

LEGISLATIVE REPORT

Association of Central Oklahoma Governments

★ March 30, 2017



Upcoming Oklahoma Legislative Deadlines

Note: Some measures are not subject to deadlines.

- April 13:** House bills out of Senate committees
- April 14:** Senate bills out of House committees
- April 27:** Third reading of measures in opposite chamber
- May 26:** Sine Die deadline (Adjournment) no later than 5pm

We started the legislative session off with 2,200 bills and we are down to 670. We've heard from legislators that there will not be a special session, but lobbyists with the Oklahoma Association of Regional Councils believe the opposite. They also characterize the House and Senate as a "paralyzed legislature" and report that noone in leadership has "political capital."

Did you know?

Legislators are not in complete control of Oklahoma's revenue? The legislature will only appropriate \$6 out of \$17 billion dollars this year.

SB 694

SB 694, which would have restricted local governments including municipalities and counties from passing ordinances, resolutions, rules and regulations not in conformity with state statutes, failed to pass the Senate.

HB 1449

HB 1449, which would impose a \$100 annual fee on Electric Vehicles (EVs), passed the House last month. It will be heard by the Oklahoma Senate as early as next week. ACOG continues to monitor this bill and advocate alongside Central Oklahoma Clean Cities stakeholders and the statewide EV coalition (coordinated by ACOG and INCOG) for fair fees for EVs. ACOG board members are encouraged to contact **Senator Stephanie Bice** (R-District 22) in opposition to EV drivers paying more in taxes and fees than gasoline and diesel drivers.

AUTHORS

Rep. Dustin Roberts (R-District 21)

(405) 557-7366

Sen. Stephanie Bice (R-District 22)

(405) 521-5592

HB 1374: Public Safety

HB 1374 has passed the Oklahoma House and is headed to the Oklahoma Senate. The bill would allow municipalities to create Public Safety Districts and use portions of property taxes to enhance public safety.

HB 2177: Ten Commandments

HB 2177, which would allow the display of the Ten Commandments and other historically significant documents on public property, passed the Oklahoma House last week 79-11. Representative John Bennett (R-Sallisaw) is the author. Under the legislation, documents such as the Magna Carta, Mayflower Compact, Declaration of Independence, United States Constitution, Bill of Rights and the Oklahoma Constitution would be allowed to be displayed on public grounds. Documents from other religions would not be included as the bill only applies to the display of historical documents that are influential in the founding of the state or country.

Note: In 2015, the Oklahoma Supreme Court forced the removal of the Ten Commandments monument from the State Capitol, stating that the display was unconstitutional. The monument was eventually removed in 2016 following lawsuits.

HB 2191: Bicycles

HB 2191 passed the Oklahoma House 53-33, and is headed to the Oklahoma Senate this week. The bill relates to overtaking and passing bicycles; modifying due care requirements in certain conditions; modifying circumstances when certain fine is applicable; modifying fine amounts and more.

HB 1691: No Jail for Paint Act

HB 1691, the "No Jail for Paint Act," passed the House 62-28 and is headed to the Senate. It would require counties and municipalities to file liens, rather than "pursue a civil remedy" against owners who fail to pay fines after falling afoul of property maintenance ordinances.

HB 1537: Water

Requires municipalities to implement an inclined block rate structure for use of municipal water by persons, business entities and other users. The municipality shall retain all revenues derived from the sale of water to each user. Municipalities that implement an inclined block rate structure may impose surcharges for a municipal water user that uses more than 25,000 gallons of water per month. Water use 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 also provides that "water and water quality, while affected by actions of many persons and entities at the local level, are both matters of statewide public concern." The bill was amended to change the effective date to January 1, 2019 and prohibits the provisions of the measure from being applicable to water sold to any city, town, rural water district or nonprofit corporations that are engaged in the sale or resale of water. The bill passed on Tuesday by a vote of 53-41. (Source: OML)

SB 630: Drones

SB 630 passed the Oklahoma Senate 44-0. It pertains to unmanned aerial systems at low altitudes. Also known as drones, if the bill becomes law it would protect important and well-established property rights, but also provide clarity for operators of emerging technology.

HB 1810: Open Meetings

HB 1810 passed the Oklahoma House 78-17. This bill would prohibit audio and video recordings of executive sessions without authorization from the public body illegal. It would also protect the confidentiality of said proceedings when recorded by the public body.

State Budget and Wildfires

State Forestry Director George Geissler briefed ACOG recently on the impact of budget cuts to Forest Service's umbrella agency, Oklahoma Department of Agriculture. The Food and Forestry division took an 11 percent cut last year. In addition, state funding dropped nearly one-third between 2008 and 2016. Meanwhile, wildfires rage on and Oklahoma is forced to hire out-of-state crews to fight fires. Also, budget cuts have reduced specialized training of fire crews across the state.

HB 1613 / SB 284

In response to Oklahoma's FY 2017 revenue failure, the Oklahoma Oil and Gas Association (OKOGA) is advocating for the passage of SB 284/HB 1613. The bill would allow the oil and natural gas industry to use modern drilling practices to help generate millions of dollars in additional state and local revenue. Authors are Senate President Pro Tempore Mike Schulz (R-Altus) and Rep. Weldon Watson (R-Tulsa).

Democrats Present Budget Fix

Oklahoma Democrats unveiled a plan to fix the state budget crisis. Key takeaways from the 11-point plan include:

Restore all gross production taxes that are below 7 percent back to 5 percent;

Restore the top income tax bracket at 6 percent for income over \$100,000 for single

filers and \$200,000 for joint filers and add a top bracket at 7 percent for income over \$200,000 for single filers and \$400,000 for joint filers;

Eliminate capital gains exemption;

Convert itemized deductions to a credit;

Cap the new jobs tax credit at \$25 million annually;

End the coal credit;

Eliminate the vendor discount on sales taxes;

Require combined corporate reporting;

Eliminate the equal opportunity education scholarship credit;

Remove sales tax exemptions on services to specific industries: oil and gas, construction, and certain entertainment productions such as motion picture production;

Increase the cigarette tax.

Rainy Day Fund Depleted

The state budget crisis is ongoing. In February, Preston Doerflinger, Oklahoma Finance Secretary, reported to officials that he exercised his authority to borrow money from the Rainy Day Fund to keep state government afloat. More than \$240 million was transferred leaving the fund empty. By law, the money must be paid back, but some elected officials worry that it will be an insurmountable challenge.

DHS, Aging Services

ACOG was recently briefed by DHS officials about the impact of the state budget crisis on the many services they provide

Oklahomans. Cuts in aging services are so deep that ACOG's fellow council of governments, the Oklahoma Economic Development Authority (OEDA), Beaver, Oklahoma, has disbanded its Areawide Aging Agency. The organization will be absorbed by the South Western Oklahoma Development Authority (SWODA), Burns Flat, Oklahoma.

Criminal Justice Reform

Oklahoma towns and cities bear the brunt of a criminal justice system in need of reform. Three criminal justice reform bills passed the Oklahoma House last week: HB 2286, 2281 and 2290 are based on recommendations from the Oklahoma Justice Reform Task Force. The bills are designed to relieve Oklahoma's over-burdened prison system.

SB 211: Liquor on Sundays

SB 211 passed the Oklahoma Senate and heads to the House. It would allow liquor stores to open and sell alcohol on Sundays through either a special election called by county commissioners or through an election called by a petition signed by 15 percent of registered voters in the county.

HB 2324: Feral Hogs

Last year, Oklahoma killed more than 11,000 feral hogs. The swine cause millions of dollars of damage to agricultural fields every year. HB 2324 would allow private hunters to shoot the hogs from helicopters.

SB 478

The Oklahoma Senate recently passed the Health care Choice Act (SB 478), 38-4. Oklahoma could lose its final insurance carrier participating in federal exchange in 2018. The bill would allow Oklahomans to purchase insurance from surrounding states, if the final carrier decides to pull out of Oklahoma. Currently, more than 130,000

Oklahomans are on the federal exchange. Since 2014, the number of health care providers in Oklahoma exchange has dropped from 5-to-1.

HB 2132

HB 2132 enacts and adopts the Prosperity States Compact. This compact allows creation of a Prosperity District by petition of all landowners within the district's proposed boundaries. A Prosperity District would be the sole governing authority within its borders, and would replace all state laws except the state constitution, criminal law, common law and existing state compacts. The measure describes the method for petitioning to form a Prosperity District, as well as its powers and limitations.

Bill authors include Sen. Greg Treat (R-District 47), Speaker Charles McCall (R-District 22) and Rep. Travis Dunlap (R-District 10)

Note: Members of the ACOG Board strongly objected to this bill in the March 30, 2017 meeting of the Board of Directors.

SB 247

SB 247 requires the Oklahoma State Bureau of Investigation to investigate in jurisdictions within the state with a population of less than 150,000. In all other locations, the OSBI has the discretion to investigate. The OSBI is not required to investigate law enforcement or peace officer involved shootings and in-custody deaths that occur within a jail or prison or incidents involving the Oklahoma Highway Patrol. Bill authors include Sen. Kevin Matthews (D-District 11) and Rep. Monroe Nichols (D-District 72).

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Federal Issues

Community Development Block Grants (CDBG)

CDBG is a federal program administered by HUD that provides money to cities for a wide range of community development needs. President Trump has called for a \$3 billion cut to CDBG. Nationwide, mayors are advocating for the program. ACOG administers CDBG and special CDBG-REAP grants for members.

State Energy Program Funding at Risk

President Trump's FY18 budget blueprint included the zeroing out of the U.S. Department of Energy's State Energy Program (DOE-SEP) budget which has been a primary source of funding for ACOG's Central Oklahoma Clean Cities program since 2005.

Loss of DOE-SEP funding would cause financial uncertainty for ACOG's Clean Cities program.

U.S. EDA

ACOG staff had an opportunity to hear a briefing from Jessica Falk, Area Director, U.S. EDA, Austin. Falk addressed President Trump's budget, which would eliminate EDA. The Trump Administration characterizes EDA funding as "corporate welfare." ACOG manages one of several economic development districts in Oklahoma designated by U.S. EDA. and coordinates grants and other activities of the Comprehensive Economic Development Strategy (CEDS) committee for the region. Falk stated that EDA has weathered similar storms in the past. In the interim, they encourage communities to apply for EDA

grants, which ACOG helps coordinate for the region.

In addition, ACOG has received a report that **Rep. Tom Cole** and **Senator Inhofe** support U.S. EDA and believe the agency will remain intact.

Federal: EPA Executive Order

Trump signed an Executive Order on Tuesday which directs **EPA Secretary Scott Pruitt** to undo a number of former President Obama's environmental actions. According to Pruitt the action would help bring back coal industry jobs.