

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 55th Legislature (2015)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1751

By: Newell of the House

and

Quinn of the Senate

8
9 COMMITTEE SUBSTITUTE

10 An Act relating to oil and gas; amending 52 O.S.
11 2011, Section 420.4, which relates to the Oklahoma
12 Liquefied Petroleum Gas Regulation Act; deleting the
13 appliance dealer permit class; and providing an
14 effective date.

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

16 SECTION 1. AMENDATORY 52 O.S. 2011, Section 420.4, is
17 amended to read as follows:

18 Section 420.4 A. No person, firm, or corporation shall
19 manufacture, fabricate, assemble, or install in this state any
20 system, container, apparatus, or appliance used or to be used in
21 this state in or for the transportation, storage, dispensing, or
22 utilization of LPG, nor shall any transporter, distributor, or
23 retailer of LPG store, dispense or transport over the highways of
24 this state any LPG intended for use in this state in any such

1 system, container, apparatus, or appliance, without having first
2 applied for and obtained a registration permit to do so. A permit
3 shall not be required by any person, firm, or corporation engaged in
4 the production or manufacture of LPG, or selling or reselling LPG to
5 transporters, processors, distributors, or retailers, nor by any
6 person, firm, or corporation selling or delivering motor vehicles or
7 tractors which are factory equipped with an LPG system, container,
8 apparatus, or appliance for the utilization of LPG as motor fuel.
9 The provisions of this section shall not prevent an individual from
10 installing in his own single-unit residence any system, container,
11 apparatus, or appliance which uses or will utilize LPG, provided,
12 that such individual has secured an inspection of such installation
13 by the Administrator or someone designated by the Administrator or
14 by a person duly licensed to make such an installation prior to the
15 use of said system, container, apparatus or appliance. Applications
16 for registration permits shall be in writing, on a form provided by
17 the Board, and shall contain such pertinent information as is
18 required by the Board. Upon approval of each said application and
19 receipt of the certificates of insurance or securities required by
20 the provisions of this section, the Administrator shall issue to the
21 applicant a permit to engage in the phase of the liquefied petroleum
22 gas industry in this state to which such permit applies. No permit
23 other than the Class I Dealer Permit shall be transferable. The
24 Board is authorized to establish a fee for the transfer of a Class I

1 Permit. Nothing in Sections 420.1 through 420.15 of this title
2 shall be construed to regulate the manufacturing, fabrication,
3 assembling, selling, or installing of any system, container,
4 apparatus, or appliance having a fuel container with a maximum
5 individual water capacity of less than two and one-half (2 1/2)
6 pounds.

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

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

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

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

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

- 9 1. Class I - Dealer Permit;
- 10 2. Class II - Truck Transporter Permit;
- 11 3. Class III - DOT Cylinder Transporter Permit;
- 12 4. Class IV - Installer Permit;
- 13 5. Class IV-D - Driver/Installer Permit;
- 14 6. Class VI - DOT Cylinder and/or LPG Motor Fuel Station
15 Operator;
- 16 7. Class VI-A - LPG Dispensing Permit;
- 17 8. Class VII - Cylinder Exchange Program Permit;
- 18 ~~9. Class VIII - Appliance Dealer Permit;~~
- 19 ~~10.~~ Class IX - LPG Container Sales Permit;
- 20 ~~11.~~ 10. Class IX-A - Manufactured Homes and Recreation Sales
21 Permit; and
- 22 ~~12.~~ 11. Class X - Manager's Permit.

23 D. 1. Each person, firm, or corporation holding a permit
24 authorizing the use of an LPG bulk delivery truck or trailer shall

1 pay at the time of inspection an annual inspection fee in an amount
2 as established by the Board for each said delivery truck or trailer
3 belonging to said person, firm, or corporation. Each person, firm,
4 or corporation who does not hold a permit issued by the Board
5 authorizing the use of an LPG bulk delivery truck or trailer in the
6 state shall pay an annual inspection fee in an amount as established
7 by the Board for each such truck or trailer belonging to said
8 person, firm, or corporation being used to dispense or transport LPG
9 in the state.

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

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

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

20 G. The Board is authorized to approve or disapprove
21 applications for registration permits to distributors and retailers
22 of LPG and managers of LPG establishments. The Administrator is
23 authorized to approve or disapprove all other applications for
24

1 registration permits that may be issued pursuant to the provisions
2 of this section.

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

7 2. No application shall be approved by the Board unless the
8 Board is satisfied by adequate written examination of the applicant,
9 or the individual who is or shall be directly responsible for
10 actively supervising the operations of such applicant which is a
11 partnership, firm, or corporation, that the applicant or such
12 individual has a working knowledge of the safety requirements
13 provided by the rules of the Board. The Board shall cause to be
14 held public hearings on the second Monday in the months of January,
15 April, July, and October of each year on all applications for new
16 registration permits required by the provisions of this section, or
17 upon such other occasions as the Board may deem necessary. Notice
18 of each hearing shall be mailed to each such applicant and shall be
19 posted in a conspicuous place in the Office of the Administrator in
20 Oklahoma City, Oklahoma, at least thirty (30) days prior to the date
21 of such hearing. Said notice shall include the name, address,
22 permit class, and business location of each applicant whose
23 application is to be considered at the hearing. Such applicant, or
24 the individual who is or shall be directly responsible for and

1 actively supervising the operations of such applicant, may be
2 present at such hearing. If, after the public hearing, an applicant
3 is found by the Board to have a working knowledge of the safety
4 requirements provided by the rules and regulations of the Board, the
5 Board shall cause an order to that effect to be entered upon its
6 records and the application shall be approved. In the event an
7 applicant fails to qualify, said fact shall be entered upon the
8 Board's records.

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

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

16 I. Except as otherwise provided for in this section, all
17 persons, firms, or corporations engaged in the business of
18 manufacturing, fabricating, assembling, or installing any LPG
19 system, container, apparatus, or appliance in this state, and
20 required to be registered pursuant to the provisions of Sections
21 420.1 through 420.15 of this title, shall file with the
22 Administrator a certificate indicating liability insurance coverage
23 for the manufacturer and contractor. The Board is authorized to
24 establish coverage amounts for each class of permit, provided

1 coverage shall be for an amount of not less than Twenty-five
2 Thousand Dollars (\$25,000.00) to Fifty Thousand Dollars (\$50,000.00)
3 for bodily injury and limits of not less than Twenty-five Thousand
4 Dollars (\$25,000.00) for property damage, and shall be in full force
5 and effect, covering the plant, equipment, and motor vehicles used
6 in such business, and the operations of the business.

7 J. Except as otherwise provided for in this section, all
8 transporters, distributors, or retailers of LPG in this state,
9 required to be registered pursuant to Sections 420.1 through 420.15
10 of this title, shall file with the Administrator a certificate
11 indicating that public liability and property damage insurance
12 coverage has been issued. The Board is authorized to establish
13 coverage amounts for each class of permit, provided coverage shall
14 be for an amount of not less than Twenty-five Thousand Dollars
15 (\$25,000.00) to Fifty Thousand Dollars (\$50,000.00) for bodily
16 injury and limits of not less than Twenty-five Thousand Dollars
17 (\$25,000.00) for property damage has been issued, and is in full
18 force and effect, covering the plant, equipment, and motor vehicles
19 used in such business, and the operations of said business.

20 K. Insurance pursuant to the provisions of this section shall
21 be maintained in full force and effect during the operation of the
22 business for which the coverage was issued. Except as otherwise
23 provided for in this section, no registration permit shall be issued
24 until said certificate is filed with the Administrator. No

1 insurance coverage shall be canceled or terminated without thirty
2 (30) days prior written notice of cancellation or termination to the
3 Administrator.

4 L. The Board is authorized, upon proof of or a satisfactory
5 showing that any person, firm, or corporation is financially able to
6 pay or satisfy any judgment, claim, or demand against such person,
7 firm, or corporation, to waive the insurance coverage required by
8 this section. The Board, in lieu of said certificate, may require
9 the deposit, with the Administrator, of securities, or satisfactory
10 indemnity bond, in an amount and of a kind designated by the Board,
11 to secure the liability of such person, firm, or corporation to pay
12 any judgment, claim, or demand. Such security shall not be in
13 excess of the limits set forth in this section. If the Board deems
14 the financial status of such person, firm, or corporation to be
15 impaired so as to reduce the ability of such person, firm, or
16 corporation to make payment or to satisfy any judgment, claim, or
17 demand, the Board may revoke such waiver and require such person,
18 firm, or corporation to file certificates required by this section
19 within thirty (30) days¹ after written notice is sent by the Board
20 to such person, firm, or corporation.

21 SECTION 2. This act shall become effective November 1, 2015.
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23 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT, COMMERCE,
24 AND REAL ESTATE, dated 02/12/2015 - DO PASS, As Amended and
Coauthored.