner of LP gas at the time of import required to refund a fee to a purchaser shall report the amount of the refund to the Commission. All amounts refunded and reported according to the provisions of this act may be deducted from the total amount of fees collected to arrive at the total amount of fees to be remitted to the Commission. All refund amounts reported must be supported by refund request forms kept on file by the loading rack operator and be available for inspection by the Commission for a period of four (4) years.

Historical Data

Added by Laws 1995, c. 303, § 6, eff. July 1, 1995; Amended by Laws 1998, c. 91, § 4, eff. November 01, 1998 (superseded document available).

Section 420.29-3 - Petition for Refund of Fees

Cite as: O.S. §, ___

Any operator of a loading rack or owner of LP gas at the time of import may petition the Commission for a refund of fees remitted to the Commission in error by filing the proper form and returning to the Commission. The reason for the refund and supporting documentation must accompany the request.

Historical Data

Added by Laws 1995, c. 303, § 7, eff. July 1, 1995; Amended by Laws 1998, c. 91, § 5, eff. November 01, 1998 (superseded document available).

Section 420.30 - Construction and Applicability of Act

Cite as: O.S. §, ___

Nothing in the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act may be construed to preempt or supersede any other program relating to LP gas promotion or marketing organized and operated under the law of the State of Oklahoma or the United States. The provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act applicable to the rules shall be applicable to amendments to the rules. In the event of the establishment of a national program for an assessment on propane sales, the Commission, by majority vote, may elect to designate up to a maximum of twenty percent (20%) of the funds collected pursuant to the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act to the national program in lieu of an additional assessment as may be required by the national program.

Historical Data

Added by Laws 1994, c. 146, § 11, eff. July 1, 1994.