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Oklahoma Municipal League

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Oklahoma Municipal League
201 N.E. 23rd Street
OKC, OK 73105
Phone: 1-800-324-6651 / 405-528-7515
Fax: 405-528-7560
Email: missy@oml.org
www.OML.org

OML ADVOCATE

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Revenue Raising Measures are Running Out of Time

Revenue raising measures are running out of time to be heard. Pursuant to the Oklahoma Constitution, it states that no revenue measures can be considered during the last five days of the legislative session.

On Tuesday evening, [HB 2414](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) was presented on the floor. The bill adds a \$1.50 per pack tax to cigarettes and creates the Mental Health and Substance Abuse Enhancement Fund, the Human Services Enhancement Fund, Oklahoma State University Medical Authority Enhancement Fund and the Health Department Enhancement Fund. The bill also included a gasoline tax increase by six cents, a gross production tax that is being reduced from 36 months down to 18 months on new oil wells at the 2% rate.

After hours of questions and debate, the attempt to raise revenue passed by a vote of 51-46 but failed to receive the required three-fourths vote (76) members.

Legislative leaders from the House and Senate and Governor Fallin are back at the drawing board. This time they have brought the Democrats to the table.

JCAB Bills Waiting for Governor's Action

[SB 841](#) by Sen. Kimberly David (R-Porter) and Rep. Leslie Osborn (R-Mustang) clarifies which monies are to be deposited in the 1921 Tulsa Race Riot Centennial Memorial Revolving Fund and the Urban Gardens Grant Revolving Fund.

The bill passed the House on Tuesday by a vote of 94-0. It is now on the Governor's desk awaiting action.

[SB 842](#) by Sen. Kimberly David (R-Porter) and Rep. Leslie Osborn (R-Mustang) appropriates \$60,185,000 from the Constitutional Reserve Fund to the State Board of Education for the purpose of reimbursing counties for school districts that claim a loss of revenue due to a tax exemption granted under provisions of the Oklahoma Constitution.

The bill passed the House on Tuesday by a vote of 89-6. It is now on the Governor's desk awaiting action.

[HB 2380](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) creates new law authorizing and directing the Oklahoma Tax Commission to establish a Voluntary Disclosure Initiative for eligible taxes. A taxpayer shall be entitled to a waiver of penalty, interest and other collection fees due on eligible taxes if the taxpayer voluntarily files delinquent tax returns and pays the taxes due during the disclosure initiative. Among other taxes, this provision includes sales tax via 68 O.S. Section 1354 and use tax via 68 O.S. Section 1402. In addition, OTC is directed to establish a program focusing on education businesses, as well as identifying and registering businesses who are actively selling or leasing tangible personal property in Oklahoma without a permit. This program includes teams of OTC employees conducting visits to nonresidential retail businesses. The bill contains details.

The bill passed the Senate on Tuesday by a vote of 33-8. It is now on the Governor's desk awaiting action.

JCAB BILLS WAITING FOR FLOOR ACTION

[HB 2349](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) provides that sales tax in 68 O.S. Section 1354 is applied to video programming services, specified digital products that are transferred electronically so as to be obtained by the purchaser by means other than tangible storage media, including digital audio-visual works, digital audio works, digital books and storage of furs. An existing sales tax exemption in 68 O.S. Section 1355 is removed for leases of 12 months or more of motor vehicles in which the owners of the vehicles have paid the vehicle excise tax levied by Section 2103 of Title 68 and leases of aircraft as specified in the bill. In addition, school teachers are given a \$1,000 increase in pay.

[HB 2351](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kim David (R-Porter) creates new law in 68 O.S. Section 2902.5 regarding manufacturing facilities applying for the exemption under 68 O.S. Section 2902. On or after November 1, 2017, manufacturing facilities shall be eligible to delay the five-year period of exemption from ad valorem taxes following the expiration or termination of the ad valorem exemption, abatement or other incentive provided through the tax incentive district established pursuant to the local Development Act. The bill contains definitions and details.

[HB 2352](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kim David (R-Porter) amends 68 O.S. Section 2357.41 impacting credit against tax imposed by 68 O.S. Sections 2355 and 2370 or that portion of the tax

imposed by 36 O.S. Sections 624 and 628 that would have otherwise been apportioned to the General Fund for qualified rehabilitation expenditures incurred in connection with any certified historic hotel or historic newspaper plant building located in an increment or incentive district created via the Local Development Act or for qualified rehabilitation expenditures incurred after January 1, 2006, in connection with any certified historic structure. For credits earned on or after January 1, 2018, the total amount of all allowed claims used to offset tax shall not exceed \$7 million in fiscal year 2019 and each fiscal year thereafter. Rule-making is given to the Oklahoma Tax Commission.

[HB 2364](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) eliminates the excise tax exemption on vehicle transfers between husband and wife; parent and child; and an individual and an express trust which that individual or the spouse, child, or parent of what individual has a right to revoke.

[HB 2372](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) imposes a new cigarette tax of seventy-five (75) mills per cigarette and divides the proceeds. Since this bill did not receive the three-fourths majority to become law, without it being submitted to a vote of the people at the next General Election, a referendum is thereby ordered for the peoples approval or rejection.

[HB 2375](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) establishes a biennial registration for all vehicles subject to the registration fee provided in Section 1132 of Title 47. The "registration provided for in this Section shall be in lieu of all other taxes, general or local, unless otherwise specifically provided". The bill provides details and amends various statutes in Title 47.

[HB 2376](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) authorizes non-house-banked table games involving a wheel, ball or dice to be used within the parameters of the Model Tribal Gaming Compact.

[HB 2377](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) establishes a July 1, 2017, sunset date for the following gross production tax credit: secondary recovery projects; tertiary recovery projects; reestablished production; production enhancement projects; production of oil, gas or oil and gas from wells spudded or reentered between July 1, 1995, and July 1, 2015; and three-dimensional seismic shoots on or after July 1, 2000. It establishes a deadline to submit claims for refunds.

[HB 2381](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) creates a levy upon the “sale, use, gift, possession or consumption of cigarettes, a tax at the rate of 33 ½ mills per cigarette.” This is in addition to the tax levied in Sections 302, 302-1, 302-2, 302-3, 302-4 and 302-5 of Title 68. There are details in the bill.

[HB 2382](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) amends current law on cigarette tax by amending several provisions of Title 68. Included is reducing by 50% the revenue in current law to a number of entities including municipalities and counties. In addition, 68 O.S. Section 415 is amended regarding OTC licenses for a variety of products/purposes. New law divides the resulting fees and penalties with 50% of the revenue going to the State General Fund and 50% going to OTC Reimbursement Fund. The same division of funds is provided in 68 O.S. Section 418, except as specifically provided in current law.

Yesterday, we were told that this bill will not move this session.

[HB 2387](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) creates new law authorizing the Office of Juvenile Affairs to plan, develop, redevelop and occupy campus modifications to serve Oklahoma youth in need of secure care and specialty residential services. The bill contains many details including financing sources, procedural requirements, public/private partnerships, campus consolidation process including repurposing the Southwest Oklahoma Juvenile Center and the Oklahoma Juvenile Center for Girls campuses.

[HB 2389](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) authorizes the Oklahoma Capital Improvement Authority to issue \$59.555 million in bonds to fund a State Department of Health laboratory.

[HB 2390](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) amends various statutes impacting the Grand River Dam Authority (GRDA). Included is an annual payment equal to but shall not, in no case, exceed one percent (1%) of its operating revenues, based upon the previous year’s audited financial statements. This payment, when paid, is in lieu of any and “all other payments imposed by the state, counties, cities, towns, townships, school districts, and other municipalities or political subdivisions of the state on the district, with the exception for payment for services rendered by such entities”. The bill also impacts a number of aspects of

GRDA including Board of Directors, funds, bonds and pledge of revenues and the like. 82 O.S. Section 862.2

[HB 2395](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) includes a child of a custodial parent when there is a joint custody order and the physical custody of the child is shared by both parents as qualified for resident status for the purpose of hunting and fishing licenses. It also modifies fees for commercial hunting permits. The bill contains further details.

[HB 2404](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) amends current sales tax exemptions in 68 O.S. Section 1356. It removes the current exemption for the State, political subdivisions or any agency of a political subdivision in Number 1. However, the current exemption for the sale of tangible personal property or services to any municipality, county, public school in Number 10 is not amended. As a result of the interaction of Numbers 1 and 10, losing the current sales tax exemption is any political subdivision agency. However, from the list of entities in Number 10 the following have lost the sales tax exemption: Oklahoma Municipal Power Authority, institutions of the Oklahoma State System of Higher Education and the Office of Management and Enterprise Services under limited circumstances.

[HB 2406](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) creates the Oklahoma Individual Health Insurance Market Stabilization Act. Stabilization activities include establishment of a high-risk pool, reinsurance, hybrid programs or any combination thereof under the initial direction of the Oklahoma Insurance Commissioner. The bill contains details including definitions, eligibility, Board of Director duties including assessments, authority to apply for federal waivers and the like.

[HB 2409](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) levies sales tax in 68 O.S. Section 1354 on “oil and gas services as defined by Industry No. 213112 of the North American Industry Classification Manual, latest edition.”

[HB 2412](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) amends 68 O.S. Section 2357.41 relating to credit against certain taxes for qualified rehabilitation expenditures in connection with any certified historic hotel or historic newspaper plant building located in an increment or incentive district created by the Local Development Act or for qualified rehabilitation expenditures incurred after January 1, 2006, in connection with any certified historic structure. For credits earned on or after January 1, 2018, the total of all allowed claims used to offset tax shall not exceed \$10

million if fiscal year 2019 and each fiscal year thereafter. OTC has rule-making authority.

HB 2413 by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) David amends 68 O.S. Section 2357.403 impacting the Oklahoma Affordable Housing Act. For qualified projects placed in service after July 1, 2015, “but not later than December 31, 2020”, the amount of state tax credits allowed to all qualified projects for an allocation year shall not exceed \$2 million. Current law is \$4 million.

HB 2414 by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) alters current law regarding revenue from cigarettes, gasoline tax, Rebuilding Oklahoma Access and Driver Safety Fund, production of oil and gas.

HB 2415 by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) impacts taxes, refunds and exemptions in a variety of ways. Included is oil and gas operations and electric power generation by means of wind.

HB 2416 by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) modifies the state's minimum teacher salary schedule.

HB 2417 by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) increases the minimum salary schedule for teachers. It provides a \$1,000 pay raise during the 2017-18 school year, another \$2,000 raise during the 2018-19 school year and a \$3,000 raise during the 2019-20 school year.

HB 2423 by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) amends 40 O.S. Section 418 regarding each insurance carrier writing workers' compensation insurance and each self-insured employer authorized to make workers' compensation payments directly to employees. These entities shall pay to the OTC up to a sum equal to three-fourths of one percent (3/4 of 1%) of the total workers' compensation losses, excluding medical payments and temporary total disability compensation, based on the records of the Workers' Compensation Court of “Existing Claims or the Workers' Compensation Commission.” The bill adds this payout is based on the proceeds being reasonable and necessary to accomplish the objectives of the Oklahoma Occupational Health and Safety Standards Act.

HB 2424 by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) updates references to the Workers' Compensation Commission Revolving Fund and It requires \$5 million be paid from the tax collected

from companies writing workers' compensation insurance policies and from the assessment on self-insurers into the Workers' Compensation Commission Revolving Fund.

SB 838 by Sen. Kimberly David (R-Porter) and Rep. Leslie Osborn (R-Mustang) amends 47 O.S. Section 1104 regarding apportionment of funds collected via the Oklahoma Vehicle License and Registration Act. In Subsection C the percentage going to the state general fund is increased by four (4) percent. In Subsection L the percentage going to the County Improvements for Roads and Bridges Fund is altered to the lesser of sixteen percent or \$120 million.

SB 839 by Sen. Kimberly David (R-Porter) and Rep. Leslie Osborn (R-Mustang) modifies the apportionment of driver's license fee revenue. The bill contains details.

SB 840 by Sen. Kimberly David (R-Porter) and Rep. Leslie Osborn (R-Mustang) increases the fee amount to be paid to the court for traffic offenses from \$9 to \$10, which would go to the Council on Law Enforcement Education and Training (CLEET).

This bill passed the House on Tuesday by a vote of 56-34 but the emergency clause failed by a vote of 55-37. It now heads to the Senate for action.

SB 855 by Sen. Kimberly David (R-Porter) and Rep. Leslie Osborn (R-Mustang) amends 69 O.S. Section 1521 regarding apportionment to the Rebuilding Oklahoma Access and Driver Safety Fund (ROADS). Added to current law in Paragraph B: for the fiscal year beginning July 1, 2017, notwithstanding the provisions of subparagraphs a, b or c of this paragraph, the total amount apportioned pursuant to this subsection from the monies that would otherwise be apportioned to the General Revenue Fund by Section 2352 of Title 68 shall be \$446,669,915.

SB 858 by Sen. Kimberly David (R-Porter) and Rep. Leslie Osborn (R-Mustang) prohibits a school district from paying any portion of the premiums for additional or supplemental health or dental insurance for any member of the district's board of education.

SB 861 by Sen. Kimberly David (R-Porter) and Rep. Leslie Osborn (R-Mustang) amends the Sales Tax Code in 68 O.S. Sections 1352 and 1359 regarding manufacturing exemptions. Manufacturing and manufacturing operation is altered to not include “electric power generation by means of wind.”

SB 862 by Sen. Kimberly David (R-Porter) and Rep. Leslie Osborn (R-Mustang) suspends the annual back-to-

school sales tax holiday for the calendar years 2017, 2018, and 2019.

SB 869 by Sen. Kimberly David (R-Porter) and Rep. Leslie Osborn (R-Mustang) amends 37A O.S. Section 5-104 regarding alcoholic beverage distribution of revenues. All revenue accruing from the excise tax levied by 37A O.S. Section 5-101 shall be distributed by OTC as follows: The “lesser of one-third of ninety-seven percent (1/3 of 97%)” of such revenue “or one hundred five percent (105%) of the amount allocated pursuant to the provisions of this paragraph in the prior fiscal year” is allocated to the counties to be paid to municipalities. Current law pays municipalities “one-third” of ninety-seven percent.

SB 872 by Sen. Kimberly David (R-Porter) and Rep. Leslie Osborn (R-Mustang) amends the American Indian Cultural Center and Museum in 73 O.S. Section 304.2 by adding : the “requirements for issuance of the additional obligations described by this section shall be deemed to have been fully satisfied by actions which include certification by the Director of OMES that at least \$10 million has been deposited in the American Indian Cultural Center and Museum Completion Fund, in accordance with the requirements of paragraph 1 of subsection B of Section 1226.19 of Title 74”. In Section 2 of the bill, 74 O.S. Section 1226.19 is amended by striking the existing \$10 million language in Paragraph (B)(1).

BILLS ON THE MOVE

Alcoholic Beverages/Sales: **SB 646** by Sen. Stephanie Bice (R-OKC) and Rep. Glen Mulready (R-Tulsa) is a bill exceeding 30 sections and 110 pages impacting alcoholic beverage sales and licensing in a number of ways. Sections 6 and 66 amend municipal occupational tax authority in 37 O.S. Section 554.1 and 37A O.S. Section 4-104 respectively. In Section 554.1 new language provides “no licensee shall be held liable for engaging in business otherwise authorized under this title with any other retailer, mixed beverage, beer and wine, caterer, public event or special event licensee, bottle club, manufacturer, wholesaler or Class B wholesaler solely because such other party has failed to pay any occupational tax due under this section”. In Section 4-104 new language provides “no licensee shall be held liable for engaging in business otherwise authorized under this title with any other retailer, mixed beverage, beer and wine, caterer, public event or special event licensee, bottle club, manufacturer, “wine and spirits wholesaler or beer distributor” solely because such other party has failed to pay any occupational tax due under this section.” In addition, there are changes to several definitions in the

Oklahoma alcoholic Beverage Control Act and the repeal of seven existing statutes.

Elections/Municipal Costs: **SB 146** by Sen. Eddie Fields (R-Wynona) and Rep. Todd Russ (R-Cordell) amends various election statutes. Included are changes to 26 O.S. 3-105.1 which expands election costs for counties, municipalities, school districts and other governmental entities. Included are costs for staff time, mileage reimbursement, consumable supplies and materials. In addition, 26 O.S. Section 3-108.1 is amended to expand the costs for the above entities if the election is not held concurrently with a federal or state election. The bill contains detailed costs and charges.

Municipal Court/Fines: **SB 342** by Sen. David Holt (R-OKC) and Rep. Terry O'Donnell (R-Catoosa) creates a task force to oversee an assessment of existing laws, policies and practices relating to fines, fees and costs assessed on persons interacting with the criminal justice process. Among the items studied will be the percentage of owed fees/fines/costs actually paid, how local and state government budgets are supported by fees/fines/costs and how fees/fines/costs contribute to jail and prison populations.

This bill passed the Senate today by a vote of 43-0.

State Agency/Performance: **HB 2311** by Rep. Charles McCall (R-Atoka) and Sen. Mike Schulz (R-Altus) creates the Agency Performance and Accountability Act to conduct independent comprehensive performance audits of the spending of government agencies. It will be used to implement best budgeting and policy-making practices for government services. The bill contains numerous details including implementation of agency-specific recommendations.

The bill passed the House on Wednesday by a vote of 68-23 and is now on the Governor's desk awaiting action.

Employment/Unemployment: **HB 1110** by Rep. Randy McDaniel (R-Edmond) and Sen. Dan Newberry (R-Tulsa) amends the Employment Security Act of 1980 in a number of ways including changing the definition of “experience period”, “computation of benefit amount”, alterations to the benefits for employees of governmental or nonprofit employers, changes to professional employer organizations and the like. In addition, new law provides for a rate reduction for technology reinvestment apportionment, the creation of a technology fund and provisions for administration of the technology fund. The bill repeals 40 O.S. Section 3-809 regarding group accounts for two or more employers.

Code Inspection/Construction Industries Board: **HB 1283** by Rep. Kevin Wallace (R-Wellston) and Sen. Dan

Newberry (R-Tulsa) impacts the ability of municipalities and other political subdivisions to perform code inspection via a third party. A “building and construction inspector” means any person actively engaged in the inspection of any phase of building and construction “by the political subdivision having managerial and superintending control over building codes as the code official” for the purpose of enforcing “and having the authority to enforce” compliance with applicable code including structural “building” inspectors. A “building official” means the “licensed employee code official having the duty to administer and the authority to enforce building codes in the political subdivision”. New definitions of “certification”, “inactive building and construction inspector”, “provisional license” “report writer” and “authorized agent” are added. Various changes are made to 59 O.S. Section 1036 and a new law section is added creating an “authorized agent” which is one who is not a governmental employee but an independent contractor.

Local Public and Private Facilities and Infrastructure Act: [HB 1534](#) by Rep. John Montgomery (R-Lawton) and Sen. James Leewright (R-Bristow) creates the Oklahoma Local Public and Private Facilities and Infrastructure Act impacting local governmental entities responsible for the provision of public service which is or is proposed to be the subject of a contract. The bill contains definitions including the creation of a Local Partnership Committee appointed by the responsible governmental entity considering a public and private partnership.

This bill passed the House on Thursday by a vote of 86-7. The bill passed the Senate this morning by a vote of 34-7. It now heads to the Governor’s desk.

Utility Relocation/Right-of-Way: [SB 85](#) by Sen. Jack Fry (R-Midwest City) and Rep. Dustin Roberts (R-Durant) amends 69 O.S. Section 1205 regarding relocation of utility facilities for construction on the Interstate Highway System within municipalities of 5,000 or more. Federal funds, if available, may be used. In such event the municipality in which such construction is to be performed shall furnish funds to the state necessary to match the federal funds, “unless the utility requiring relocation is owned by another municipality having a population of 5,000 or more, in which case the municipal utility owner shall furnish the funds.

The bill passed the Senate on Wednesday by a vote of 38-0. It is now on the Governor’s desk awaiting action.

CLEET/Registration Fee: [SB 89](#) by Sen. Greg McCortney (R-Ada) and Rep. Todd Thomsen (R-Ada) increases the CLEET registration fee from \$20 to \$30 per pay to cover the costs of breakfast, lunch and “dinner” provided by CLEET.

The bill passed the Senate on Wednesday by a vote of 30-10. It is now on the Governor’s desk awaiting action.

Evidence Code/Vulnerable Person: [SB 692](#) by Sen. A J Griffin (R-Guthrie) and Rep. Scott Biggs (R-Chickasha) creates new law impacting a statement made by a vulnerable or incapacitated person which describes any act of abuse or neglect, any act of financial exploitation or any violent act on said person, not otherwise admissible is admissible in criminal and juvenile proceedings under conditions contained in the bill.

Sales Tax/Exemption Removal Professional Sports: [HB 2350](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) amends 68 O.S. Section 1356 by removing the current sales tax exemption for ticket sales to professional athletic event.

Nursing Facility/Funding: [SB 828](#) by Sen. A J Griffin, (R-Guthrie) and Rep. Chad Caldwell (R-Enid) creates the Nursing Facility supplemental Payment Program Revolving Fund for the Oklahoma Health Care Authority. It contains details on funding including the authority to make rules that “govern the assessment of penalties and interest against any non-state governmental organization that fails to timely pay the full amount of a quarterly intergovernmental transfer. 63 O.S. Section 5022 and 5022.1 are repealed.

The bill passed the Senate on Tuesday by a vote of 42-0. It is now on the Governor’s desk awaiting action.

Water/Aquifer Storage: [HB 1485](#) by Rep. Weldon Watson (R-Tulsa) and Sen. A J Griffin (R-Guthrie) amends 27A O.S. Section 2-6-101 by providing a definition of “aquifer storage and recovery (ASR)”. It means delivery of water into an aquifer for later recovery and use. DEQ is authorized to issue permits for limited-scale pilot projects for ASR. In addition, 27A O.S. Section 2-6-401 is amended to provide that no person shall “begin” any construction work for a municipal treatment works, nonindustrial wastewater treatment system, sanitary sewer system or other sewage treatment works, or any extension thereof, or make other changes without a “written” permit “to construct” issued by DEQ. The bill provides details.

The bill passed the House on Tuesday by a vote of 93-2. It is now on the Governor’s desk awaiting action.

Water/Produced Water: [SB 285](#) by Pro Tempore Mike Schulz (R-Altus) and Speaker Charles McCall (R-Atoka) amends the Oklahoma Brine and Produced Water Development Act in a variety of ways. It is the public policy to reduce disposal of brine water, also referred to as “produced water”, from oil and gas operations and encourage reuse, recycling and reclaiming of the water and its constituent salts, metals and other elements. The bill adds to various definitions including common source of supply, brine and brine well, operator, effluent, brine production unit, oil or gas well and associated oil or gas production. The bill alters the Corporation Commission hearing process and orders in a number of ways. Brine development is added to 17 O.S. Section 508.

Water/Oil & Gas: [SB 743](#) by Pro Tempore Mike Schulz (R-Altus) and Speaker Charles McCall (R-Atoka) creates the Oil and Gas Produced Water Recycling and Reuse Act. The purpose of the Act is that reduction of produced water injection into disposal wells and the reclamation and reuse of produced water is a desired public policy. The statutory transfer of title of produced water, and the constituent salts, metals and other elements dissolved therein, from the surface estate to the producer is a necessary taking for a public purpose and public use to implement public policy pursuant to Section 24 of Article II of the Oklahoma Constitution. The bill contains definitions, determination of just compensation and details.

BILLS VETOED BY THE GOVERNOR

Law Enforcement/Child Passengers: [HB 1607](#) by Rep. John Enns (R-Enid) and Sen. Roland Pederson (R-Burlington) regarding child passenger restraint in motor vehicles. For a child under age 4 an exception is made to a rear-facing child passenger restraint system for a child being transported by a disabled person issued a detachable placard under 47 O.S. 15-112 or a physically disabled license plate under 47 O.S. Sections 1135.1 or 1135.2.

The bill was [vetoed](#) by the Governor on Tuesday.

State Agency/Rule-Making: [SB 697](#) by Sen. Anthony Sykes (R-Moore) and Rep. George Faught (R-Muskogee) amends 75 O.S. Section 250.2 providing that all rulemaking authority shall be used only to implement law or policy as set by the Legislature. Within three (3) years all rules, including those already in existence shall include a specific reference to the state or federal statutory provision or federal regulation that delegates the authority for the rule. In addition, the definition of “rule” is altered by removing “interprets or

prescribes” law or policy and adding “as delegated by the Legislature.”

The bill was [vetoed](#) by the Governor on Wednesday.

BILLS SIGNED BY THE GOVERNOR

Sporting Event/Fee Increase: [HB 2361](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) assesses a new fee on the initial sale of tickets for professional sporting events.

The bill will take effect on July 1, 2017.

Income Tax/Standard Deduction: [HB 2348](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) provides that for taxable years beginning on or after January 1, 2017, in the case of individuals who use the standard deduction in determining taxable income, there will be added or deducted, as the case may be, the difference necessary to allow a standard deduction in lieu of the standard deduction allowed by the Internal Revenue Code of 1986, as amended, as follows: \$6,350 for single or married filing separately; \$12,700 for married filing jointly or a qualifying widower with dependent child and; \$9,350 for head of household.

The bill will take effect on January 1, 2017.

Sales Tax/Veterans: [HB 1198](#) by Rep. Tommy Hardin (R-Madill) and Sen. Frank Simpson (R-Ardmore) amends the veteran’s sales tax exemption by adding the requirement that the veteran is registered with the new veterans registry created by the Oklahoma Department of Veterans Affairs. An exception is made for those veterans who have previously received the sales tax exemption.

Section 1 of the bill will take effect on November 1, 2017. Sections 2 through 12 will take effect on November 1, 2020.

State Fire Marshall/Abolishes Council on Firefighter Training: [HB 1833](#) by Rep. Mike Sanders (R-Kingfisher) and Sen. A J Griffin (R-Guthrie) increases funding for the Fire Marshal Fund, abolishes the Council on Firefighter Training and all duties transferred to the State Fire Marshal.

The bill will take effect on July 1, 2017.

Agriculture Fees/Municipal Exemption Removal: [HB 2392](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) amends 2 O.S. Section 3-82 regarding license/certification fees for pesticide applications. Current law in subsection (C) contains a fee

exemption for “governmental agencies or their employees in the discharge of their official duties. The bill removes this language.

The bill will take effect on November 1, 2017.

Fireworks: [SB 25](#) by Sen. Nathan Dahm (R-Broken Arrow) and Rep. Kevin McDugle (R-Broken Arrow) removes the prohibition on fireworks being sold or displayed to the public within any building or portion of a building or any vehicle that allows entry by any persons other than employees unless the fireworks are kept where they cannot be reached or handled by those persons.

The bill went into effect on May 12, 2017.

Sales Tax Exemption/Domestic Violence: [SB 189](#) by Sen. Kay Floyd (D-OKC) and Rep. Claudia Griffith (D-Norman) exempts from sales tax sales of tangible personal property or services to an organization exempt from taxation under the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and operates as a collaborative model which connects community agencies in one location to serve individuals and families affected by violence and where victims have access to services and advocacy at no cost to the victim.

The bill will take effect November 1, 2017.

Building Codes/Churches: [SB 312](#) by Sen. Frank Simpson (R-Ardmore) and Rep. Pat Ownbey (R-Ardmore) alters the code for churches which temporarily accommodate overnight visitors. A new alternative for a hard-wired stand-alone fire and smoke alarm or battery operated fire and smoke alarm is added to current law.

The bill takes effect on July 1, 2017.

Public & Private Facilities/Infrastructure: [SB 430](#) by Sen. James Leewright (R-Bristow) and Rep. John Montgomery (R-Lawton) creates the Oklahoma Public and Private Facilities and Infrastructure Act establishing within the Office of Management and Enterprise Services (OMES) and Office of Public-Private Partnerships. A Partnership Committee has the ability to identify potential public-private partnerships, review qualified bidders, approve requests for proposals and to approve template contracts. The bill contains details on approval process for proposals, evaluation and reporting requirements. The performance of public services will constitute the performance of essential government functions and a project owned by the state shall be exempt from taxation. The gross receipts and

income from a successful project under a contract via a project owned by the state “shall be exempt from taxation levied by the state and its subdivisions.” Any transfer or lease on items included or to be included in the project “shall be exempt from any taxes” if the state retains ownership.

The bill will take effect on November 1, 2017.

Public Finance/Cooperative Purchasing Agreement: [SB 563](#) by Sen. Micheal Bergstrom (R-Adair) and Rep. Jason Murphey (R-Guthrie) authorizes any school district including a technology school district to participate in, sponsor, or administer a cooperative purchasing agreement for the acquisition of any commodities or services with one or more public agencies. This includes joint or multiparty contracts between public agencies and open-ended state public procurement contracts. Any local public procurement unit may participate in, sponsor, conduct or administer a cooperative or piggybacking purchasing agreement under the details in the bill. A local public procurement unit is any county, city, town, state agency, and any other subdivision of the state or public unit or agency thereof. The bill contains definitions and details.

The bill will take effect on November 1, 2017.

Children’s Code/Emergency Resource Center: [SB 718](#) by Sen. A J Griffin (R-Guthrie) and Rep. Mark Lawson (R-Sapulpa) amends the Oklahoma Children’s Code in the definition section at 10A O.S. Section 1-1-105 by adding “children’s emergency resource center”. It is a community-based program providing emergency care and a safe and structured home-like environment or a host home for children which provides a number of items and services. The bill contains details.

The bill will take effect on November 1, 2017.

Municipal Court/Domestic Violence: [HB 1121](#) by Rep. Ryan Martinez (R-Edmond) and Sen. Stephanie Bice (R-OKC) creates the Oklahoma Domestic Violence Court Act of 2017. Subject to the availability of funds, any district or municipal court of record may establish a domestic violence court program as a specialized judicial process for domestic matters both civil and criminal under the bills requirements.

The bill will take effect on November 1, 2017.

Engineers/Licensing: [HB 1282](#) by Rep. Kevin Wallace (R-Wellston) and Sen. Dan Newberry (R-Tulsa) contains over 20 sections impacting engineers in a variety of ways including by adding a definition of “professional structural engineer” for structural engineering analysis and design

services for “significant structures”. Significant structures will be defined by the State Board of Licensure for Professional Engineers and Land Surveyors. This extensive bill contains additional definition changes, amended duties for the Board, expenditure of funds and the like. 59 O.S. Section 475.12, as amended by Section 4, Chapter 139, O.S.L. 2012 (59 O.S. Supp. 2016, Section 475.12) is repealed. The bill contains details.

The bill will take effect on November 1, 2017.

Jails/Cost: [HB 1483](#) by Rep. Leslie Osborn (R-Mustang) and Sen. Kimberly David (R-Porter) increases the number of days from three to five business days after a court orders a judgment and sentence for the county to transmit to the Department of Corrections information about the sentence and adds language requiring the Department of Corrections to establish a method of issuing receipts. The bill contains further details.

The bill will take effect on November 1, 2017.

Law Enforcement/Trespass: [HB 2128](#) by Rep. Mark McBride (R-Moore) and Sen. A J Griffin (R-Guthrie) provides that an individual arrested or convicted for trespass may be held liable for any damages to personal or real property while trespassing. Vicarious liability for damages is created for a person or entity that compensates or remunerates a person for trespassing.

The bill will take effect on November 1, 2017.

Law Enforcement/OK Law Enforcement Telecommunication System (OLETS): [SB 28](#) by Sen. Roger Thompson (R-Okemah) and Rep. Avery Frix (R-Muskogee) requires the Department of Public Safety (DPS) to assess and collect a fee from subscribers of the Oklahoma Law Enforcement Telecommunications System. The funds and expenditures are for personnel, recurring use fees, necessary hardware and accessories, of equipment, maintenance and operational expenses of the system.

The bill will take effect on November 1, 2017.

Firearms/Felony Pointing: [SB 40](#) by Sen. Micheal Bergstrom (R-Adair) and Rep. Bobby Cleveland (R-Slaughterville) amends current statutes on felony pointing of firearms to exclude an act of self-defense and armed security guards licensed by CLEET pursuant to the Oklahoma Security Guard and Private Investigator Act in the performance of their duties. In addition, pointing a weapon at a perpetrator in self-

defense in order to stop a forcible felony or attempted forcible felony shall not be guilty of committing a criminal act. It also defines “defensive force”.

The bill will take effect on November 1, 2017.

Insurance/Surplus Lines Tax: [SB 438](#) by Sen. John Sparks (D-Norman) and Rep. Glen Mulready (R-Tulsa) amends 36 O.S. Section 1115 by providing the policies sold to any city or town in this state, incorporated pursuant to law, shall be exempt from the surplus lines premium tax.

The bill will take effect on November 1, 2017.

Alcoholic Beverages/Public Property: [HB 1302](#) by Rep. Casey Murdock (R-Felt) and Sen. Stephanie Bice (R-OKC) makes a number of changes regarding alcohol beverages including powdered alcohol, various alcohol-related licensees.

Sections 1, 3 and 5 will take effect on July 1, 2017.

Section 1 will be repealed on October 1, 2018.

Sections 2, 4, and 6 will take effect on October 1, 2018.

Nuisance/Agricultural Activities: [HB 1388](#) by Rep. John Pfeiffer (R-Mulhall) and Sen. Eddie Fields (R-Wynona) amends 50 O.S. Section 1.1 relating to what constitutes an agricultural nuisance. Changes are made to established date of operation and the penalty provision is expanded if an action for nuisance is found to be frivolous “or malicious”.

The bill will take effect on November 1, 2017.

State/Debt Study: [HB 1533](#) by Rep. John Montgomery (R-Lawton) and Sen. Greg Treat (R-OKC) requires the State Bond Advisor to produce a written debt affordability study to determine Oklahoma’s debt position relative to its benchmark debt ratio of debt service as a percentage of revenues. Included are projections of future debt issuance, unfunded pension liabilities, relevant metrics and sensitivity analysis.

The bill will take effect on November 1, 2017.

Sales Tax/Exemptions: [SB 235](#) by Sen. Roger Thompson (R-Okemah) and Rep. John Pfeiffer (R-Mulhall) expands the current exemption for the Oklahoma Tourism and Recreation Department to any person who has contracted with the Department to assist with the development and production of advertising, promotion, publicity and public relations programs promote the state.

The bill will take effect on July 1, 2017.

Tire Recycling Fund/DEQ: [SB 426](#) by Sen. James Leewright (R-Bristow) and Rep. John Pfeiffer (R-Mulhall) amends various sections of Title 27A regarding the Oklahoma Used Tire Recycling Act. Included are new definitions, fees, agricultural equipment changes, and adding for reimbursement to DEQ. Reimbursement is authorized for necessary costs associated with remediation or other necessary actions at sites at which used tires or other wastes incidental to used tire present a threat to human health or environment, or for projects to increase market demand for products made from Oklahoma used tires.

The bill will take effect on November 1, 2017.

Transportation Network/Website: [SB 631](#) by Sen. Marty Quinn (R-Claremore) and Rep. Jon Echols (R-OKC) amends 47 O.S. Section 1016 regarding transportation network company's (TNC) software application or website. The bill covers employer/employee relationship and required insurance.

The bill will take effect on November 1, 2017.

Firearms/Licenses: [SB 35](#) by Sen. Kimberly David (R-Porter) and Rep. Kevin McDugle (R-Broken Arrow) allows an individual 21 years or older on active military or National Guard duty, regular military or National Guard reserve duty or retired or honorably discharged from military service and has a valid military identification card instead of a handgun license to carry a concealed or unconcealed weapon without a handgun license. The bill also allows reserve deputy law enforcement offices from the list of those exempt from the training and qualification requirements. It also removes language requiring CLEET to establish criteria for providing proof of an exemption. The bill also allows out-of-state permit holders the right to carry unconcealed weapons.

The bill will take effect on November 1, 2017.

Tax Incentive District/Manufacturing Facility: [SB 293](#) by Sen. Kimberly David (R-Porter) and Rep. Leslie Osborn (R-Mustang) repeals 68 O.S. Section 2902.4.

This bill will take effect on January 1, 2018.