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Oklahoma Municipal League

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OML ADVOCATE

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Welcome to the first issue of the Oklahoma Municipal League's 2018 weekly Legislative Advocate. The Advocate will inform you about what's happening in the Legislature. It is intended to give a brief look at important issues facing cities and towns. We hope it will give municipal officials insight into the legislative process and the importance of speaking with a collective, united voice to obtain a positive influence in the Legislature.

FALLIN ASKS LAWMAKERS TO STEP UP IN HER FINAL STATE OF THE STATE ADDRESS

On Monday, Governor Mary Fallin gave her final State of the State address to the members of the legislature. In her address, she asked the members to Step Up and pass a plan that will increase revenue and make several reforms.

The plan for reforms includes a \$5,000 teacher pay raise, having the Governor and Lieutenant Governor run on the same ticket, addressing the SQ 640 threshold and budget stabilization fund. The revenue measures include the following taxes on: cigarettes, little cigars, chewing tobacco and e-cigarettes. The energy industry, including the gross production tax, Motor fuels, and changes to the personal income taxes.

The Step Up plan will be heard in the House on Monday. The House goes into Session at 1:30 p.m. You can listen to the presentation of the bills by logging onto <https://www.okhouse.gov/Video/Default.aspx>.

SMALL CELL DEPLOYMENT TALKS CONTINUE

On Friday, February 9th, OML will be meeting with municipal attorneys, electric superintendents, members of MESO, GRDA, OMPA and the telecoms to continue talks on the small cell deployment legislation. SB 1388 by Sen. Greg Treat (R-OKC) is the vehicle that will be used for the language to address small cell technology.

There are currently three (3) other bills that also pertain to small cell deployment. OML is currently tracking those but they should not move if a compromise is made with SB 1388. We will keep you all posted on the events and the language as we move forward.

BILLS ON THE MOVE

Here is a snapshot of bills impacting cities and towns.

Law Enforcement/Jurors: [SB 921](#) by Sen Nathan Dahm (R-Broken Arrow) exempts municipal, county and state law enforcement officers from serving as jurors in non-criminal cases. This bill was requested by Terry Simonson, endorsed by OACP.

Mental Health Transportation: [SB 992](#) by Sen. Micheal Bergstrom (R-Adair) amends 43A O.S. Section 1-110 by altering payment for mental health transport by law enforcement. Transport within a 20-mile radius from the transporting sheriff's office shall be reimbursed via the State Travel Reimbursement Act. Outside the 20-mile radius shall be reimbursed at a rate negotiated with the Department of Mental Health and Substance Abuse Services prior to transport.

Elections/Taxation: [SB 1010](#) by Sen. Josh Brecheen (R-Coalgate) amends various statutes to provide for a new requirement in a county, municipality or school district election relating to taxation. The election is invalid unless it is a general election and at least 20% of the voters eligible to vote do so. The question may be resubmitted to voters at the next general election.

School/Bond Overnight: [SB 1031](#) by Sen. Josh Brecheen (R-Coalgate) establishes bond oversight for school districts. See companion SB 1032.

Finance/Facility Construction: [SB 1032](#) by Sen. Brecheen (R-Coalgate) provides new state requirements for the sale or placement of any lease-backed or lease revenue bond, note, lease or other obligation to construct or acquire any facility for the benefit of a municipality. Proposals are required from a list provided by the State Bond Advisor, if the lowest bidder is not selected, written justification must be provided to the State Auditor and the State Bond Advisor. The bill provides details. See companion SB 1031

Finance/Auditor: [SB 1042](#) by Sen. David Holt (R-OKC) amends 11 O.S. Section 17-105.1 regarding required auditor filings with the State Auditor and Inspector who may contract for the "preparation" and reporting of the information submitted on the form.

Sales Tax/Agricultural Exemptions: [SB 1058](#) by Micheal Bergstrom (R-Adair) adds the requirement that an agricultural exemption permit shall include a form of photo identification.

Aeronautics Commission/Consolidation: [SB 1083](#) by Sen. Stephanie Bice (R-OKC) consolidates the Aeronautics Commission into the Department of Transportation.

Law Enforcement/Firearm: [SB 1095](#) by Sen. Dave Rader (R-Tulsa) establishes a felony for every person who buys or receives, or has reasonable cause to believe, any firearm that has been stolen, embezzled, or obtained by false pretense.

Law Enforcement/Firearm: [SB 1098](#) by Sen. Greg Treat (R-OKC) creates a felony for any person who, with the intent to deprive another, takes a firearm by fraud or stealth.

Abatement Proceedings/Liens: [SB 1107](#) by Sen. Frank Simpson (R-Ardmore) amends 11 O.S. Sections 22-111, 22-112.1, 22-112.4, by authorizing a municipality to file a lien on the property with the county clerk "in the manner for other liens on real property". The bill contains details.

Right-of-Way/High-Wide Corridors: [SB 1114](#) by Sen Micheal Bergstrom (R-Adair) creates a number of specific high-wide corridors in different geographical areas of the state with permits issued by DPS. Structures are prohibited within the affected area without a permit from the Department of Transportation, several different actions are prohibited and design standards are required. The State shall consult with all political subdivisions before issuing or denying a permit. Political subdivisions are directed to attempt to reach agreements among affected parties regarding allocation of costs and provision of services related to removing permanent structures that interfere with high-wide loads. Also political subdivisions shall attempt to reach agreements with persons using the high-wide routes to provide timely vehicle escorts.

Gross Production Tax/Municipal Revenue: [SB 1132](#) by Sen. Lonnie Paxton (R-Tuttle) amends 68 O.S. Section 1004 by providing 5% of revenue to various municipalities based on proportion of total value of production from such municipality. If production does not occur in a municipality the allocation shall be applicable to the county. The revenue is for general use or as necessary for expenditures related to oil and gas production.

Telecommunications/Small Facilities: [SB 1146](#) by Sen. Stephanie Bice (R-OKC) creates the Oklahoma Small Wireless Facilities Deployment Act. This is comprehensive bill.

Telecommunications/Universal Service Fund: [SB 1161](#) by Sen. Kimberly David (R-Porter) is a comprehensive bill amending the Oklahoma Telecommunications Act regarding several aspects of pre-paid wireless, the Universal Service Fund regarding a variety of detailed changes including capping the Fund over a period from 2019 to 2023 with the Fund terminating in 2023. The Oklahoma Lifeline Fund (OLF) is also capped and terminated over time. The Oklahoma 9-1-1 Management Authority is amended in several areas including creation of a “combined fee” of a 75 cent fee on prepaid wireless combined with an Oklahoma Universal Service Fund charge as specified in the bill. The bill runs 59 pages.

Occupational License/Preemption: [SB 1174](#) by Sen. Kimberly David (R-Porter) creates the Freedom to Work Act prohibiting a political subdivision from imposing any occupational fees or licensing requirements on any profession if the political subdivision does not already impose occupational fees or licensing requirements on that profession. Existing regulation may continue on condition that the occupational fees do not exceed \$25 per year. If the fees exceed \$25, then the licensing authority shall immediately reduce fees to the limits of this bill. No regulations can add additional licensing requirements to those already imposed by a state licensing authority. Municipalities must stop fees and licensing requirements if a state licensing authority imposes any new requirements on any profession that was previously unregulated by the state. Fees must be waived for low-income individuals and military families. State and political subdivision licensing authorities must terminate all existing contracts with professional lobbyists and private entities that include a scope of work to provide lobbying services for a licensing authority. No new lobbying services may be purchased using funds from procurement or the income from a licensing authority’s activities. The bill contains further detailed regulations, limitations and prohibitions. Finally, no political subdivisions can enforce minimum wage laws that differ from this state’s minimum wage laws.

Water/Regional Water Planning: [SB 1241](#) by Sen. Josh Brecheen (R-Coalgate) creates the Oklahoma Water Sustainability Act to use and develop water resources available within each geographic region of this state. The public policy is to use programs and incentives to maximize the efficient use of water resources available within each region. OWRB is given duties to coordinate regional and local planning, sharing information and technical resources, coordinating partnership opportunities and provide analysis and guidance. The bill contains details.

De-annexation/County Approval: [SB 1259](#) by Sen. Nathan Dahm (R-Broken Arrow) provides that the Board of County Commissioners shall have the authority to approve or disapprove any attempt by a municipality to de-annex property to a county.

Court of Record Fees/Increase: [SB 1401](#) by Sen. Marty Quinn (R-Claremore) amends 11 O.S. Section 28-123 by increasing from \$100 to \$500 the administrative fee imposed as costs if a deferred sentence is imposed.

Telecommunications/Universal Service Fund: [SB 1470](#) by Sen. J.J. Dossett (D-Sperry) is a comprehensive bill impacting various aspects of the Oklahoma Telecommunications Act of 1997. Impacted is prepaid wireless telecommunications service, capping the Oklahoma Universal Service Fund with declining funding until it terminates in 2023, rates for primary universal services, infrastructure costs, funding for primary universal service, Oklahoma Lifeline Fund with declining funding until it terminates in 2023, combined fee which is the sum of the prepaid wireless 9-1-1 fee and the Oklahoma Universal Service Fund charge.

Telecommunications/Universal Service Fund: [SB 1471](#) by Sen. Jason Smalley (R-Stroud) is a comprehensive bill impacting various aspects of the Oklahoma Telecommunications Act of 1997. Impacted is prepaid wireless telecommunications service, capping the Oklahoma Universal Service Fund with declining funding until it terminates in 2023, rates for primary universal services, infrastructure costs, funding for primary universal service, Oklahoma Lifeline Fund with declining funding until it terminates in 2023, combined fee which is the sum of the prepaid wireless 9-1-1 fee and the Oklahoma Universal Service Fund charge.

Planning and Zoning/County: [SB 1473](#) by Sen. Roger Thompson (R-Okemah) amends the county planning commission in 19 O.S. Sections 865.51 and 865.52. It creates the county planning and zoning commission. Removed is a requirement to go to a vote of the people, the county commissioners are authorized to adopt zoning regulations, a building code, construction codes and housing codes. A comprehensive plan may be created for a laundry list of purposes. Provision is also made for a municipality in the county without zoning, building, construction or housing codes.

Occupational License/Preemption: [SB 1475](#) by Sen. Adam Pugh (R-Edmond) creates the Freedom to Work Act prohibiting a political subdivision from imposing any occupational fees or licensing requirements on any profession if the political subdivision does not already impose occupational fees or licensing requirements on that profession. Existing regulation may continue on

condition that the occupational fees do not exceed \$25 per year. If the fees exceed \$25, then the licensing authority shall immediately reduce fees to the limits of this bill. No regulations can add additional licensing requirements to those already imposed by a state licensing authority. Municipalities must stop fees and licensing requirements if a state licensing authority imposes any new requirements on any profession that was previously unregulated by the state. Fees must be waived for low-income individuals and military families. State and political subdivision licensing authorities must terminate all existing contracts with professional lobbyists and private entities that include a scope of work to provide lobbying services for a licensing authority. No new lobbying services may be purchased using funds from procurement or the income from a licensing authority's activities. The bill contains further detailed regulations, limitations and prohibitions. Finally, no political subdivisions can enforce minimum wage laws that differ from this state's minimum wage laws.

Ambulance/Training Requirement: [HB 2721](#) by Rep. Todd Russ (R-Cordell) prohibits the transport of an ambulance patient without an attendant that is a licensed emergency medical technician plus a driver who, at a minimum, are certified emergency medical responders. An exception is made if any EMS Region, Ambulance Service district or municipality serves any part of or is located in a municipality with a population of less than 5,000. In this case, the attendant shall either be a licensed emergency medical technician or an emergency medical responder and there is no emergency medical technician or an emergency medical responder licensing requirement for drivers. All drivers must complete an emergency vehicle operator course within 120 days of employment with a refresher course every 2 years.

Sales Tax Exemption/Veteran Registry: [HB 2745](#) by Rep. David Perryman (D-Chickasha) expands the current disabled veteran sales tax exemption. It adds a veterans registry requirement and provides an exemption for any surviving spouse or surviving child who is eligible for Dependency and Indemnity Compensation via Sections 1301 through 1323 of Title 38 of the U.S. Code.

Employment/Minimum Wage: [HB 2533](#) by Rep. Collin Walke (D-OKC) authorizes employers to pay employees a wage of not less than \$11 an hour or the current federal minimum wage, whichever is greater.

Employment/Wage Discrimination: [HB 2534](#) by Rep. Collin Walke (D-OKC) makes it unlawful for an employer to willfully pay wages to women at a rate less than an employee of the opposite sex for comparable work. It is unlawful to discharge or discriminate against an

employee because he or she inquired about or disclosed wages of the employee or another employee with someone employed by the company. Commissioner of Labor fines are increased and 25% of back pay owed to the employee is deposited in the Department's revolving fund.

Sales Tax Exemption/Disabled Veterans: [HB 2593](#) by Rep. Ross Ford (R-Broken Arrow) amends the sales tax exemption for disabled veterans by adding those who have been honorably discharged from active service and who received compensation or awarded a judgment, settlement or compromise pursuant to Section 1151 of title 38, and beginning November 1, 2020, is registered with the veterans registry created by the Oklahoma Department of Veterans Affairs. In addition, disabled veterans qualifying under the current law, beginning November 1, 2020 must register with the Department, unless the veteran has previously received the sales tax exemptions.

Sales Tax/Agricultural Exemption: [HB 2607](#) by Rep. Rick West (R-Heavener) amends the current agricultural sales tax exemption at 68 O.S. Section 1358.1 by removing current language in A through H. The exemption reads: In order to "administer the" exemption authorized by Section 1358 of this title, "there shall be made a sales tax refund for state and local sales taxes paid related to purchases qualifying under the provisions of Section 1358 of this title." The bill provides details.

Finance/Prohibited Spending: [HB 2640](#) by Rep. Dustin Roberts (R-Durant) provides that no revenues derived from any tax, fee or other charge imposed by state or local government entities shall be used for the purpose of removing a statute.

Employment/Discriminatory Wages: [SB 1527](#) by Sen. Kay Floyd (D-OKC) amends 40 O.S. Sections 198.1 and 198.2 making it unlawful for an employer to discharge or discriminate against an employee because he or she inquired about, discussed or disclosed the wages of the employee or another employee with someone employed by the company. The Commissioner of Labor is authorized to enforce Section 198.1 by administrative fines which shall be placed in the DOL Revolving Fund.

Employment/Discrimination: [SB 1552](#) by Sen. J.J. Dossett (D-Sperry) amends several sections of the Title 25 employment discrimination statute. It creates a discriminatory practice to request or require information from an employee or person seeking employment relating to the individual's child-bearing age or plans, pregnancy, function of the individual's reproductive system, use of birth control methods, or the individual's

familial responsibilities. In addition, it is a discriminatory practice to discriminate an individual due to “family responsibilities”.

Rights-of-Way/Landowners: [SB 1561](#) by Sen. Lonnie Paxton (R-Tuttle) creates new law regarding the use of rights-of-way after permission by landowner with exceptions. Provisions are made for temporary pipe, water hoses or lines, meaning the use of rights-of-ways is not anticipated to exist and does not exist for longer than 3 months from the date permission is granted by the record landowner and compensation is received. Those utilizing the rights-of-way shall completely repair or replace any damage injury or other change to public roads or highways or rights-of-way of the state or any county or municipality.

Water/OWRB: [SB 1574](#) by Sen. Eddie Fields (R-Wynona) adds federally-recognized Indian tribes to entities eligible for OWRB loans in 82 O.S. Sections 1085.39, 1085.36, 1085.52 and 1085.71.

Wind Energy/Military Bases: [SB 1576](#) by Sen. Mike Schulz (R-Altus) amends 17 O.S. Section 160.20 to protect the operation of any military installation or branch of the military regarding proposed wind energy facilities or proposed wind energy facility expansion. These facilities shall not encroach or otherwise have a significant adverse impact on missions, training or operations. The bill requires a letter of noninterference facilitated by the Military Strategic Planning Commission. A companion bill is SB 1577.

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State Agency/Consolidation: [HB 2877](#) by Rep. John Montgomery (R-Lawton) creates the Department of Transportation and Oklahoma Aeronautics Commission Reform Act which consolidate the Aeronautics Commission with the Department of Transportation.

Occupational Licensing/Prohibition: [HB 2894](#) by Rep. Zack Taylor (R-Seminole) creates new law for licensing and occupational fees. It requires all state and political subdivision licensing authorities to revise their existing licensing requirements to explicitly list the specific criminal records that would disqualify an

applicant. A disqualification shall not last longer than 5 years. Political subdivisions are prohibited from creating any new occupational licenses after the effective date of this bill.

Cemetery/State Regulation: [HB 2924](#) by Rep. Avery Frix (R-Muskogee) amends 59 O.S. Section 396.2a by authorizing the Oklahoma Funeral Board to regulate cemeteries of this state in any manner the Board chooses and to promulgate rules to govern cemeteries.

Bidding/Local Preference: [HB 2926](#) by Rep. Avery Frix (R-Muskogee) amends 61 O.S. Section 103 to provide that in awarding public construction contracts exceeding \$50,000, the awarding agency shall provide a qualified contractor residing and doing business within the State an option to match the lowest bid. The bid specifications shall clearly state that the bid is subject to a local bidder preference law. See a similar but different local preference in HB 2930.

Bidding/Local Preference: [HB 2930](#) by Rep. Monroe Nichols IV (D-Tulsa) amends 61 O.S. Section 103 to provide that in awarding public construction contracts exceeding \$50,000, the awarding public agency shall provide a local bid preference of 5% of the bid price to a bidding entity that undertakes efforts to hire local workers. A local worker means a person residing in Oklahoma for at least 30 days prior to the commencement of work. The bid specifications shall clearly state that the bid is subject to a local bidder preference law. See a similar but different local preference in HB 2926.

Sales Tax/Relief: [HB 2949](#) by Rep. Carol Bush (R-Tulsa) amends sales tax relief requirements in 68 O.S. Section 5011 by creating categories based on household income with a special category for a person with a physical disability who is age 65. In addition, the claim shall be \$60 multiplied by the number of allowable personal exemptions. Current law is \$40. Finally, the bill contains a CPI-U escalator.

Sales Tax Exemption/American Legion: [HB 2978](#) by Rep. Avery Frix (R-Muskogee) adds a new sales tax exemption for the American Legion.

Local Development Act: [SB 1279](#) by Sen. Jason Smalley (R-Stroud) amends the Local Development Act in a number of ways including changes to historic preservation and tools of the act may not be used in areas where investment, development and economic growth “is occurring at a rate consistent with, or greater than, the governing body’s jurisdiction as a whole”. Tax increments shall only be allowed for that portion of the tax under jurisdiction of another local taxing entity by

written agreement between the other local taxing entity and the governing body of the city, town or county.”

Water/Groundwater: [SB 1294](#) by Sen. Roland Pederson (R-Burlington) amends several sections of groundwater law regarding the use of hydrologic surveys to determine the maximum annual yield (MAY). Updates of hydrologic surveys are not required until the OWRB annual water use report information shows that 25% of the MAY allocated by regular permits is being used. In making its final determination as to MAY, which is allocated by a regular permit, OWRB may allow for delayed or gradual implementation. This is based on the usage of the basin, conservation practices and economic impacts to water users caused by implementation of the MAY. In subsequent basin or subbasin hearings, and after additional hydrologic surveys, OWRB may increase the amount of water allocated but shall not decrease the water allocated by “regular permits issued prior to completion of the additional hydrologic surveys”. After “issuance of a final order determining the MAY of the basin or subbasin”, OWRB may make rules to establish proper spacing of wells as necessary to an orderly withdrawal in relation to the allocation, “by regular permits and temporary permits”. Finally, changes are made to OWRB making a well location exception under 82 O.S. Section 1020.18.

Firearms/Gun Control: [SB 1225](#) by Sen. Josh Brecheen (R-Coalgate) prohibits public officers or employees to use public monies for the advocacy of gun control and these individuals are prohibited from doing several specific actions.

Firearms/Preemption: [SB 1308](#) by Sen. Joseph Silk (R-Broken Bow) amends state preemption by adding “firearms and ammunition” municipal “policy” or “agency”.

Open Meeting Act/Notice: [SB 1313](#) by Sen. David Holt (R-OKC) amends 25 O.S. Section 311 regarding 2017 changes to notice by public bodies under the Open Meeting Act. It clarifies the statutory reference to 74 O.S. Section 3106.2 and makes changes to the 2017 optional means for notice on the public bodies website. Paragraph 12 is altered by removing the requirement that the “48 hour notice is required for special meetings and that the 48 hour requirement shall exclude Saturday, Sundays and holidays legally declared by the State of Oklahoma.”

FPA/Unfair Labor Practice: [SB 1369](#) by Sen. Chris Kidd (R-Addington) amends the Fire and Police Arbitration Act at 11 O.S. Section 51-102 by changing the definition of “Board” from PERB to an Arbitration Board appointed as contained in the bill. Provision is

made for this new Board to consider union organization petitions and unfair labor practice claims. The bill contains a preponderance of the testimony standard, a cease and desist order, district court for enforcement of an order and for appropriate temporary relief of restraining order, procedure, selection of arbitrators and the like. 11 O.S. Sections 41-104 and 51-104a is repealed.

Aeronautics Commission/Consolidation: [SB 1373](#) by Sen. James Leewright (R-Bristow) consolidates the Oklahoma Aeronautics Commission into the Department of Transportation. 3 O.S. Section 84.2 is repealed.

Telecommunications/Small Wireless Facilities: [SB 1388](#) by Sen. Greg Treat (R-OKC) is a comprehensive bill for the deployment of small wireless facilities.

Fire Protection Districts/Annexation: [SB 1389](#) by Sen. Roland Pederson (R-Burlington) impacts fire protection districts by increasing the board of directors, all districts having more than two full-time paid firefighters shall have one full-time chief who will direct the fire department, the fire chief position is regulated in a variety of ways by new law, provision is made for an assistant fire chief and company officers. In addition territory adjacent to the existing district but within another county may be included in the limits of such district by the board of directors, county commissioners of both counties and written consent of owners of property to be included. Comprehensive new law is proposed in case a municipality annexes a portion of or all of the district.

Sales Tax Exemption/Refund: [SB 1392](#) by Sen. Marty Quinn (R-Claremore) amends 68 O.S. Section 1358.1 regarding the agriculture exemption. On or after November 1, 2018, the exemption shall be claimed only via refund as required in the bill. The applicant for the exemption shall only qualify if total sales exceed \$25,000 per year. If total sales exceed such amount, the exemption shall apply to the total sales amount.

Sales Tax Exemption/Teacher Supplies: [HB 2979](#) by Rep. Avery Frix (R-Muskogee) creates a new sales tax exemption for teacher purchased classroom materials, supplies or equipment. The bill also repeals 68 O.S. Section 1357 as last amended by Section 10, Chapter 229, O.S.L. 2017. This 2017 statute was an amendment to the disabled veteran sales tax exemption requiring a veterans registry.

Pension Actuarial Analysis/Benefit Increase: [HB 2985](#) by Rep. Avery Frix (R-Muskogee) amends the Oklahoma Pension Legislation Actuarial Analysis Act by altering the definition of a nonfiscal retirement bill. A

nonfiscal retirement bill means a retirement bill which does not affect the cost or funding factors of a retirement system or which affects such factors only in a manner which does not grant a benefit increase under the retirement system. This bill adds an exception for “cost-of-living adjustments provided to retirees of the retirement system”. New law in the bill grants a 8% increase in retirement benefits to the Oklahoma Firefighter and Police Pension Systems as well as other state pension systems. Volunteer firefighters receiving benefits via 11 O.S. Section 49-101 shall receive a benefit equal to \$8.13 for each year of credited service not to exceed 30 years.

Employment/Discrimination: [HB 3025](#) by Rep. Emily Virgin (D-Norman) amends Title 25 making it a discriminatory practice to take adverse action against an employee based on a reproductive health decision of an employee or the employee’s spouse or dependent, including the use of any drug, device or medical service.

Employment/Pregnant Workers Fairness Act: [HB 3028](#) by Rep. Emily Virgin (D-Norman) creates the Pregnant Workers Fairness Act. Included are provisions on reasonable accommodation, prohibition on taking adverse action against the employee in terms, condition or privileges of employment, posting requirements and procedure for pursuing a cause of action. The bill contains details.

Right-of-Way/High-Wide Corridors: [HB 3061](#) by Rep. Terry O’Donnell (R-Catoosa) creates a number of specific high-wide corridors in different geographical areas of the state with permits issued by DPS. Structures are prohibited within the affected area without a permit from the Department of Transportation, several different actions are prohibited and design standards are required. The State shall consult with all political subdivisions before issuing or denying a permit. Political subdivisions are directed to attempt to reach agreements among affected parties regarding allocation of costs and provision of services related to removing permanent structures that interfere with high-wide loads. Also political subdivisions shall attempt to reach agreements with persons using the high-wide routes to provide timely vehicle escorts. The bill contains details.

Sales & Use Tax/Vendor Compensation: [HB 3084](#) by Rep. Josh Cockroft (R-Tecumseh) establishes a vendor discount of 1% for compensating the seller or vendor in remitting tax. Such deduction shall not be allowed with respect to a direct payment permit. The deduction shall be limited to a maximum of \$2,500 per month per sales tax permit. The amount over the \$2,500 limit “shall be retained by the state as an administrative expense and deposited in the General Revenue Fund”. The bill also

provides for deductions in the event federal authorities authorize the state to require remote sellers to collect and remit sales and use taxes. The bill contains details. For a companion bill see SB 1148.

Sales Tax Exemption/New: [HB 3123](#) by Rep. Meloyde Blancett (D-Tulsa) creates a new sales tax exemption for sales to or by a 501(c)(3) organization that provides community access to advanced 21st Century manufacturing and digital fabrication tools for stated purposes.

Sales Tax Exemption/Blue Star Mothers: [HB 3133](#) by Rep. Mike Ritze (R-Broken Arrow) amends an existing sales tax exemption for Blue Star Mothers. It removes current language that provides “this exemption shall not apply to any sales tax levied by a city, town, county or any other jurisdiction in this state”. It also removes current language that the exemption is administered as a form of refund and the vendor shall be required to collect the sales tax otherwise application. The purchaser may apply for a refund of state sales tax paid.

Water/Block Rates: [HB 3145](#) by Rep. Jason Dunnington (D-OKC) requires each municipality to implement an inclined block rate structure for use of municipal water by users. The municipality may retain all revenue derived from the sale of water. Those implementing the inclined block rate structure may impose surcharges for a water user that uses more than 25,000 gallons of water per month. Surcharge revenues may be used by the municipality or an entity having the municipality as its beneficiary for municipal water systems and related infrastructure assets. The bill is not applicable to water sold to any city, town, rural water district or nonprofit corporations that are engaged in the sale or resale of water.

Police Pension/COLA: [HB 3293](#) by Rep. John Enns (R-Enid) amends the Police Pension System by granting a 2% increase for any person receiving benefits from the System. Any benefit increase a person is eligible to receive via repealed 11 O.S. Section 50-120, after June 30, 2016, shall be offset by the increase in benefits, if any, provided by this section. This bill has been designated as a fiscal bill since the COLA is not fully funded in the bill.

Water/Water Center: [HB 3337](#) by Rep. Sean Roberts (R-Hominy) alters current water statutes in a variety of ways. Included is the creation of the Oklahoma Water Center which is a science and research advisory council to OWRB to assist with the implementation of the Comprehensive Water Plan. As it is updated, the Center shall recommend to OWRB a water pricing structure and allocation of funds collected from the sale of water. The

Center board is primarily composed of state agency heads with additional duties included by OWRB in the Comprehensive Water Plan. The bill contains extensive details on Center duties in various aspects of water issues and management. The Center shall develop a severance fee for the transfer of water apportioned to Oklahoma by interstate compacts outside the state. The fee goes to the Oklahoma Water Center Revolving Fund for public agency projects which includes a large group of entities including municipalities. There are duties in the bill for those receiving funds. 74 O.S. 2011, Section 1221.A and 82 O.S. 2011, Section 1B and 1E are repealed.

Taxation/Loss of Revenue: [HB 3338](#) by Rep. Sean Roberts (R-Hominy) amends 11 O.S. Section 21-109 by removing current law's application of municipal sales, use and occupancy tax to part or whole of military installations on federal property annexed on or after July 1, 1998. This taxation is limited in current law to activities on the military installation engaged in by the private sector involving sales tax, use tax and occupancy of hotel/motel rooms for rent whether received in money or otherwise.

Sales Tax Exemption/Food: [HB 3340](#) by Rep. Sean Roberts (R-Hominy) amends the current sales tax exemption for disabled veterans. Beginning November 1, 2020 disabled veterans must be registered with the veterans registry. If a person has received the sales tax exemption prior to November 1, 2020, no registration is required. In addition, a new sales tax exemption is proposed for sales of all eligible foods and beverages as defined in the federal Food Stamp Act. Finally, 68 O.S. Section 5011 regarding sales tax relief is limited to calendar years 2000, 2001, 2005 "and following". And following is removed that replaced with "through 2018".

Budgets/Public Hearing: [HB 3347](#) by Rep. Sean Roberts (R-Hominy) amends 11 O.S. Section 17-208 expanding the notice of a public hearing on a proposed municipal budget. The notice of the date, time and place, together with the proposed budget shall be published "on the municipality's website" and in a newspaper of general circulation in the municipality not less than "seven (7)" days before the date of the hearing. Current law is "five (5)" days. The bill also removes current law regarding the limited publication requirements for small municipalities when the total operating budget, not including debt service, does not exceed \$12,000 per year. Under current law, for these small communities the proposed budget and notice may be posted at the governing body's principal headquarters in lieu of publication in a newspaper.

Pension/Actuarial Analysis Act: [HB 3379](#) by Rep. Roger Ford (R-Midwest City) amends the Oklahoma Pension Legislation Actuarial Analysis Act by adding to the definition of "nonfiscal retirement bill". It adds "a one-time increase in retirement benefits if the increase in retirement benefits is not a permanent increase in the gross annual retirement benefit payable to a member or beneficiary and occurs only once pursuant to a single statutory authorization." The Oklahoma Law Enforcement Retirement System is given a one-time distribution to all retired members of the System of an additional payment equal to the individuals gross monthly retirement benefit.

TIF/Plan Approval: [HB 3383](#) by Rep Roger Ford (R-Midwest City) amends the Local Development Act at 62 O.S. Section 855 to authorize the review committee to trump the decision of the governing body to go forward with the plan. In current law the committee makes "findings and recommendations". If the committee denies the project plan the governing body is precluded from approving the plan and may not make any applicable amendment. If the plan is approved by the committee subject to conditions, they must be incorporated into the final decision by the governing body, if the governing body approves the plan or any applicable amendment to the plan. The review committee is also given authority if the area to be included in the proposed district or any substantial changes are made in the proposed plan or project. 62 O.S. Section 858 is amended to remove current language requiring approval by any ad valorem taxing entities, if required via 62 O.S. Section 850 and following.

Municipal Regulations/Curbs: [HB 3392](#) by Regina Goodwin (D-Tulsa) amends 11 O.S. Section 43-103 requiring municipalities to prohibit any curb structure across a driveway of a multi-family dwelling that creates unsafe or unreasonable access for pedestrians or any person not using a vehicle accessing a multi-family dwelling from a road.

Housing/Certificates of Occupancy: [HB 3394](#) by Rep. Regina Goodwin (D-Tulsa) creates new law regulating this issuance of building permits and certificates of occupancy for a multi-family dwelling unit which is subject to the requirements of the Fair Housing Act. The general contractor or an architect must have the required training in design and construction compliance regarding the accessibility standards imposed by the Act. Written certification and training requirements are included. Counties and the Oklahoma Housing Finance Agency are also impacted.

Sales Tax Exemption/Non-Profit: [HB 3453](#) by Rep. Todd Russ (R-Cordell) creates a new sales tax exemption for a 501(c)(3) entity related to fundraising efforts by the organization or entity. Qualifying sales shall not exceed \$25,000 per year.

Finance/Bond Oversight: [HB 3535](#) by Rep. Chad Caldwell (R-Enid) amends various sections of the Council of Bond Oversight by amending the definition of “state governmental entity”, “local governmental entity”, “state governmental entity financing”. Included are changes to bonds and legal counsel, duties of the State Bond Advisor, removal of references to county or municipality as well as Local Governmental Entity in various sections of Title 62, disclosure is required of public finance service providers for direct financial contributions which is increased from \$100 to \$500 “during the calendar year” and elected officials are removed and the requirement for all bonds issued via this section shall be reviewed by the State Bond Advisor is deleted from 62 O.S. Section 863.

Airports/Military Aircraft: [HB 3562](#) by Rep. Charles Ortega (R-Altus) amends the Aircraft Pilot and Passenger Protection Act by adding the intent to regulate obstructions to air navigation that have the potential of endangering the lives and property of military aircraft pilots and passengers in military training routes, drop areas and traffic patterns; and that may reduce the size of areas available for the training of military pilots thus impairing the utility of Oklahoma’s airspace for military aircraft operations. Changes are made to the definition of “military drop area”, “military training route”, “military traffic pattern” and “permit”. A person shall obtain a permit from the Oklahoma Aeronautics Commission prior to the construction or installation of any structure as defined in the bill near a military training route, drop area or traffic pattern. The bill creates presumptions, alters permits for construction near public-use airports and changes the application of permit process.

Rights-of-Way/Temporary Pipes: [HB 3578](#) by Ryan Martinez (R-Edmond) creates new law authorizing any person or entity lawfully operating and in the course of doing business in this state to use the public roads and highways, including the right-of-way and all easements pertaining thereto. Use is specifically allowed for the placement of temporary pipe and supporting equipment for the transportation and disposal of waste water used in the process of oil production. Consent must be obtained via rules made by the Department of Transportation as to the highway system, and board of county commissioners regarding roads and highways under their jurisdiction, and/or private property owners. The use is temporary if it does not exist for longer than one (1) year. The pipes cannot inconvenience or

endanger the public and the person or entity must repair/replace and damage, injury or other change to roadways or rights-of-way of the state, county or municipality.

Sales Tax Exemption/Manufacturers: [HB 3593](#) by Speaker Charles McCall (R-Atoka) amends 68 O.S. Section 1359.2 impacting current law’s manufacturer sales tax exemption by deleting a sizable portion of current law. New law is substituted requiring a sales tax refund for state and local sales taxes paid. OTC shall transfer each month from sales tax collected the amount estimated as necessary to make the refund. The Tax Commission shall approve the refund. The amount shall not exceed the total state and local sales taxes paid together with accrued interest. To qualify for the refund, an applicant shall file not more than once per calendar year, must provide documentation including invoices, affidavits and any additional documentation.

Municipal Court/Bail Bond Procedures: [HB 3694](#) by Rep. Kevin Calvey (R-OKC) is new law creating the State and Municipal Bail Bond Procedure Act for Nonviolent Criminal Offenses. If arrested for a state or municipal nonviolent criminal offense, the person shall be released by the arresting officer upon personal recognizance if the officer is satisfied as to the identity of the arrested person and he/she signs a written promise to appear, unless unconscious or injured and requiring medical treatment. The detailed bill contains police officer duties, court clerk duties, conditions for pleas which shall be accepted by the court, provisions should the person fail to timely appear, amount of bail and form of payment. The Administrative Office of the Courts shall be appointed to the position of Statewide Bail Bond Commissioner and establish bond amounts used when a person is not eligible for release on personal recognizance and a bond schedule for nonviolent criminal offenses.

NEXT WEEK AT THE CAPITOL

Monday, February 12, 2018:
House Transportation Committee
3:00 p.m. in 512A

Law Enforcement/Construction Zones: [HB 2650](#) by Rep. Steve Vaughn (R-Ponca City) amends 47 O.S. Section 11-1302 by modifying the requirement for “Merge Now” traffic-control devices by adding the most current edition of the Federal Highway Administration’s Manual on Uniform Traffic Control Devices.

Railroads/Restrictions: [HB 3034](#) by Rep. Karen Gaddis (D-Tulsa) creates new law prohibiting a railcar from being brought to rest which blocks traffic at a

railroad intersection for longer than 10 minutes, restrictions are placed on railcars transporting explosive, flammable or hazardous material being brought to rest longer than 10 minutes on a bridge or overpass that is above, below or beside a public highway or street, or being brought to rest longer than 2 hours within 300 yards of a hospital, school or multifamily or single-family resident. There is a penalty provision.

Railroads/Right-of-Way: [HB 3297](#) by Rep. Harold Wright (R-Weatherford) amends 66 O.S. Section 128 making it the duty of a railroad company to “maintain its right-of-way in good condition for 75 yards” on each direction of a crossing. This is done by eliminating any trees, shrubs, or vegetation which may impede the vision of a motorist approaching such crossing. The penalty provision is amended to provide that any railroad company that “remains out of compliance” is subject to \$25 per day.

Rights-of-Way/Municipalities: [HB 3588](#) by Speaker Charles McCall (R-Atoka) amends 69 O.S. Section 1205 regarding construction on various roadway including the acquisition of rights-of-way in municipalities with population of 5,000 or more. Various paragraphs of Section 1205 are amended regarding funding to provide for the construction “and maintenance” on the Interstate Highway System, “U.S. highways, urban freeways, frontage roads, local roads, public roads and interchange-collector-distributor roads which are a part of the state highway system”. In addition, for new construction or unsurfaced roads within the limits of municipalities having a population of 5,000 or more, where the construction follows a section line or an existing unimproved road, the municipality or county involved and the Department shall equally share the costs of all necessary rights-of-way.

Tuesday, February 13, 2018:
Senate Finance Committee
10:30 a.m. in 535

Affordable Housing Tax Credits: [SB 886](#) by Sen. Dave Rader (R-Tulsa) amends the Oklahoma Affordable Housing Act by adding that no housing tax credits shall be allocated on or after November 1, 2018.

Sales Tax Exemption/Expansion: [SB 906](#) by Sen. Frank Simpson (R-Ardmore) expands the disabled veterans sales tax exemption by excluding the sale of a motor vehicle from the current annual limit of sales not to exceed \$25,000.

Affordable Housing Tax Credit: [SB 953](#) by Sen. AJ Griffin (R-Guthrie) This bill by Sen. Griffin modifies the Oklahoma Affordable Housing Act by expanding a

“qualified project” from a county with a population of less than 150,000 to a population of less than 300,000. Any credit claimed but not used beginning on or after January 1, 2019, may be carried forward to each of the three (3) subsequent taxable years. Current law is five (5) subsequent taxable years.

House Business and Banking Committee
3:00 p.m. in 206

Pension Distribution: [HB 1340](#) by Rep. Randy McDaniel (R-Edmond) authorizes the state pension systems, including Firefighter, Police and OPERS, to make a one-time distribution of \$1,000 to retirees or beneficiary. In addition, in the future, if specifically authorized by the Legislature, an amount equal to one (1) gross monthly pension benefit may be paid to retirees or their survivor if, after payment, the funded ratio of the pension system is 100%.

Police Pension/Benefits: [HB 2515](#) by Rep. Randy McDaniel (R-Edmond) makes various changes to the Police Pension System impacting benefits in order to remain an IRS qualified plan. Included is benefits payable, including from the deferred option plans, shall be paid from general assets of the Fund and a permanent and total impairment equates to 100% of accrued retirement benefit.

Public Employees Benefits: [HB 2516](#) by Rep. Randy McDaniel (R-Edmond) changes the Oklahoma Public Employees Retirement system regarding service credit for unused sick leave.

Unemployment Compensation/Benefits: [HB 2523](#) by Rep. Randy McDaniel (R-Edmond) makes several changes to the Employment Security Act of 1980 including to base period, assignments, disqualification to receive benefits, child support obligations and the like.

House A& B Public Safety Subcommittee
4:00 p.m. in 512A

Law Enforcement/CLEET: [HB 2737](#) by Rep. Dell Kerbs (R-Shawnee) amends CLEET duties in various sections of Title 59. Included are changes to bail enforcement, security guards and private investigators, licenses, fees and disciplinary penalties.

Law Enforcement/Impaired Driver Database: [HB 3331](#) by Rep. Mike Sanders (R-Kingfisher) authorizes the OSBI to assist DPS in the development and implementation of a statewide impaired driver database. OSBI shall assist by transmitting to DPS criminal history records as they are received from law enforcement entities.

Jails/Housing: [HB 3470](#) by Rep. John Paul Jordan (R-Yukon) amends 19 O.S. Section 180.43 regarding the county sheriff contracting with federal and state entities and municipalities for the feeding, care, housing and upkeep of prisoners, or alien detainees incarcerated in the county jail. Funds from these contracts shall be deposited in the “Sheriff’s Service Fee Account”. Funds may be expended for “capital expenditures”.

House A&B Transportation Subcommittee
4:00 p.m. in 432A

Transportation Funding/State: [HB 2638](#) by Rep. Dustin Roberts (R-Durant) provides that the State Highway Construction and Maintenance Fund shall also consist of revenues specifically apportioned to such fund by Oklahoma statutes. Of the money deposited in the Fund pursuant to the apportionment of Motor Fuels Tax Fees, the lesser of \$10,000 and one and one-half percent of such monies may be used for the development and maintenance of alternative fuel corridors. 47 O.S. Supp. 2017, Section 1132.7 is repealed.

ADVOCATING FOR YOUR COMMUNITY

This year, several bills have been filed that will have a negative impact on our members, which means we need YOU more than ever. Here are a few tips to help you help us.

Stay vigilant, stay informed. Let OML be your clearing house for legislative information and news. OML sends out many GRIP Alerts to our members to let you know when a pressing issue needs your attention. Pay attention to these emails, as we send them for your benefit. You can also read any version of any bill on the Legislature’s website at oklegislature.gov.

Be active. If you can’t be at the Capitol, call, text, and email your legislators. They want to hear from you!

Act swiftly. Often times, bills heard in committee or on the floor can come and go very quickly. This means that you have a small window to communicate with your legislators. Same day action is paramount.

Send us your comments. Is a particular issue or bill important to your community? Tell us about it. We also frequently send out bills and ask for comments from you for guidance. These comments remain completely in-house, so don’t be afraid to speak up. Your words are safe with us!

Build a coalition. Never has the phrase “strength in numbers” been more relevant. Discuss these issues with community leaders and surrounding municipalities. Collaboration is invaluable in the legislative process.

Build a relationship with your legislators. Legislators appreciate hearing from their constituents back home. They’re also usually happy to give their phone numbers and email addresses out to remain in contact with you.

Say THANK YOU! This one is a no brainer. Never underestimate the power of saying thank you.

FUTURE ISSUES

Look for the Legislative Advocate to highlight bills that exemplify the ways in which municipalities are squeezed dry. We will also highlight some positive developments from the Capitol including bills that we are lobbying on behalf of individual members.

Cities and towns either win or lose together at the State Capitol since it takes a majority of legislators from all over the state—whether urban or rural, democrat or republican—to carry the day. The number-one ingredient for success at the legislature and state agencies is a united collective municipal voice.