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# Oklahoma Municipal League

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#### REVENUE PACKAGE FOR TEACHER PAY RAISE SIGNED INTO LAW

After a quiet Spring Break, the legislature came back to the Capitol with a roar. On Monday, the House of Representatives voted on a revenue package to fund the teacher pay raise a week before the teacher walk out will happen. On Wednesday, the Senate voted to support the measure but held it on a "Motion to Reconsider".

**HB 1010xx** by Rep. Kevin Wallace and Sen. Kim David is a \$474 million package of tax hikes that will:

- Raise the initial tax rate on oil and gas wells from 2 percent to 5 percent for the first three years, with the rate rising to 7 percent after that.
- Increase the motor fuel tax by 3 cents a gallon on gasoline and 6 cents a gallon on diesel.
- Add a \$1 per pack tax on cigarettes.
- Tax little cigars the same as cigarettes.
- Add a \$5 room tax on hotel and motel stays.

The proposed hotel/motel tax created a huge issue for Oklahoma's hospitality industry, with many hotel and motel operators expressing their concerns that it would hurt tourism and convention business. OKC would have moved from #71 in hotel/motel fees to #1 and Tulsa would have been #3 just behind St. Louis.

The Senate put pressure on the House to repeal the hotel/motel tax and held the revenue package up until <a href="https://example.com/hb/4/">HB 1012xx</a> was passed.

The House had to suspend the rules to hear **HB 1012xx** on the floor. They needed 68 votes to suspend the rules. The problem was they only had 66 votes to support the suspension. The vote was held open for three (3) hours while waiting for a couple of Representatives to come back to the capitol and vote "yes".

As soon as the measure passed, the Senate tabled the "Motion to Reconsider" on HB 1010xx and sent it to the Governor's desk. She signed the bill shortly after she received it.

The Legislature is considering alternatives to make up for some of the revenue that would be lost by the repeal of the room tax by asking Amazon to collect sales and use taxes on items sold through its site by third-party vendors. Missy Dean asked Rep. Wallace if cities would receive the revenue too. It was confirmed by House staff that there is nothing in it that makes it exclusive to the state level. It is designed if a transaction qualifies to be taxed, it will be fully taxed (state, county and city taxes).

## PLASTIC BAG BILL WAITING TO BE HEARD

On Wednesday, we sent out a GRIP to ask you to contact the members of the House General Government Oversight and Accountability Committee on SB 1465 by Sen. James Leewright (R-Bristow) and Rep. Tim Downing (R-Pauls Valley). This bill prohibits any political subdivision from restricting, taxing, prohibiting or issuing any ordinance regulating the use, disposition or sale of auxiliary containers. Auxiliary container means any bag, cup, package, container, bottle or other packaging that is made of cloth, paper, plastic, including foamed or expanded plastic, cardboard, corrugated material, aluminum, glass, post-consumer recycled material or similar material including, but not limited to, coated or laminated materials.

The Committee was canceled but will be rescheduled. Please continue to reach out to the members of the House General Government Oversight and Accountability Committee and ask them to vote "NO" on SB 1465.

## **BILLS ON THE MOVE**

Here is a snapshot of bills impacting cities and towns.

Right-of-Way/High-Wide Corridors: SB 1114 by Sen. Micheal Bergstrom (R-Adair) and 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. Exclusive of municipal limits, no person may install any structures within the affected area without a permit from the Department of Transportation and several specific actions are prohibited. The Department of Transportation shall create additional design standards for improvements to prevent interference from permanent structures as described in the bill. 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 agreement with persons using the highwide routes to provide timely vehicle escorts.

The bill was laid over in the House Transportation Committee on Monday.

**Tag Agents/Location:** SB 1439 by Sen. Mike Schulz (R-Altus) and Rep. Charles McCall (R-Atoka) removes the population limits for the location of motor license agencies in 47 O.S. Section 1140. The removed language includes counties with a population of less than 130,000 and municipalities having a population of less than 8,500 located in a county having a population of greater than 130,000.

The bill received a do pass recommendation from the House Transportation Committee by a unanimous vote.

**State Agency/Sunset:** <u>HB 1461</u> by Rep. Greg Babinec (R-Cushing) and Sen. Paul Rosino (R-OKC) creates the Sunset Advisory Commission to study each state agency to be sunsetted under the detailed requirements in the bill.

The bill received a do pass recommendation in the Senate Health & Human Services Committee by a unanimous vote.

**Ambulance/Training Requirement:** HB 2760 by Rep. Leslie Osborn (R-Mustang) and Sen. Stephanie Bice (R-OKC) amends the Oklahoma Emergency Response Systems Development Act by amending requirements for licensure and adding requirements for stretcher vans.

The bill was laid over in the Senate Health & Human Services Committee on Monday.

Rural Physicians/Physician Assistant: HB 2987 by Rep. Marcus McEntire (R-Duncan) and Sen. Ervin Yen (R-OKC) amends the Physician Manpower Training Commission adding physician assistants to the educational loan repayment assistance of the Oklahoma Medical Loan Repayment Program. Removed from current law is the authority to pay stipends to residents in exchange for a commitment to serve in rural or underserved areas. The maximum rural population criteria of 7,500 or less may be waived by the Commission. The Commission is given rulemaking authority.

The bill passed the Senate Health & Human Services Committee with the title stricken by a unanimous vote.

Apportionment of Special OSHA Fund: SB 1411 by Sen. Mike Schulz (R-Altus) and Rep. Charles McCall (R-Atoka) modifies the apportionment of revenue to the Special Occupational Health and Safety Fund. It provides the revenue apportioned to the fund cannot exceed the three-year average of the revenue

apportioned in fiscal years 2015, 2016 and 2017 and that any amount in excess of the average be deposited in the General Revenue Fund.

The bill received a do pass recommendation in the House A&B Committee by a vote of 18-5.

**Used Tire Recycling/DEQ:** <u>SB 1412</u> by Sen. Mike Schulz (R-Altus) and Rep. Charles McCall (R-Atoka) and Rep. Charles McCall (R-Atoka) amends 27A O.S. Section 2-11-401.4 regarding capping monies from the Used Tire Recycling Indemnity Fund to DEQ.

The bill received a do pass recommendation in the House A&B Committee by a vote of 18-5.

**Motor Fuel Tax/Apportionment:** SB 1422 by Sen. Mike Schulz (R-Altus) and Rep. Charles McCall (R-Atoka) amends 68 O.S. Sections 500.6 and 500.7 by limiting the apportionment of the motor fuel tax to the High Priority State Bridge Fund.

The committee substitute received a do pass recommendation in the House A&B Committee by a vote of 18-5.

Cigarette Tax/Limits: SB 1452 by Sen. Mike Schulz (R-Altus) and Rep. Charles McCall (R-Atoka) places limits on various aspects of the cigarette tax in 68 O.S. Section 302-5. Impacted is the Health Employee and Economy Improvement Act Fund, Oklahoma Health Care Authority Medicaid Program Fund and Mental Health and Substance Abuse Services Fund.

The bill received a do pass recommendation in the House A&B Committee by a vote of 20-3.

Law Enforcement/Controlled Dangerous Substances: SB 1185 by Sen. Lonnie Paxton (R-Tuttle) and Rep. Jon Echols (R-OKC) amends the Uniform Controlled Dangerous Substances Act by altering the definition of marihuana creating the Oklahoma Industrial Hemp Agricultural Pilot Program Act.

The committee substitute received a do pass recommendation in the House Agriculture & Rural Development Committee by a unanimous vote.

Hospitals/Reporting Requirements: SB 890 by Sen. Josh Brecheen (R-Coalgate) and Rep. Sean Roberts (R-Hominy) creates the Oklahoma Health Care Cost Reduction and Transparency Act of 2018. It requires hospitals and ambulatory surgical centers that bill Medicaid to provide the Health Department detailed cost information as required in the bill. The State Board of

Health is granted rule-making authority. The bill contains details.

The bill was laid over in the House Public Health Committee on Tuesday.

Law Enforcement/Uniform Controlled Dangerous Substances: SB 939 by Sen. Robert Standridge (R-Norman) and Rep. Rande Worthen (R-Lawton) adds substances to the Uniform Controlled Dangerous Substances Act.

The bill received a do pass recommendation in the House Public Health Committee by a unanimous vote.

Law Enforcement/Uniform Controlled Dangerous Substances: <u>SB 940</u> by Sen. Robert Standridge (R-Norman) and Rep. Rande Worthen (R-Lawton) adds substances to the Uniform Controlled Dangerous Substances Act.

The bill was laid over in the House Public Health Committee on Tuesday.

Scrap Metal/Reporting: <u>HB 2950</u> by Rep. Carol Bush (R-Tulsa) and Sen. Jason Smalley (R-Stroud) amends the Oklahoma Scrap Metal Dealer Act impacting photo identification, internet reporting method for municipalities, digital image, purchasing copper wire with documentation requested by law enforcement and scrap metal dealer purchasing a vehicle.

The bill received a do pass recommendation in the Senate Agriculture & Wildlife Committee by a unanimous vote.

Agriculture/Limitation of Liability: HB 3416 by Rep. John Pfeiffer (R-Mulhall) and Sen. Larry Boggs (R-Wilburton) amends the Oklahoma Limitation of Liability for Farming and Ranching Land Act. It removes current law that the Act "applies only to an owner of land who does not charge more than \$10 per acre per year for land used for recreational purposes" In addition, the definition of "charge" is deleted as well as current law impacting land leased to the state or subdivision thereof, that any consideration received by the owner for the lease shall not be deemed a charge.

The bill received a do pass recommendation in the Senate Agriculture & Wildlife Committee by a unanimous vote.

Scrap Metal Dealers/Identification Requirements: <u>SB 1481</u> by Sen. Jason Smalley (R-Stroud) and Rep. Carol Bush (R-Tulsa) amends the Oklahoma Scrap Metal Dealers Act including identification cards, internet-

based reporting, making it unlawful to sell or purchase copper wire that is 4-gauge or larger, document requirements are added for exempt-seller status including authorization for a request for the documents from law enforcement and requirements are added for the purchase of a vehicle.

The bill received a do pass recommendation in the House Banking & Business Committee by a unanimous vote

Electrical License Act/Electrical Work: SB 1513 by Sen. Julie Daniels (R-Bartlesville) and Rep. Glen Mulready (R-Tulsa) amends the Electrical License Act by adding a definition for electrical work and directing the Construction Industries Board to amend its rules to conform with this definition. In addition, no more than three registered apprentice electricians shall work under the supervision of a single journeyman or contractor.

The bill received a do pass recommendation in the House Banking & Business Committee by a vote of 14-4.

Elevator Safety Act/Inspections: SB 1529 by Sen. Dave Rader (R-Tulsa) and Rep. Carl Newton (R-Cherokee) amends the Elevator Safety Act in a number of ways. It removes a penalty provision, alters elevator registration, changes inspections for "new nonresidential installations", adds a third-party inspector and alters the period for property owners to be in full compliance with correcting violations.

The bill received a do pass recommendation in the House Banking & Business Committee by a unanimous vote.

Law Enforcement/Construction Zones: <u>HB 2650</u> by Rep. Steven Vaughan (R-Ponca City) and Sen. Dave Rader (R-Tulsa) 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.

The bill received a do pass recommendation in the Senate Transportation Committee by a unanimous vote.

Railroads/Crossings: HB 3388 by Rep. Roger Ford (R-Midwest City) and Sen. Jack Fry (R-Midwest City) amends 66 O.S. Section 128 increasing the fine if a railroad company violates its duty to construct and maintain crossings across portions of its track, roadbed or right-of-way over which any public highway may run. The fine is increased from \$25 per day to \$50 per day.

The bill received a do pass recommendation in the Senate Transportation Committee by a unanimous vote.

Roads/County Improvements: HB 3438 by Rep. Jon Echols (R-OKC) and Sen. Kimberly David (R-Porter) amends the County Improvement for Roads and Bridges Fund by providing the funds shall be "distributed" ton "circuit engineering" districts "created pursuant to subsection A of Section 687.1 of Title 69 with the boundaries established as of July 1, 2018.

The bill failed the Senate Transportation Committee on Tuesday.

Law Enforcement/Vulnerable Adult Investigations: SB 993 by Sen. A J Griffin (R-Guthrie) and Rep. Harold Wright (R-Weatherford) amends 43 O.S. Section 10-105 by requiring, when feasible, law enforcement and the Department of Human Services jointly conduct an investigation of a report of alleged abuse of a vulnerable adult. Current law requires an investigation by the Department.

The bill failed in the House Health Services and Long-Term Care Committee on Wednesday.

Nursing Homes/Administrator: SB 1328 by Sen. Jason Smalley (R-Stroud) and Rep. Carol Bush (R-Tulsa) authorizes long-term administrators to be the administrator of record for "two (2) facilities" provided they are within 50 mile radius of each other, the sum total of the administrator's responsibility does not exceed more than 120 occupied beds, and "one of the two (2) facilities" retains "a certified" assistant administrator. Current law is broader since it allows for "more than one facility" and does not require a certified assistant administrator.

The bill failed in the House Health Services and Long-Term Care Committee on Wednesday.

Public Safety/Immediate Family: HB 2592 by Rep. Ross Ford (R-Broken Arrow) and Sen. Nathan Dahm (R-Broken Arrow) authorizes the Secretary of the State Election Board to keep confidential the residence and mailing address of the immediate family of law enforcement personnel. Immediate family means a spouse, child by birth or adoption, stepchild, parent, grandparent, grandchild, sibling or spouse of any immediate family member.

The bill received a do pass recommendation in the Senate Rules Committee by a unanimous vote.

Initiative and Referendum/Procedure: <u>HB 2827</u> by Rep. Jon Echols (R-OKC) and Sen. Nathan Dahm (R-

Broken Arrow) amends 34 O.S. Section 9 altering the procedure for initiative and referendum. The ballot title procedure is changed by starting the 10 business day time clock upon completion of the review by the Attorney General. Current law starts the time clock after publication of the notice required by subsection I of Section 8 of Title 34.

The bill received a do pass as amended recommendation in the Senate Rules Committee by a vote of 10-1.

Oklahoma Inspectors Act/Licenses: SB 1538 by Sen. Jack Fry (R-Midwest City) and Rep. Tess Teague (R-Choctaw) amends the Oklahoma Inspectors Act by removing the requirement that the Construction Industries Board establish by rule a method of prorating license fees to coincide with the birth date of the licensee. In addition, the municipal exemption for communities with a population of 10,000 or less is altered changing who the population by determined. Current law references the Oklahoma Employment Security Board while the bill substitutes the U.S. Census Bureau.

The bill passed the House County & Municipal Government Committee with the title stricken by a unanimous vote.

**Finance/Auditor:** SB 1042 by Sen. David Holt (R-OKC) and Rep. Mike Osburn (R-Edmond) 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.

The bill received a do pass recommendation in the House Government Modernization Committee by a unanimous vote.

Count Bridge Improvement Act/General Expenses: SB 260 by Sen. Mike Schulz (R-Altus) and Rep. Charles Ortega (R-Altus) amends the County Bridge and Road Improvement Act to authorize the funds to be used for general administrative expenses of county government. The amended statutes are 69 O.S. Sections 661 and 665.

The bill was laid over in the House A&B on Transportation Subcommittee.

Rail Fixed Guideway Systems/Regulations: SB 1131 by Sen. Darcy Jech (R-Kingfisher) and Rep. Ryan Martinez (R-Edmond) creates the Oklahoma State Safety Oversight Program for the Department of Transportation to develop and enforce program

standards for all private and public rail fixed guideway systems not administered by the Federal Railroad Administration.

The bill received a do pass recommendation in the House A&B on Transportation Subcommittee by a unanimous vote.

Occupational License/Pardon and Parole Board: HB 2286 by Rep. Terry O'Donnell (R-Catoosa) and Sen. Greg Treat (R-OKC) is a bill running over 85 pages impacting various areas of law. Included in Section 16 is a prohibition for a "licensing board" to deny, suspend or revoke an occupational license or certificate for the sole purpose that the applicant has previously been convicted of a crime subject to the certificate of rehabilitation created in the bill. A licensing board includes a municipality that issues a license.

The House Conference Committee Report was adopted on Wednesday.

Municipal Court/Criminal Procedure: SB 689 by Sen. Greg Treat (R-OKC) and Rep. Terry O'Donnell (R-Catoosa) is a detailed bill exceeding 65 pages amending various statutes in Title 22. Included are changes to the Oklahoma Community Sentencing Act impacting risk and needs assessments, court procedures, intervention programs, sentencing considerations, suspended sentences, deferred judgments and the like. The bill contains details.

The House Conference Committee Report was adopted on Wednesday.

CLEET/Municipal CLEET Academies: SB 1096 by Sen. Greg McCortney (R-Ada) and Rep. Todd Thomsen (R-Ada) creates an investigations unit authorized to investigate violations of any state statute or administrative rule regarding the Bail Enforcement and Licensing Act, Oklahoma Security Guard and Private Investigator Act. Changes are also made to revocation of certification, the Drug Dog Advisory Council, reserve officer training requirements. The population limits are removed from CLEET conducting an investigation to determine if a requesting municipality or county meets criteria to conduct a basic law enforcement training academy. Provision is made for the confidentiality of CLEET training materials. The bill contains details.

The bill received a do pass as amended recommendation in the House Public Safety Committee with the title stricken by a unanimous vote.

Law Enforcement/Highway Underpass: SB 1474 by Sen. John Sparks (D-Norman) and Rep. Chris Kannady

(R-OKC) creates new law prohibiting a person from stopping, standing or parking a vehicle, except when necessary to avoid conflict with other traffic or in compliance with law or the directions of a police officer or traffic-control device, within a highway underpass.

The committee substitute received a do pass recommendation in the House Public Safety Committee with the title restored by a vote of 11-3.

**Sales Tax Exemption/Expansion:** <u>SB 906</u> by Sen. Frank Simpson (R-Ardmore) and Rep. Tommy Hardin (R-Madill) 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.

The bill received a do pass recommendation in the House A&B on Finance Subcommittee by a unanimous vote.

**Juveniles/Court Records:** <u>SB 224</u> by Sen. A J Griffin (R-Guthrie) and Rep. Chris Kannady (R-OKC) amends various sections of Title 10A regarding the confidentiality of youthful offender court records

The bill was laid over in the House Judiciary Committee on Wednesday.

Law Enforcement/Controlled Dangerous Substances: SB 1078 by Sen. A J Griffin (R-Guthrie) and Rep. Tim Downing (R-Purcell) adds substances to the Trafficking in Illegal Drugs Act.

The bill received a do pass recommendation in the House Judiciary Committee by a unanimous vote.

Law Enforcement/DUI: <u>SB 1091</u> by Sen. Greg Treat (R-OKC) and Rep. Dustin Roberts (R-Durant) amends 47 O.S. Section 11-902 by removing current law's language authorizing the district attorney to seek to enhance punishment.

The bill received a do pass recommendation in the House Judiciary Committee by a unanimous vote.

Workers' Compensation/Affidavit of Exempt Status: SB 1249 by Sen. James Leewright (R-Bristow) and Rep. Glen Mulready (R-Tulsa) amends the Workers' Compensation Act regarding sub-contractors and altering the details of current law's Affidavit of Exempt Status.

The committee substitute received a do pass recommendation in the House Judiciary Committee by a vote of 17-5.

Workers' Compensation: SB 1340 by Sen. Anthony Sykes (R-Moore) and Rep. Leslie Osborn (R-Mustang) is a comprehensive amendment of the Workers' Compensation Act in a variety of ways. Included are changes to a number of definitions including compensable injury, disability, major cause, occupational disease, scheduled member and the like. This 110 plus page bill changes the Commission, Multiple Injury Trust Fund, Affidavit of Exempt Status, compensation awards, vocational rehabilitation, Self-insurance Guaranty Fund and various procedural matters. Several existing statutes are repealed.

The bill received a do pass as amended recommendation in the House Judiciary Committee by a unanimous vote.

**DEQ/Shell:** HB 3356 by Rep. Sean Roberts (R-Hominy) and Sen. Eddie Fields (R-Wynona) creates the Department of Environmental Quality Modification Act of 2018 shell bill.

The bill received a do pass recommendation in the Senate Energy Committee by a unanimous vote.

**Underground Facilities/Excavate:** <u>HB 3407</u> by Rep. Weldon Watson (R-Tulsa) and Sen. Mark Allen (R-Spiro) amends the definition of "excavate" by deleting from current law "any individual excavating on his own property and who is not in the excavating business for hire".

The bill was laid over in the Senate Energy Committee on Thursday.

Water/Conservation Act: HB 3536 by Rep. Chad Caldwell (R-Enid) and Sen. Greg McCortney (R-Ada) amends the Oklahoma County and City Energy Conservation Act by adding water-metering devices that increase efficiency or accuracy of water measurement and energy reduction to the definition of energy conservation measures. Impacted is repayment of lease-purchase agreements which shall not exceed the "greater of 20" years, procedure for energy conservation contracts, changing the definition of "performance-based efficiency contract", State Bond Advisor consultation and method of calculating cost savings. The bill contains details.

The bill received a do pass as amended recommendation in the Senate Energy Committee by a unanimous vote.

**Veteran Center/Talihina:** <u>HB 3042</u> by Rep. Chris Kannady (R-OKC) and Sen. Frank Simpson (R-Ardmore) creates the Oklahoma Veterans Facility

Investment Act of 2018. The Department of Veterans Affairs is authorized to develop and construct a long-term care facility in Talihina. The Oklahoma Capitol Improvement Authority is authorized to issue obligations to acquire real and personal property for projects. The bill contains details.

The bill received a do pass recommendation in the Senate Veterans & Military Affairs and was referred to the Senate Appropriations Committee on Thursday.

**Unemployment Compensation/Benefits:** <u>HB 2523</u> by Rep. Randy McDaniel (R-Edmond) and Sen. Julie Daniels (R-Bartlesville) 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.

The bill received a do pass recommendation in the Senate Business, Commerce & Tourism Committee by a unanimous vote.

Occupational License Database/DOL: HB 2771 by Rep. Mike Osburn (R-Edmond) and Sen. Adam Pugh (R-Edmond) creates the Oklahoma Department of Labor Occupational License Database allowing public access to all occupational licenses and certifications. The Department of Labor shall make rules by which each state agency, board or commission or any other entity that regulates an occupation in this state shall submit a searchable electronic version of information listed in the bill related to licensure or certification of the occupation. The bill contains details.

The bill received a do pass recommendation in the Senate Business, Commerce & Tourism Committee and was referred to the Senate Appropriations Committee on Thursday.

Electrical License Act/Supervisory Authority: HB 2935 by Rep. Glen Mulready (R-Tulsa) and Sen. Julie Daniels (R-Bartlesville) amends the Electrical License Act by adding a definition of "electrical work" including what electrical work is not and an exception is created for Class 2 and Class 3 circuits provided NFPA 70 requirements are met. In addition, no more than 3 apprentice electricians shall work under the supervision of a single journeyman or contractor.

The bill received a do pass recommendation in the Senate Business, Commerce & Tourism Committee by a vote of 9-2.

**Pawnshop/Penalties:** <u>HB 3070</u> by Rep. Rande Worthen (R-Lawton) and Sen. Greg Treat (R-OKC) amends the Oklahoma Pawnshop Act by creating

penalties for selling or pledging property to a pawnbroker who uses false or altered identification.

The bill received a do pass recommendation in the Senate Business, Commerce & Tourism Committee by a unanimous vote.