

Highlights of Legislation

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of the 49th Oklahoma Legislature

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Preface and Acknowledgments

The primary purpose of *Highlights* is to provide an overview of the significant substantive legislation enacted during the 2003 regular session. This document is not intended to be completely reflective of the Legislature's entire work. A brief description of the session's major legislation is available in the *Session Overview*, prepared by the House Research Division, which may be found on the House of Representatives' home page on the Internet at:

www.lsb.state.ok.us/house/ohorpage.htm

This document may also be found at the same website.

During the First Session of the 49th Legislature, 1,717 measures and joint resolutions were introduced, of which 491 were passed and 486 were enacted into law. The Governor vetoed 12 bills and line-item vetoed one additional bill. None of these vetoes were overridden by the Legislature. The historical context of this data is shown in Appendices 1 and 2 of this report.

The House Research Division, under the leadership of its director, George Humphreys, and composed of Alicia Ramming Emerson, Marcia Goff, Anne Stefan-Kopko, Nancy Marshment, Shirley Russell, Debbie Terlip, Mike Townsend, and Brad Wolgamott, deserves the credit for preparing this document along with Sue Ann Derr of the Legal Division. Also making important contributions to the project were the House Legal Division, the House Fiscal Division, Ray Hardy of the Executive Division, and Arlene Bayne and Mary Alexander of the Engrossing and Enrolling Office. Special thanks to Brad Wolgamott, Marcia Goff, and Shirley Russell who, in addition to writing their sections, helped edit this document. A word of special gratitude is also extended to Nancy Lutes and Lisa Cole of the Support Staff whose expertise and dedication makes this project a success.

Nancy Marshment
House Research Division

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Explanatory Notes

The following pages provide a summary of the Oklahoma Legislature's substantive work during the 2003 regular session and are organized alphabetically by general topic. A detailed review of the FY-04 budget has been published by the House of Representatives' Fiscal Division.

In a number of instances, individual bills can be found in more than one section of the document. The index at the back of the document indicates the page(s) where a specific bill can be found. The bold-facing of an individual bill indicates the first mention of the measure within a subject area. If a measure vetoed by the Governor was significant, it is mentioned briefly with a short explanation of the veto. The abbreviations HB, HJR, HCR, HR, SB, SJR, SCR, and SR respectively stand for House Bill, House Joint Resolution, House Concurrent Resolution, House Resolution, Senate Bill, Senate Joint Resolution, Senate Concurrent Resolution, and Senate Resolution. Additionally, the state's Constitutional Reserve Fund is referred to in this report by its more commonly known name, the Rainy Day Fund.

In the appendices of this document are charts showing, for this year and the past ten years, the number of bills and joint resolutions introduced and enacted, the number of vetoes, and the total amount of state monies appropriated. Also included are a general breakdown of the FY-04 appropriations and a list of state questions contained in legislation passed during the 2003 session to be voted on over the next two years.



Agriculture, Energy and Natural Resources

Agriculture and Rural Development

The regulation of a variety of agriculture-related industries and activities and the structure of the Department of Agriculture, Food and Forestry were significant issues addressed by the Legislature this session. These issues included organic food certification, animal protection, and fire protection for rural areas.

HB 1535 makes significant modifications to the Oklahoma Organic Food Act. This measure requires the State Board of Agriculture to establish a program for the certification of organic agricultural products which must be submitted to the Secretary of the U.S. Department of Agriculture for accreditation. The board is required to promulgate rules to administer the certification program including:

- Standards for the analysis and certification of organic agricultural products;
- Standards for the certification of producers and handlers of such products; and
- A schedule of fees for initial and continued certification.

In addition, HB 1535 modifies the appointment process of the members of the State Board of Agriculture by requiring four of the members to be appointed from specified districts with the fifth member appointed from the state at large. The at-large member will serve as the president of the board with a term coterminous with that of the Governor. The president of the board also serves as the appointing authority for the department.

Several measures deal with animal-related issues. **SB 584** creates the Oklahoma Farm Animal, Crop, and Research Facilities Protection Act. This measure deems that an offense has been committed if a person, without the consent of the owner, damages or destroys an animal or a crop or an animal or a crop facility. **SB 401** allows an animal control officer registered by the Oklahoma State Bureau of Narcotics and Dangerous Drugs to administer denatured sodium pentobarbital to euthanize animals. The practice of veterinary medicine is expanded to include complementary and alternative therapies pursuant to **SB 393**.

Another animal-related measure, **SB 557**, was vetoed by the Governor. This measure would have required veterinarians to report to the State Board of Agriculture within 24 hours any animals suspected of having any disease that may be a potential cause of a public health emergency. This measure was vetoed by the Governor because of a provision relating to the practice of medicine which he deemed to violate the Oklahoma Constitution's one subject requirement.

Adequate fire protection is an ongoing concern in Oklahoma, particularly in the agricultural community. Three measures were enacted which address this concern. **SB 606** modifies the notification process for a prescribed burn by providing that if any landowner is burning in a large, consolidated tract of land in which there are multiple, adjacent owners, only those owners of adjoining land within one mile of the proposed burn area must be notified. **SB 422** defines a *combination fire department* to mean a fire department which employs more than two full-time salaried firefighters and at least one but not more than 25 volunteer firefighters. This measure also creates the Volunteer Firefighter Recognition Program in which the Governor will recognize volunteer firefighters and the employers of such firefighters. **SB 608** provides the procedures for collective bargaining and arbitration for full-time firefighters of a rural fire protection district.

Three measures address agricultural finance issues. **SB 515** transfers the administration of the Rural Economic Development Loan Program from the State Treasurer to the Commissioner of Agriculture. **HB 1534** provides income tax checkoff programs for the benefit of the Oklahoma County Fair Enhancement Fund and the State of Oklahoma Junior Livestock Auction Scholarship Revolving Fund. **SB 606** increases the annual registration fee for pesticide applicators from \$100 to \$160 and dedicates \$100 of this fee to operate pesticide disposal programs.

Energy and Utilities

Legislation in this area centered largely on public utilities. Topics included telemarketing, Oklahoma One-Call and issues relating to the Grand River Dam Authority (GRDA), including its administration.

Following last year's bill creating a state no-call telemarketer registry, **HB 1271** authorizes the Attorney General to forward to the federal government the list of consumers who have requested that their telephone numbers be registered on the state's no-call list for telemarketing. The Federal Communications Commission recently established a nationwide do-not-call registry.

HB 1592 modifies provisions of the Oklahoma Underground Facilities Prevention Act by removing the option of filing notification with the county clerk for excavation plans. The measure gives sole responsibility for receiving and disseminating excavation information to the Oklahoma One-Call System. Municipalities are given the option of participating in the statewide one-call center but must designate one or more persons to be reached at any time during emergencies. **SB 318** modifies oil and gas lease requirements for the Commissioners of the Land Office to insure the best competition for lease auctions.

An audit critical of some practices at the Grand River Dam Authority was the basis for **SB 408**. The legislation makes several changes to the structure and operation of the GRDA including doing away with the existing board and creating a new seven-member board governing the GRDA. In addition, the measure specifies that the electricity transmission system includes the optical fiber that is part of the wire attached to electricity towers. Personnel-related matters of the bill are addressed in the General Government section.

Two measures in this area were vetoed. **HB 1335** would have increased the threshold for the size of telecommunications companies subject to local exchange rate regulation and would have created a Legislative Advisory Committee and Rural Telecommunications Services. The Governor's veto message indicated that the threshold change would have an adverse effect on rate payers. **HB 1738** would have required that additional information be provided to royalty owners regarding their royalty payments. The Governor vetoed the measure because of a provision that the owners would be required to request the information and could only receive the information twice a year.

Environment and Natural Resources

Most of the significant legislation passed this session relating to the environment and the state's natural resources was in the area of water protection. Other measures address mining permits, carbon sequestration, and open burning.

A controversial issue arose again this year over the sale of Oklahoma's water. However, this year the issue revolved around the sale of water within Oklahoma as opposed to the proposed sale of water to Texas last year. Opposition to a proposed agreement between some individuals with water rights within the Arbuckle-Simpson aquifer in south central Oklahoma and a consortium of municipalities in and around Canadian County led to the passage of **SB 288** which places a moratorium on the sale of water from the sole source aquifer to municipalities until a comprehensive study is completed by the Oklahoma Water Resources Board (OWRB). In addition, the measure requires the OWRB to consider, before taking final action on a water permit application, whether the proposed use will adversely impact springs or streams emanating from a sole-source aquifer.

SB 408 directs the Secretary of Environment to conduct a comprehensive study of the watershed of the Grand Lake area to identify factors that may impact the economic growth and environmental uses of the lake. Several state environmental agencies are also directed to participate in the study. The measure directs the GRDA board of directors to provide \$125,000 for matching grants for this study as well as for other related projects.

In other environmental legislation:

- ▶ **HB 1051** modifies the Oklahoma Carbon Sequestration Act to include carbon dioxide emissions from marginally producing oil and gas wells in assessing the beneficial economic impact of carbon sequestration;
- ▶ **SB 444** allows mining permits to be transferred to another operator as long as the same conditions for the permit are met;
- ▶ **SB 546** authorizes open burning of a structure for purposes of fire training, if certain inspections and notifications are provided prior to the fire training; and
- ▶ **SB 547** places the responsibility for the Oklahoma Mesonet under the Oklahoma Climatological Survey (OCS) and makes the director of the OCS accountable for executing the policies of the Mesonet Steering Committee. The bill also allows the director of the OCS to appoint a current employee as state climatologist.

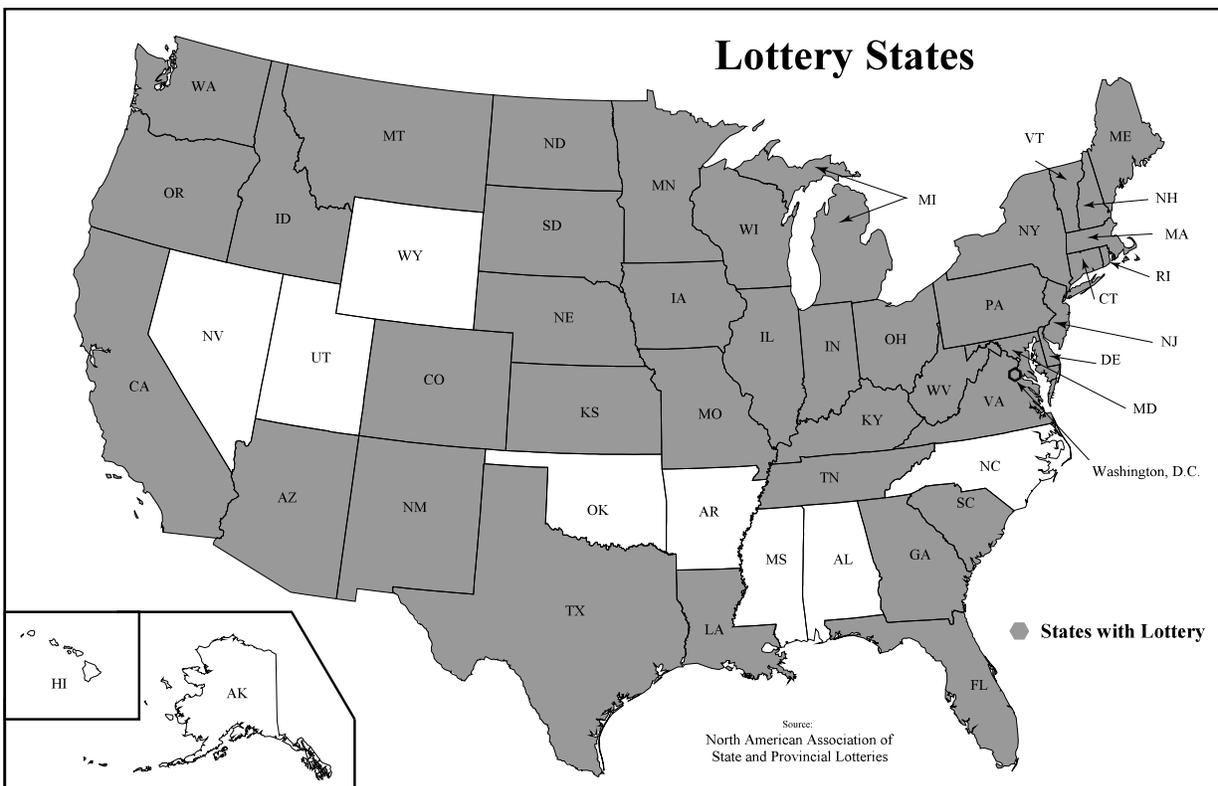


Amusement and Sports

One of the more controversial issues addressed by the Legislature was the creation of a state lottery with revenues to be directed solely to educational purposes. Other gaming measures addressed issues related to raffles, horse racing, and bingo.

The state lottery, a major component of the Governor's campaign platform, also received much debate in the Legislature. The resulting measure, **HB 1278**, the Oklahoma Education Lottery Act, establishes State Question 705 to be submitted to the voters for their approval. It is expected that the Governor will place this question on the ballot for the November 2004 General Election. If approved, Oklahoma will join 40 other states and the District of Columbia with lotteries as illustrated in the map below. HB 1278 provides that the Oklahoma Education Lottery would be governed by a seven-member board of trustees to be known as the Oklahoma Lottery Commission. The board will promulgate rules regulating the conduct of lottery games offered by the commission including:

- Rules specifying types of games to be conducted;
- The sale price of tickets;



Amusement and Sports

- The number and amount of prizes;
- The manner and time of payment of prizes;
- The frequency of games and drawings;
- The means of conducting drawings;
- The method to be used in selling tickets; and
- The manner and amount of compensation to lottery retailers.

The operation of any lottery game using a video lottery machine is prohibited. The board is also authorized to enter into agreements with other states to conduct multistate lotteries.

At least 45 percent of the gross proceeds from the lottery will be made available as prize money. For the first two years of operation, at least 30 percent of the net proceeds will go to the Oklahoma Education Lottery Trust Fund to be used for specified educational purposes and programs, with the amount increasing to at least 35 percent for the third year and thereafter. The Legislature is required to appropriate the revenue in the fund in the following manner:

- 45 percent for tuition grants and scholarships, construction of educational facilities, capital outlay projects, technology for education facilities, endowed chairs, compensation and benefits for public school support employees and programs, and personnel of the Oklahoma School for the Blind and the Oklahoma School for the Deaf;
- 45 percent for K-12 education including compensation and benefits for public school teachers and support personnel and early childhood programs;
- 5 percent to the School Consolidation and Assistance Fund; and
- 5 percent to the Teachers' Retirement System Dedicated Revenue Revolving Fund.

The State Board of Equalization is required to annually examine the appropriations from the fund to determine if these appropriations are used to supplant instead of enhance education funding.

HB 1278 requires all major procurement contracts associated with the lottery to be competitively bid pursuant to the Oklahoma Central Purchasing Act. A statewide network of lottery retailers is required to be developed. The retailers will receive compensation in the form of commissions in an amount of not less than 2 percent of gross sales. A ten-member Lottery Retailer Advisory Board will advise the board of trustees on the retail aspects of the lottery. Sales or gifts of lottery tickets to persons under the age of 18 are prohibited. The first \$500,000 of unclaimed prize money annually is to be transferred to the Department of Human Services for the treatment of compulsive gambling disorders.

The Oklahoma Lottery Commission is to be self-funded with no General Revenue Funds to be used to pay the expenses of the commission or prizes of the lottery. The initial start-up costs for the commission will come from the issuance of up to \$10 million in bonds or notes in anticipation of the collection of revenues. Finally, HB 1278 provides that the Oklahoma Education Lottery will cease to have the force and effect of law if a court finds that its enactment allows the operation of other types of Class III gaming.

SJR 22, also known as State Question 706, is a companion measure to HB 1278 that contains the constitutional lockbox provision to ensure that lottery revenues are used strictly for the specified education purposes and programs. This constitutional amendment creates the Oklahoma Lottery Trust Fund and specifically enumerates the educational purposes and programs that are to be the recipients of the lottery revenues. The constitutional provision does not assign percentages to each purpose and program. This question will be on the same ballot as State Question 705 and will only become effective if SQ 705 is approved by voters.

Another significant gaming measure is **SB 837**, which authorizes raffles for fund-raising purposes for qualified organizations including churches, public or private schools or student or parent-teacher groups of such schools, fire departments, livestock organizations, and wildlife organizations. These raffles must be conducted by members of the organization without compensation to any member. This measure will only become effective if State Question 705 is approved by the voters. The raffles authorized by SB 837 will no longer be effective if the Oklahoma Lottery Act ceases to have the force and effect of law.

In one measure affecting the horse racing industry, **HB 1524** allows horses to be administered the drug Furosemide, also known as Lasix, that is used to treat horses that are bleeders, not less than four hours prior to post time.

HB 1465 creates the Uniform Athlete Agents Act to replace the existing Oklahoma law on athlete registration. The measure requires athlete agents to register with the Secretary of State for a fee of \$1,000 per year. In addition, the bill gives educational institutions a right of action for damages caused by violations of the act.

HB 1640 requires cable system operators who telecast closed-circuit boxing events to withhold from the proceeds the 4 percent assessment payment due the telecast promoter and remit the assessment to the Oklahoma Boxing Commission on behalf of the promoter. Failure to remit the assessment is a misdemeanor.

HB 1790 would have made significant changes to the Oklahoma Charity Games Act including modifying the conduct of bingo games to accommodate disabled players and providing that compensation in excess of 40 percent of the annual gross revenues paid to a manager for the conduct of charity games may be reviewed by the Alcoholic Beverage Laws Enforcement Commission for reasonableness. The Governor vetoed this measure because he felt the “bill could dramatically expand the type and nature of charity games beyond the bingo-related games currently permitted.”



Business and Finance

Business and Labor

Significant changes to the Oklahoma Employment Security Act were adopted this session. The omnibus labor bill, **SB 741**, allows a claimant to voluntarily terminate employment and still draw benefits in the event the employee quit a job as part of a plan to escape domestic violence. A victim protective order must be in effect at the time of termination, and, in this situation, the employer's benefit wage charge will not affect the number of claims or rates.

Another important provision in SB 741 appropriates \$6,219,458 from funds made available by the federal Reed Act distribution. The money will be used to make up for the shortfall in the budget of the Employment Service and the Unemployment Insurance Program, One-Stop Career Centers, and to pay for reprogramming of the computer system to allow for names and Social Security numbers to be placed on the Oklahoma Employment Security Commission's (OESC) wage file.

An additional measure, **SB 435**, clarifies that although a party to a proceeding before the OESC or its Board of Review can be represented by any person, a party to a proceeding before a court of record must appear in person or be represented by an attorney licensed in this state.

Two measures were enacted relating to manufactured homes. The first, **SB 263**, includes lots or spaces rented for a mobile or manufactured home under the protection afforded by the Oklahoma Landlord Tenant Act. The second measure, **SB 325**, modifies the definition of a manufactured home dealer to include manufactured home auctions. The effect of this is to prohibit anyone other than a licensed manufactured home dealer from purchasing a manufactured home at auction.

Professions and Occupations

In the area of professions and occupations, the Legislature enacted measures relating to architects, real estate brokers, and the Construction Industry Board. Amendments to the Social Workers' Licensing Act are detailed in the Mental Health section.

HB 1451 creates the State Architectural Act Task Force to study and make recommendations regarding the State Architectural Act, with specific attention to ensuring that all related state laws provide for the health, safety, and welfare of all citizens. The task force is to report its findings, conditions, and recommendations to the Governor and legislative leaders by January 1, 2004.

SB 545 makes changes to the Construction Industries Board which licenses the electrical, plumbing, mechanical, trades, and construction inspectors. The provisions in SB 545 include the following:

- Authorizes the issuance of an administrative fine if any member of the board is denied access to the job site;
- Allows the Construction Industries Board to issue a written order for violations of its standards by persons it regulates. A 15-day notice period must be given but can be reduced by the board, and the penalty assessed in the order may not exceed \$1,000 per day;
- Provides that after July 1, 2004, all plumbing licenses will expire on the birth date of the licensee;
- Specifies that electrical journeymen and electrical contractors must complete the required hours of continuing education, as determined by the Committee of Electrical Examiners, before a license will be renewed;
- Provides that after July 1, 2004, all mechanical journeyman and mechanical contractor licenses will expire on the birthdate of the licensee, and no journeyman or contractor license will be renewed unless the continuing education requirements are met; and
- Allows the Construction Industries Board to meet by teleconference.

Two other bills are of interest concerning professions and occupations and labor. **HB 1261** adds single-party real estate brokers to those persons required to put in writing leasing agreements for longer than one year or for the sale of real property. **HB 1449** allows an employer to search an employee-owned vehicle without a search warrant if the employer owns or rents the property on which the vehicle is located.

Intoxicating Liquors and Beverages

A number of measures relating to the sale of intoxicating liquors and beverages were enacted. **SB 353** allows low-point beer manufactured in Oklahoma to be sold both in-state and out-of-state. The measure designates low-point beer manufactured for exporting as tax exempt. Tax on in-state sales is to be paid by the manufacturer. The measure further provides that a manufacturer, such as a restaurant brewery, may serve customers free samples of low-point beer produced on the premises. **HB 1106** increases by \$100 the low-point beer fees paid by retailers for each three-year permit issued or renewed on or after July 1, 2003, and by \$200 for permits issued after July 1, 2006. All increases will be deposited into the newly created Community-based Substance Abuse Revolving Fund.

Finally, **HB 1014** requires licensed retail sellers of beer kegs to attach an identification seal to any keg sold for off-premises consumption. The retailer who sells a keg must have a record of the purchaser's name, address, identification card number, the date and time of the purchase, the keg identification number, and purchaser's signature. The record must be retained for a minimum of one year after the date of sale. The measure provides that any person who purchases beer in a keg and

fails to return the keg or who returns a keg with a damaged or missing seal will be subject to a fine of \$500. Any retailer who fails to report an individual will be guilty of a misdemeanor and subject to a fine of not less than \$500.

HB 1107 specifies that wine bottle or package sizes must be limited to the capacities approved by the United States Bureau of Alcohol, Tobacco and Firearms. Also, the measure allows Oklahoma's winemakers to sell wine produced at the winery in original sealed containers at festivals and trade shows.

Banking and Finance

During the 2003 session, lawmakers enacted several measures pertaining to consumer lending. Predatory lending and payday lending were significant topics discussed during the 2003 legislative session.

A predatory mortgage loan is a loan that contains high fees and rates and is designed to take advantage of a borrower in a difficult financial position. **HB 1574**, which creates the Oklahoma Home Ownership and Equity Protection Act, makes Oklahoma law meet and in some cases exceed the current standards of the federal Home Ownership and Equity Protection Act (HOEPA). The legislation imposes new limits on refinancing, limits prepayment penalties, and requires lenders to verify the ability of a borrower to actually repay the loan. The lender must justify that refinancing a mortgage is in the borrower's best interest, and if not, the lender is subject to penalties.

The bill's provisions aimed at meeting HOEPA standards are:

- Reduces from 10 percent to 8 percent for first-lien loans the APR trigger for a Subsection 10 mortgage;
- Specifies that the points and fees test for a Subsection 10 mortgage will include premiums for insurance;
- Requires disclosure of the amount of any balloon payment in a Subsection 10 mortgage;
- Provides for additional disclosures in a mortgage refinancing; and
- Includes a prohibition on structuring a home-secured loan as an open-end plan to evade Subsection 10 mortgage requirements.

The provisions of the bill that exceed HOEPA standards are:

- Sets forth additional disclosure requirements for Subsection 10 mortgages that provide important information about high rate loans to borrowers;

- Places additional limitations on prepayment penalties in a Subsection 10 mortgage at 2 percent in the first 12 months and 1 percent in the second 12 months;
- Specifies that Subsection 10 mortgages consummated with funds from a federal Home Loan Bank may contain a prepayment penalty;
- Imposes additional limitations on replacing zero percent interest rate or other low rate loans;
- Prohibits creditors from encouraging default on existing loans;
- Establishes a repayment ability standard at 55 percent debt to income ratio;
- Requires a no mandatory arbitration provision in loan documents unless certain requirements are met; and
- Limits the sale of single premium credit insurance in Subsection 10 mortgages.

SB 583 creates the Deferred Deposit Lending Act to allow state lenders to provide a loan of up to \$500 to people who provide a postdated check. This practice is referred to as *payday* lending. The lender will be allowed to charge a fee of \$15 per \$100 loaned up to \$300, and \$10 per \$100 for all loans between \$300 and \$500. The measure will allow loans for up to two weeks, and the borrower is required to pay off the loan within that time period. A borrower is allowed no more than two payday loans at a time, and anyone who obtains more than five payday loans in 90 days is to receive financial counseling from a consumer credit counselor. Payday loans are available in Oklahoma through lenders partnered with federally chartered financial institutions.

Two measures affecting the Oklahoma State Banking Department (OSBD) were enacted this session. **HB 1522** amends the duties of the Banking Commissioner to include certain supervisory activities related to the regulation of the banking industry and further clarifies the actions that require prior approval of the State Banking Board. The measure also provides guidelines which determine if an office is conducting business as a loan production or deposit production office. Finally, the bill allows a limited liability company organized under the Oklahoma General Corporation Act to conduct business as a bank. **HB 1202** makes the OSBD a self-funded agency. The OSBD will be funded through bank assessment fees, while still depositing funds into the General Revenue Fund. Beginning March 1, 2004, the OSBD will pay 20 percent of all bank assessments to the General Revenue Fund.

Two measures dealing with the Oklahoma Securities Act were passed. **SB 493** modifies provisions of the Securities Act relating to broker-dealers, agents, investment advisors, registration of securities, investigations, administrative remedies, and judicial review and is discussed in detail in the Judiciary section. By passing **SB 724**, Oklahoma adopts the 2002 Uniform Securities Act approved by the National Conference of Commissioners on Uniform State Laws and replaces the existing Oklahoma

Securities Act. The new act is designed to achieve uniformity with other states regarding substantive regulations and defers certain issues to local practice, such as fees and civil penalty amounts.

The purposes of the bill include:

- Addressing federal preemption of certain aspects of state regulation, such as registration of mutual funds and registration of investment advisers managing assets in excess of \$30 million;
- Responding to significant changes in technology used within the securities industry record keeping and trading processes; and
- Responding to the need for uniformity with the development of a more global market and increased interstate and international securities activities.

In other bills impacting banking and finance:

- ▶ **HB 1683** prohibits deceptive trade practices relating to the use of another's name in notification or solicitation;
- ▶ **SB 290** specifies that monies recovered in any court proceeding by a next friend or guardian of a minor, if invested, must be invested by a bank or trust company having trust powers under federal or state law; and
- ▶ **SB 329** clarifies the authority of a lender to offer loan payment deferral plans to customers and charge a deferral fee for doing so. These types of promotional programs are always voluntary for the consumer.

In a measure relating to finance, **HB 1580** focuses on streamlining operations and enhancing revenue generation by making several changes relating to the State Treasurer's Office. The changes include:

- Streamlining the flow of funds into state government by having fees sent to the State Treasurer rather than to the appropriate state agency;
- Shortening the holding period for securities that have been turned over to the State Treasurer;
- Increasing the use of unclaimed property revolving funds in the administration of the program;
- Altering the mandatory bid frequency from three to five years for master custody services;

- Extending the implementation date for the Rural Housing Linked Deposit Program until July 1, 2004, and expanding the program to include rehabilitated dwellings; and
- Allowing the destruction of state warrants seven years after satisfactory duplication and mandating that the State Treasurer furnish original warrants for subpoenas and other legal reasons.

Economic Development

Military Base Closure Prevention

A significant focus of economic development legislation for Oklahoma centered on the recommendations of the Oklahoma Military Base Closure Prevention Task Force. The task force was created in 2001 with the mission to analyze state policies affecting military facilities currently in use by the United States Department of Defense that are located in the state, along with their related communities, in preparation for the federal 2005 Base Realignment and Closure (BRAC) Commission process. Oklahoma's military installations add substantial value to Oklahoma's economy both in employment and income and make up a large percentage of Oklahoma's gross state product.

Oklahoma's five military installations have a combined annual direct and indirect economic impact of \$3.9 billion and employ more than 52,000 military and civilian personnel with an annual payroll in excess of \$1.8 billion.

Source: U.S. Department of Defense

HB 1396 creates a seven-member Oklahoma Strategic Military Planning Commission to:

- Analyze state policies affecting military facilities in Oklahoma and examine methods for improving the potential private sector market value;
- Recommend to the Legislature state policies that are needed to protect and expand Oklahoma's military facilities; and
- Submit an annual report of the commission's findings, conclusions and recommendations to the Governor and legislative leadership.

HB 1397 creates the Oklahoma Strategic Military Planning Commission Incentive Fund, which establishes a funding program for defense-dependent communities that are adversely affected by BRAC, in order to access financial assistance to protect their military interests. **SB 138** appropriates \$1.5 million to be transferred to the Oklahoma Military Strategic Planning Commission Incentive Fund to coordinate any program or budget needs for military communities in order to promote and protect their installations. Finally, **HCR 1005** requests the Oklahoma Department of Transportation to review all transportation projects affecting military installations and assign a funding priority code

to ensure completion of the project.

Two education-related measures were passed to assist students affiliated with the military. **HB 1065** allows district boards of education to make exceptions to the state high school graduation requirements on an individual student basis for students who move in from out-of-state after their junior year. **HCR 1004** encourages the Oklahoma State Regents for Higher Education

to review its state residency policies for tuition and fees, scholarship, and financial aid programs to ensure that military dependents are not charged out-of-state tuition if they have established residency prior to entering the Oklahoma State System of Higher Education and their families are subsequently stationed out-of-state. The State Regents are also encouraged to afford military dependents the opportunity to participate in all state scholarship and financial aid programs as residents.



Rural Development

HB 1300 creates the Rural Area Development Task Force which will consist of eleven members, five of whom must have experience in issues affecting rural development, including private sector financial expertise, economic development skills, agricultural economics, health care services, communications technology, business site location decisions, and rural housing. The objective of the task force is to identify methods to promote, develop, enhance, and support the quality of life of rural areas in Oklahoma.

A measure allowing local jurisdictions to issue bonds to finance private industry development generated debate in the Legislature. **HB 1724** authorizes local governments to issue bonds to finance both public and private economic development projects and repay the bond through tax increases. The measure requires that at least 90 percent of the proceeds from the bonds be used for qualified economic or community development projects or programs, including facilities for industry, tourism, sports, agriculture, defense industry, redevelopment programs, government, community and public infrastructure. The authority for this legislation resulted from State Question 693, passed in 2002, which was a constitutional amendment allowing local governments to issue bonds for economic or community development.

Two measures this session relating to trade were enacted with the intent of advancing Oklahoma's economy into the global marketplace. First, **SJR 18** makes Jackson County a Foreign Trade Zone in order to facilitate the construction of an airplane manufacturing plant. The Foreign Trade Zone

designation will make Oklahoma's single-engine airplane manufacturers competitive with similar manufacturers in other states. **SB 439** establishes an international trade processing center to facilitate the import and export of goods and services to and from the U.S. to other countries. Also, the bill authorizes an international trade processing authority to construct, acquire, equip, and operate an international trade processing center. The legislation is the result of recommendations from the Joint Legislative Special Committee on International Development.

In an effort to generate jobs and attract new investment, **HB 1605** amends the Quality Jobs Act and Small Employer Quality Jobs Incentive Act by decreasing from 75 percent to 40 percent the threshold of inventory processed through distribution centers shipped out-of-state. The measure also permits research and development companies and related testing laboratories to locate anywhere in the state and still be eligible to apply for the Small Employer Quality Jobs Incentive Act. In addition, the 75 percent out-of-state sales requirement is eliminated for research and development facilities and related testing laboratories for both the Quality Jobs Act and Small Employer Quality Jobs Incentive Act. **HB 1605** also requires a minimum average wage of at least 100 percent of the average county wage of the county where the establishment is located to be eligible for the Quality Jobs Act but limits the maximum at \$25,000. Establishments which provide the cost of health care premiums may instead demonstrate a 110 percent of the average county wage. Establishments that locate in opportunity zones are exempted from the minimum wage requirement.

HB 1593 provides an incentive to Oklahoma tire manufacturers which is based on jobs retained within an existing facility. The incentive will be the establishment of cash payments under the Quality Jobs Act. **SB 300** allows an establishment to qualify for a five-year property tax exemption with the condition that the facility has been unoccupied for a 12-month period. The measure also extends the construction date for distribution facilities to qualify for the exemption until December 31, 2006. Manufacturing facilities may qualify if the annual payroll is increased by at least \$250,000 in counties with a population under 50,000 and a minimum of \$1 million in the counties over 50,000. **SB 300** offers to qualified computer and data processing facilities which have made an application for the exemption to apply for an additional exemption if they increase payroll by a minimum of \$250,000 or add at least \$7 million in new facilities while maintaining or increasing their payroll.

Insurance

The collapse of AmCare, a health maintenance organization (HMO), highlighted the need to strengthen financial oversight of HMOs by the state. In cooperation, the Insurance Department and the State Department of Health worked to restructure and share the responsibilities for HMO oversight. **SB 635**, the Health Maintenance Organization Act of 2003, combines the National Association of Insurance Commissioners' model legislation for HMO regulation and risk-based capital with key provisions from current Oklahoma law. The act transfers licensure of HMOs from the State Department of Health to the Insurance Department and delineates clearly the authorities of the Insurance Commissioner and the Commissioner of Health by requiring that the Insurance Commissioner focus on financial and consumer-protection issues and that the Commissioner of Health and the State Department of Health concentrate on quality of care, quality assurance, provider

credentialing, clinical records, and emergency health services. Primary enforcement authority is removed from the State Department of Health and placed under the Insurance Commissioner.

Additional provisions in the bill:

- Amend the Insurance Code to strengthen financial and quality of care standards for HMOs;
- Make HMOs subject to many of the same consumer protections that apply to insurers, including the Unfair Claims Settlement Practices Act; and
- Require each HMO to maintain minimum net worth of \$1.5 million by December 31, 2005.

The Oklahoma Medicaid Program Reform Act of 2003 in **SB 610** includes a requirement that health insurance providers exchange information with the Oklahoma Health Care Authority to determine whether state Medicaid recipients have health coverage with an insurer.

The Use of Credit Information in Personal Insurance Act, **SB 539**, prohibits insurers from using an insurance score that is calculated using income, gender, address, zip code, ethnic group, religion, marital status, or nationality of the consumer. Insurers cannot deny, cancel or fail to renew a personal insurance policy based solely upon credit information.

SB 447 prohibits insurers from modifying a group or individual accident and health insurance policy without written consent from the policyholder. The measure also amends the Health Care Freedom of Choice Act by modifying the exemption provision regarding direct compensation as applied to practitioners that contract with a preferred provider organization or a statewide provider network. In a measure regarding the enforcement of child support and health benefits, **SB 431** allows for the imposition of fines on insurers and employers that fail to enroll a child in available health care coverage pursuant to a court order.

HB 1721 amends several provisions throughout the Insurance Code. Important aspects of the bill include:

- Establishing a filing date and requirements for foreign insurers;
- Setting filing requirements regarding base rate changes that are greater than 15 percent;
- Clarifying licensing requirements to sell motor vehicle insurance in connection with renting or leasing motor vehicles; and,
- Extending an insurance counselor license from 12 months to 24 months with biennial renewal.

In other property and casualty insurance measures:

- ▶ **SB 272** places a \$50 cap on the penalty paid by an agent who fails to verify fire protection by rural districts or departments on policies for fire insurance coverage;
- ▶ **HB 1273** amends the Unfair Claims Settlement Practices Act to include any registered lienholder as a co-payee in the event of payment for a total loss of a motor vehicle to a third party claimant and provides for variations in terms and conditions of a standard fire insurance policy after approval from the Insurance Commissioner; and
- ▶ **HB 1658** establishes a process with the Insurance Commissioner by which any taxpayer may seek a refund of any erroneously paid premium tax.



Criminal Justice, Corrections and Judiciary

Criminal Justice

Laws protecting citizens from sex offenders and pornography and the protection of animals from cruelty were addressed this year by the Legislature. In addition, legislators passed numerous measures modifying law enforcement statutes at both state and local levels.

Sex Offenders

Several measures were passed this session modifying the law relating to sex offenders and sex crimes. **HB 1484** addresses the regulation of the activities of paroled sex offenders by requiring them to immediately begin intensive supervision under the direction of the State Department of Corrections. Another measure, **HB 1501**, prohibits, beginning November 1, 2003, registered sex offenders from moving into an area within a 2,000 foot radius of any public or private school site or other educational institution.

Safety zones are created by **SB 554** to prevent persons who have been convicted of lewd molestation, rape or sodomy against a child under the age of thirteen from being within 300 feet of a school, licensed child care facility, or playground. The penalty for a first offense is to be a misdemeanor punishable by a \$2,500 fine and any subsequent violations are to be filed as a felony.

Protecting victims of sexual assault was the purpose of **SB 706**. The measure requires persons accused of sex crimes to be tested for HIV/AIDS or other sexually transmitted diseases upon arrest. If an arrest occurs within six hours of the commission of the crime, the arrested person can be given a rapid test for HIV/AIDS, and the information gained from the test will be given to the physician treating the victim of the sexual assault.

Expanding on provisions of law implemented last year, **HB 1623** enhances the ability of law enforcement to identify and arrest persons who prey on children. The bill makes it illegal to force a child under 16 years of age or an individual believed to be under 16 years of age to view obscene or pornographic materials. The offense is punishable by imprisonment for up to 20 years for a first or second conviction. A third conviction is punishable with life imprisonment or life in prison without the possibility of parole. **HB 1562** makes it a crime to knowingly download obscene material or child pornography on a computer. The crime is a felony punishable by a fine of \$500 to \$20,000, imprisonment from 30 days to ten years or both fine and imprisonment.

A related measure, **SB 755**, allows the Attorney General or other law enforcement officials to contact an interactive computer service provider and require the provider to remove child pornography when

it is brought to the attention of law enforcement that child pornography is located on a server or is stored on a device controlled by the interactive computer service provider. If the interactive computer service provider fails to remove the child pornography in a timely manner, the Attorney General or other law enforcement official must apply for a court order forcing the removal of the pornography. Failure of the interactive computer service provider to comply with the court order is a misdemeanor punishable by a fine of \$1,000. A second offense is a misdemeanor punishable by a fine of \$5,000. Any third or subsequent offense is a felony, punishable by a fine of \$30,000 and up to five years imprisonment. The measure also makes it a felony for any person to burn a cross on the property of another, on a highway, or other public place with the intent of intimidation.

Law Enforcement

SB 673 makes numerous modifications affecting law enforcement. The bill creates a misdemeanor penalty for any law officer or contractor who refuses or neglects to fingerprint an arrested person. Also established in the measure is a misdemeanor punishment subject to a \$1,000 fine for any person not authorized as a law officer to use the words “State Police” with the intent to deceive. If a victim is injured or harassed by a person using the word “State Police” to falsely impersonate a police officer, the punishment is a felony punishable by imprisonment for ten years, a fine of \$10,000, or both fine and imprisonment.

Other provisions of the bill:

- Double the appropriate fine for speeding in a school zone;
- Allow the Commissioner of Public Safety to provide executive security for political candidates, foreign officials, or any other person determined by the Governor to need security;
- Provide that a ticket for defective equipment on a motor vehicle be dismissed if the defect is corrected within 48 hours of receiving the citation; and
- Authorize the directors of the Oklahoma State Bureau of Investigation, the Department of Public Safety, and the Oklahoma Bureau of Narcotics and Dangerous Drugs to elect whether to participate in the Oklahoma Law Enforcement Retirement System or the Oklahoma Public Employees Retirement System.

HB 1087 expands the use of mental health courts by allowing district attorneys to use discretion on admitting offenders who have been arrested or charged with violent offenses. Previously, offenders arrested for offenses such as assault and battery were precluded from participation in the mental health court program.

Reacting to a situation in which dozens of horses were found starving to death, the Legislature enacted **HB 1690** to increase the fine for the crime of cruelty to animals from \$500 to \$5,000. The measure also allows the court to order a person convicted of animal cruelty to pay restitution to

animal facilities for medical care and boarding costs of victimized animals. In a related measure, **SB 833** changes the punishment for unlawfully entering or exercising control over an animal care facility. The measure reduces the crime from a felony to a misdemeanor and requires full restitution to the animal facility for any damage, for replacement of any animals released, or other out-of-pocket expenses incurred by the facility.

HB 1326 requires every wholesaler or distributor of a product containing pseudoephedrine or phenylpropanolamine to obtain a registration issued by the Oklahoma Bureau of Narcotics and Dangerous Drugs (OBNDD) in an effort to stem the tide of illegal drug manufacturing in Oklahoma. The measure allows a civil action to be brought by the Attorney General, the director of OBNDD, or the district attorney against any person who knowingly sells a product containing pseudoephedrine or phenylpropanolamine believing the product will be used to manufacture methamphetamine. The civil action may only be brought. The measure also makes it a felony, punishable by up to twice the minimum sentence available, to distribute or possess with intent to distribute, a controlled dangerous substance within 2,000 feet of a child care facility.

Miscellaneous Criminal Justice

In other criminal justice measures:

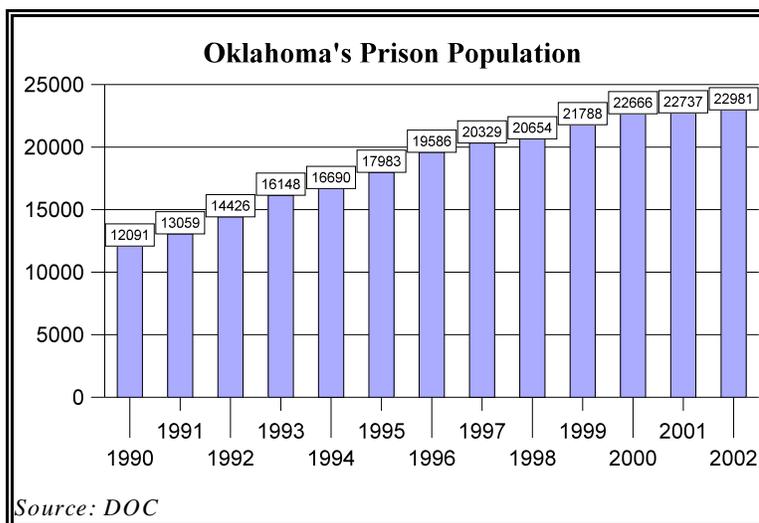
- ▶ **HB 1105** allows open alcoholic beverage containers in the passenger areas of charter buses and chauffeur-driven limousines;
- ▶ **HB 1139** allows the County Commissioners in Oklahoma County and Tulsa County to establish a juvenile curfew that applies to all unincorporated areas of the county. The penalty for violating the curfew on first offense is a minimum fine of \$25 with subsequent offenses subject to fines up to \$100;
- ▶ **HB 1368** establishes a crime for knowingly buying, selling, or bartering for profit any veteran cemetery marker. The penalty is a misdemeanor punishable by a fine of \$50 to \$5,000, up to six months in jail, or both;
- ▶ **HB 1412** makes it a felony for voters who have transferred their registration to another precinct to vote in their previous precinct;
- ▶ **HB 1603** authorizes the Attorney General or a district attorney to investigate crimes associated with the Oklahoma Computer Crimes Act. The measure gives investigators the ability to subpoena witnesses and business records and compel testimony relating to evidence of computer crimes.
- ▶ **HB 1707** requires a District Attorney to determine if a person arrested for a violent misdemeanor is a student or employee of a public school in Oklahoma and notify the superintendent of the school district of the charges. The school district is authorized to take any necessary action with regard to the information;

- ▶ **SB 391** allows the introduction of noncertified copies of the judgment and sentence at the preliminary hearing if the copy is made available to the defense at least five days prior to the preliminary hearing;
- ▶ **SB 436** allows county sheriffs to enter into a contract to establish an automated telephone system to notify persons of their outstanding misdemeanor warrants. The measure also authorizes persons with outstanding warrants to use a credit or debit card for payment of the outstanding warrant;
- ▶ **SB 616** requires the District Attorney’s office to inform victims and witnesses of a crime that any sentence, including life without parole, may be commuted by the Governor;
- ▶ **SB 625**, the Cindi Broaddus Law, makes it illegal to willfully throw or drop any object from a bridge or overpass with intent to injure a person or damage property. The measure also establishes a fine of up to \$10,000 along with the current ten-year prison term; and
- ▶ **SB 817** includes in the sentencing options available to the court the right to require a defendant to participate in an approved alcohol and drug assessment prior to the defendant’s participation in an alcohol and drug abuse program.

Corrections

Much discussion this session centered on the impact of the rising prison population on the state budget. Enacted legislation focuses on increasing the use of work release centers, expanding the use of correctional industries, and examining the reasons for Oklahoma’s high incarceration rate of women. The chart shows the increase in prison population over the last 12 years.

Reintegration of offenders into society was the subject of **HB 1061** which allows the Department of Corrections (DOC) to utilize work release programs in the reintegration process. Previously, offenders assigned to a work release program were required to spend at least 90 days in a halfway house prior to release, often disrupting the offender’s stability in the workplace. The measure gives DOC more flexibility in the placement of offenders nearing release by allowing the placement of offenders to be based upon the offender’s needs and security level.



Some discussion was held this session on ways to reduce the prison population to the National Average for Rates of Incarceration. Oklahoma's incarceration rate is 658 inmates per 100,000 population while the national average is 422 inmates per 100,000 population. To reach the national average, Oklahoma would need to reduce the current population of 22,981 prisoners held behind bars by 8,165 inmates.

Counties, schools, universities, political subdivisions and other government entities are required to purchase goods and services offered by the Oklahoma Correctional Industries (OCI) under provisions of **HB 1279**. The entities would be required to use OCI goods or services if the product or service is the lowest and best bid available. A related measure, **HB 1280**, exempts acquisitions by the OCI from the Central Purchasing Act if the acquisitions are raw materials, component parts, or other products used to produce goods or services.

The measure also allows state employees to purchase OCI products.

HB 1669 makes minor modifications to the handling of escaped prisoners by requiring the offender to be processed back into the DOC prior to bail being set on the new escape charge. The measure also requires county sheriffs to notify DOC of the county's jail capacity by July 1, 2003. After that date, notifications of any changes in capacity must be made within 30 days.

Medical expenses of county inmates were addressed by **SB 652** which requires inmates to reimburse the sheriff the amount paid by the sheriff for the treatment the inmate receives. A sheriff is allowed to collect an \$8 or more payment from an inmate's jail account for each inmate visit for medication or medical services. The bill also establishes the Jim Hallet Act by creating the Medical Expense Liability Revolving Fund administered by the State and Education Employees Group Insurance Board to assist cities and counties in paying for the medical expenses of inmates. The revolving fund is funded by a \$10 medical expense liability fee imposed on those convicted of a non-traffic related offense. Monies collected in the fund are to be used to pay the medical expenses of an inmate when the county or city jail is determined to be liable for the medical expenses. The minimum expense that can qualify for consideration of payment from the fund is \$15,000.

In other corrections issues:

- ▶ **SB 575** authorizes the establishment of a pilot reading program using phonetics and pre- and post-testing evaluations at the Charles E. "Bill" Johnson Correctional Facility in Alva;
- ▶ **SB 661** allows DOC to transfer any deeded property received as a gift back to the donor or to another state agency when the property has no valid use to DOC or if the property is overly burdensome;
- ▶ **SB 788** allows DOC to remove and restore inmate credits administratively; and
- ▶ **SB 810** creates the 11-member Special Task Force for Women Incarcerated in Oklahoma to examine the factors which have caused Oklahoma to have one of the highest rates of incarceration of women in the nation.

Judiciary

Civil Procedure

This session, bills relating to tort reform and to the Governmental Tort Claims Act were prominent pieces of legislation. In addition, several measures were passed amending laws relating to the courts and to criminal procedure.

SB 629 creates the Affordable Access to Health Care Act. This was the medical liability tort reform bill proposed by the Governor's blue ribbon task force. The measure:

- Provides a cap of \$300,000 on noneconomic damages for obstetric cases and cases that originate in an emergency room. The cap may be lifted if the judge finds, out of the presence of the jury, that there is clear and convincing evidence of negligence. The cap applies regardless of the number of parties involved but does not apply to wrongful death cases because the Oklahoma Constitution prohibits setting limits on damages for wrongful death claims, except workers compensation claims and governmental tort claims;
- Allows introduction into evidence of the payment of medical bills by a collateral source unless the court determines that the collateral source payment is subject to subrogation;
- Requires the attachment of an affidavit to petitions in medical liability actions. The affidavit must attest that the plaintiff has consulted a qualified expert and has obtained a written opinion from the expert that the acts or omissions of the defendant constitute professional negligence;
- Provides that prejudgment interest for medical liability actions must be a rate equal to the average U. S. Treasury Bill rate for the preceding calendar year;
- Requires a summons in a medical liability action to be served within 180 days of the filing of the lawsuit;
- Includes nursing homes and nursing facilities in the list of defendants deemed to have waived the physician and patient confidentiality privilege for the purpose of releasing medical records to plaintiffs;
- Requires insurers that write medical professional liability insurance to file closed claim reports with the Insurance Commissioner from which data will be collected concerning medical liability claims; and
- Establishes a procedure for proposed rate changes for medical professional liability insurance, which includes a hearing process.

Two measures make modifications to the Governmental Tort Claims Act, which is the law that provides the method for private citizens to collect damages from the state and local governments. **HB 1406** addresses the issue of providing redress for individuals who were wrongfully convicted and imprisoned for crimes they did not commit. This has been an important topic for the Legislature for several sessions. Bills on this subject have been enacted by the Legislature and vetoed in the two previous years. This year's bill requires claims to be based on the actual innocence of the person wrongfully convicted and establishes precise criteria for determining actual innocence before the person may pursue the claim. The measure:

- Applies to persons who receive a full pardon on the basis of a written finding by the Governor of actual innocence or have been granted judicial relief absolving the person of guilt on the basis of actual innocence;
- Provides criteria for actual innocence;
- Caps recovery at \$175,000;
- Excludes time in prison for which the claimant served a concurrent sentence; and
- Has retroactive application.

SB 428 modifies the scope of application of the Governmental Tort Claims Act as it applies to community action agencies. The bill removes the language limiting application to community action agencies when storing, issuing, or distributing food stamps or coupons or participating in the food stamp programs.

Divorce was another important civil procedure topic addressed by the Legislature in **HB 1358**. The measure:

- Substitutes the term *divorce* to mean dissolution of marriage;
- Clarifies when an automatic temporary injunction is in effect and when it will terminate;
- Restricts the amount of child support benefits which may be assigned to an attorney for purposes of providing legal representation to no more than 50 percent of the net amount of the child support; and
- Amends the Parenting Coordinators Act by:
 - Clarifying the duties of a parent coordinator;
 - Prohibiting certain actions of the coordinator relating to the modification of court orders;
 - Requiring court orders to be more specific on the duties to be performed by an appointed coordinator; and

- Changing the minimum qualifications for a parenting coordinator to be a licensed professional with experience in family or children's services.

SB 435 requires parties in any Employment Security Act proceeding before a court of record to appear in person or be represented by an attorney licensed to practice law in this state. The law is unchanged for proceedings before the Oklahoma Employment Security Commission or the Board of Review. For those proceedings, the law remains that a party to a proceeding may be represented by any individual chosen by the party.

Court Related Matters

SB 299 relates to court cases in which the state may intervene as a party. The bill requires the Attorney General to forward notice to the Legislature of any case in which the constitutionality of a statute is at issue and authorizes the Speaker of the House of Representatives and the President Pro Tempore of the Senate to intervene in the case on behalf of the Legislature.

HB 1635 creates the Uniform Child Witness Testimony by Alternative Methods Act. The measure:

- Provides procedures for taking the testimony of children in criminal and civil proceedings outside the courtroom and immediate presence of a defendant;
- Does not apply to hearings conducted pursuant to the Oklahoma Children's Code or the Oklahoma Juvenile Code;
- Provides for a hearing to determine whether or not to use an alternative method for taking testimony;
- Sets standards to be used in making the determination. The burden of proof is "clear and convincing evidence";
- Sets factors to be considered in making the determination; and
- Provides for the rights of parties for examination or cross-examination.

Criminal Procedure

Several measures were passed modifying laws relating to criminal procedure. **HB 1667** is the result of a legislative special interim committee that reviewed the issue of victim protective orders (VPOs). The committee was comprised of legislators, judges, law enforcement personnel, court clerks, and victims advocates. The committee's recommendations were the basis for the bill. The measure:

- Limits VPOs for harassment to situations in which the victim is being harassed by a family or household member or a person with whom the victim has been involved

in a dating relationship. This provision is meant to reduce the number of frivolous applications for VPOs;

- Requires victims of stalking who are not family or household members or in a dating relationship with the alleged stalker to file a complaint against the defendant with the proper law enforcement agency prior to filing for a VPO. The victim must provide a copy of the complaint with the petition for the VPO. This is also being done in an effort to reduce the number of frivolous applications for VPOs;
- Requires a VPO to be filed in the same county and to be heard by the same court in which a divorce or separate maintenance action is filed, if that action is pending;
- Stipulates that the VPO petition must be filed with the court having jurisdiction over juvenile matters, if the defendant is a minor child;
- Removes statutory VPO forms and requires the Administrative Office of the Courts to develop standard forms for the petitions and orders. This will allow for flexibility in changing the forms as needed and will allow for the adoption of uniform forms used by other states;
- Allows the court to assess court costs and attorney fees for frivolous filings;
- Gives the court discretion to determine if sufficient grounds exist for holding emergency ex parte hearings and hearings on petitions for protective orders;
- Modifies method of service of process. Service will be in the same manner as a bench warrant. In addition, if service is in another county, the court clerk may issue service to the sheriff by facsimile or other electronic transmission for service by the sheriff. Service of emergency ex parte orders may be by private process server;
- Increases from 15 to 20 days the automatic renewal time for protective orders that have not been served on the defendant;
- Prohibits mutual protective orders due to federal requirements;
- Allows consolidation of hearings on multiple petitions under certain circumstances. This is consistent with federal requirements;
- Authorizes the court to allow a plaintiff or victim to be accompanied by a victim support person at court proceedings; and
- Requires certain information that was previously part of the statutory form for orders to be included in any ex parte or final protective order issued.

The jurisdiction of a multi-county grand jury is allowed to extend to a single county by **SB 585** if so designated by the Supreme Court order convening the grand jury. The bill also expands the subject matter jurisdiction of the multi-county grand jury to include all matters that can be investigated by a grand jury convened in a single county. **SB 616** requires that victims be informed of the constitutional authority of the Governor to commute sentences, including a sentence of life without parole.

Indigent defense cases are addressed by **SB 772** which eliminates assignment of death penalty cases at the trial level to the Indigent Defense System when a conflict of interest exists between the defendant and the county or public indigent defender. At the appellate level, the measure allows the court to appoint the Indigent Defense System when a conflict of interest exists between the defendant and the county indigent defender.

To aid in the collection of information relating to sentencing practices in Oklahoma, **HB 1147** requires that the judgment for conviction include the statutory reference to the felony crime for which the defendant was convicted and the date of the offense. In addition, when a convicted person is sent to the Department of Correction, the sheriff must deliver any forms required by the Court of Criminal Appeals rules to be filed at the time of formal sentencing and any forms of identification that were in the possession of the defendant at the time of sentencing.

The venue for prosecution of violations of the Security of Communications Act is established in **HB 1263**. The bill requires the venue to be in the same county as an underlying felony of murder, cultivation, manufacture or distribution of controlled dangerous substances, trafficking in illegal drugs, and conspiracy to commit any of these offenses.

The Delayed Sentencing Program for Young Adults is modified by **SB 807** by stating that the program is to also be known as the Regimented Inmate Discipline (RID) Program. The bill extends the amount of time a person can participate in the program from a maximum of 180 days to a minimum of 180 days but not more than one year. The measure also allows the sentencing judge to sentence the offender to community sentencing or dismiss the criminal charge after completion of the program.

HB 1771 prohibits district attorneys from representing either side in any proceeding in which a county officer brings an action against another county officer and adds the District Attorneys Council to the list of bodies that can hold meetings by teleconference under the Open Meeting Act. Fees established in this measure are discussed below.

Fees

HB 1771 contains new fees requested by the District Attorneys Council to defray the cost of prosecution as follows:

- Authorizes the courts to impose a bogus check fee for persons convicted of any false or bogus check violation. The fee is equal to the amount assessed as court costs plus

\$25 for each check, is paid to the district attorney, and is deposited into the Bogus Check Restitution Program Fund. The court may require payment of bogus check fees on the other bogus checks that have been submitted to the District Attorney Bogus Check Restitution Program;

- Establishes a supervision fee of \$20 per month to be paid to the district attorney when the court imposes a suspended or deferred sentence and does not order supervision by the Department of Corrections; and
- Provides for assessments, in addition to court costs, of \$10 for each traffic case other than DUI, \$15 for each misdemeanor case (including misdemeanor DUI) and each juvenile case, and \$25 for each felony case (including felony DUI). These fees go to the District Attorneys Council Revolving Fund to defray the costs of prosecution.

SB 81 increases certain court filing fees and court costs to ease the budgetary constraints faced by the courts. The measure increases several fees as shown in the chart on the following page. The increases are expected to bring an additional \$10-12 million to the courts' budgets. In addition, **SB 838** increases the sheriffs' service of process fee from \$35 to \$50.

Professions

Several measures were passed relating to professions in the court system and securities and investments. **SB 276** provides that a felony conviction is grounds for removal of a person from the office of notary public and prohibits notaries public from claiming to have expertise in providing legal advice unless the notary is a licensed attorney or is otherwise authorized by law to represent persons on immigration or citizenship matters.

SB 478, which relates to court reporters, contains the following provisions:

- Eliminates the responsibility of court reporters for costs of reproduction;
- Allows the reporting notes of certified shorthand reporters to be kept in any form of communication or representation that is capable of reproduction for transcription;
- Requires storage of reporting notes in an environment free from excessive moisture, temperature variation and electromagnetic fields;
- Allows the retention of testing credit for the written knowledge portion of the shorthand reporter's examination for two years; and
- Increases the requirement for continuing education for shorthand reporters from two to four hours, with at least one hour relating to Oklahoma Court Rules and Procedures. There are exemptions from this requirement for persons 65 years of age or older, person on full-time active duty in the armed forces for the entire calendar year, and persons with a medical condition that has prevented compliance.

Increases in Court Filing Fees and Court Costs

	From	To
Fee for licenses for process servers	\$10	\$25
Fee for filing an action in small claims court	\$35	\$45
Fee for marriage license (no premarital counseling)	\$25	\$50
Fee for mailings and postage	\$7	Greater of \$10 or actual expense
Filing fee for divorce actions	\$82	\$140
Fee for probate and guardianship	\$82	\$132
Filing fee for civil actions \$10,000 or less \$10,000 or more	\$82	\$147 \$160
Fee for requesting jury for civil case	\$60	\$349
New fee for filing for summary judgment or summary disposition	-	\$50
Court costs for traffic conviction for speeding (1-10 mph over the speed limit)	\$57	\$77
Court costs for traffic offenses other than DUI	\$73	\$88
Court costs for misdemeanor and felony DUI	\$183	\$283
Fee for preparing and transmitting records for appellate review - Non-jury Jury	\$100 \$100	\$200 \$300

SB 493 makes several changes to the law relating to securities and broker-dealers, agents, and investment advisors. The measure:

- Increases from 30 to 45 days the time period after which a license will automatically become effective after the filing of a complete application;
- Expands the sanctioning powers of the Oklahoma Securities Commission to include limiting or conditioning registration;
- Expands the grounds for imposing a licensing sanction to include refusal to allow or impeding the administrator from conducting examinations and refusal to provide copies of records;
- Modifies provisions relating to the time period for initiating a suspension or revocation proceeding based on facts known to the administrator. An investigation can be initiated within one year after the administrator actually knew the material facts on which the proceeding is based;

- Provides that a summary order becomes final by operation of law if a hearing is not requested within 30 days after service of the summary order;
- Increases from 30 to 60 days the time period after which withdrawal from registration becomes effective;
- Modifies the powers of the district court in cases of disregard of authority or refusal to obey a subpoena. This conforms to federal law;
- Provides additional remedies that can be sought by the administrator for violations of the Oklahoma Securities Act. The new remedies include asset freeze, accounting, writ of attachment, and writ of general or specific execution;
- Clarifies the process for appealing final orders of the Oklahoma Securities Commission and establishes a deadline for filing the appeal of 30 days after the date the order is mailed; and
- Provides that interest attributable to the Oklahoma Department of Securities Investor Education Revolving Fund will be deposited in the fund and provides that the fund may be invested in any investment instrument in which the State Treasurer is authorized by law to invest state funds.



Education

Most of the major issues in education this year revolved around finances and funding, stemming from the state's financial predicament. In addition to addressing funding losses, the Legislature focused on enabling higher education to generate funding from other sources and on providing common education with timely information on its funding level for the upcoming school year. In the long-term, voter approval of a state lottery will impact education funding.

Higher Education

Tuition and Fees

Legislation in higher education centered on the opportunity that the state budget deficits provided to The Oklahoma State System of Higher Education to expand its flexibility over increases in its tuition and fees. In response to a 7 percent loss of state revenues for the higher education public institutions and programs in mid-year, the Legislature enacted **HB 1748**, to provide a comprehensive approach to determining tuition and fees. Accountability components include:

- More reporting requirements for the Oklahoma State Regents for Higher Education (OSRHE) to the state on action taken in regard to tuition and fees;
- The inclusion of data on the impact of increased tuition levels on the ability of students to meet the costs, on enrollment patterns, on the availability of financial aid, and on any other data considered relevant by the State Regents;
- Demonstration by the State Regents of a reasonable effort to effect a proportionate increase in the availability of need-based student financial aid for any increase in tuition; and
- A requirement for the State Regents to maintain for public inspection all reports submitted by the institutions to the United States Department of Education regarding each institution's tuition and fees.

National Ranking Cost of Resident Undergraduate Tuition and Mandatory Fees 2002-03	
OU and OSU	44
Regional Universities	43
Two-Year Colleges	32

Source: OSRHE

In determining tuition and fee increases, the State Regents are required to balance the affordability of public higher education with available, diverse, and high-quality learning opportunities. They must give consideration to the level of state appropriations, the state economy, the per capita income

Education

and cost of living, the college-going and college-retention rates, and the availability of financial aid in Oklahoma. The new statutory limits for tuition and fee increases are set as shown in the following chart:

Higher Education Academic Fee Limits

Undergraduate Resident and Nonresident Fee Limits		
	Resident	Non Resident
Comprehensive Universities	Must be less than the combined average of tuition and fees of state-supported Big 12 institutions	Must be less than 105% of combined average of nonresident tuition and fees at state supported Big 12 institutions
Regional Universities and Two-Year Colleges	Must be less than the combined average of tuition and fees of similar state-supported institutions	Must be less than 105% of combined average of nonresident tuition and fees at similar state-supported institutions
Graduate School		
Must be less than combined average of tuition and fees for similar graduate institutions and professional courses at other state-supported institutions determined by the State Regents.		
Academic Service Fees		
Not to exceed the actual cost of the academic services provided with the approval of the State Regents.		

SB 520 creates the Oklahoma Tuition Equalization Grant Act and Program for the purpose of maximizing the use of existing educational resources and facilities within the state, both public and private. The act authorizes the Oklahoma State Regents for Higher Education to award Oklahoma Tuition Equalization Grants when such funds are available to Oklahoma residents who are enrolled as undergraduate students in an in-state private or independent institution of higher education and approved by the State Regents.

The measure also establishes the Oklahoma Tuition Equalization Grant Trust Fund with the State Regents as the trustees. The Trust Fund principal consists of monies appropriated or transferred by the Legislature, and any monies or assets contributed by any other public or private source in the state. The award is set at \$2,000 per academic year, or \$1,000 per academic semester. The eligibility standards are:

- State residency as defined by the State Regents;
- Enrollment as a full-time student;
- An annual family income level of less than \$50,000;
- Tuition that is higher than that at a comparable public institution, and pay no less than the regular tuition required of all students enrolled at the institution; and

-
- Maintain minimum standards of academic performance required by the enrolling institution.

Tuition rates for non-U.S. citizens, an issue generating much debate around the country, is addressed in **SB 596**. The measure requires the Oklahoma State Regents for Higher Education to adopt a policy to allow noncitizens who meet the following criteria to enroll in a state institution of higher education and be eligible for resident tuition rates:

- Has graduated from a public or private high school in Oklahoma or successfully completed the GED;
- Has resided in Oklahoma with a parent or guardian for at least two years prior to high school graduation or completion of the GED;
- Has satisfied the regular admission standards; and
- If the student is without lawful immigration status, has filed an affidavit with the college stating that the student has filed an application or has a petition pending with the Bureau of Citizenship and Immigration Services to legalize the student's immigration status, or must file an affidavit with the college stating that the student will file an application at the earliest opportunity.

High school counselors are required to inform immigrant students that they should apply for legal status as soon as possible. Finally, students who meet these criteria may not be disqualified from any scholarships or financial aid provided by the state because of the status of the student's immigration.

In a final measure addressing issues in tuition, the Legislature passed **HCR 1004** which was a recommendation of the Oklahoma Military Base Closure Prevention Task Force as a part of the effort to enhance state policies affecting the military in preparation for the upcoming federal 2005 Base Realignment and Closure (BRAC) process. The resolution encourages the OSRHE to review the state residency policies for tuition, fees, scholarship, and financial aid purposes to ensure that military dependents are not charged out-of-state tuition or denied the opportunity to participate in state scholarship and financial aid programs as residents if they have established residency prior to enrolling in an Oklahoma college when their families are subsequently stationed out-of-state. The resolution also requests the State Regents to consider a policy that allows residency status for military dependents of families who have been stationed in Oklahoma less than the period of time normally required to establish residency.

Miscellaneous Higher Education Issues

Beginning with the 2004-05 school year, public and private postsecondary education institutions are required in **SB 787** to provide detailed information on the risks associated with meningitis and the risks and benefits of being vaccinated against the disease, as well as the availability of vaccine, to

students in on-campus student housing. This vaccination is required for students who are first-time enrollees who reside in on-campus housing unless a waiver is signed. The public and private post-secondary institutions are not required to provide or pay for the vaccinations. In addition, in order to enroll full-time or part-time in a state or private institution of higher education, students must present written documentation of vaccinations against hepatitis B, measles, mumps, and rubella.

In other higher education legislation:

- ▶ **HB 1123** states legislative intent that postsecondary institutions of education and private vocational schools should be prohibited from advertising that academic credits may be transferred without securing a written statement from the institution to which the credits will be transferred;
- ▶ **HB 1149** allows the use of county-owned machinery, labor, and supplies by county government entities at two-year state colleges;
- ▶ **HB 1167** completes the transfer of the Office of Accountability from the state Board of Education to the OSRHE (see **HB 1767** in the section on Common Education);
- ▶ **HB 1512** establishes the Oklahoma Emergency Management Act of 2003 and is described in the Common Education section;
- ▶ **SB 312** exempts interest on Oklahoma College Savings Plan accounts from forced sale for payment of debts;
- ▶ **SB 326** fully grants tenth grade students the same opportunity as eighth and ninth grade students to participate in the Oklahoma Higher Learning Access Program; and
- ▶ **SB 547** places the responsibility for the Oklahoma Mesonet under the Oklahoma Climatological Survey (OCS) and makes the director of the OCS accountable for executing the policies of the Mesonet Steering Committee. The bill also allows the director of the OCS to appoint a current employee as state climatologist.

Common Education

Academic

Federal enactment of the No Child Left Behind Act necessitated some revision of the Oklahoma School Testing Program and its provisions for accountability, which was accomplished in **HB 1414**. The federal law mandates criterion-referenced tests in reading and mathematics (and later in science) in grades three through eight by the 2005-06 school year and use of an accountability system. Criterion-referenced tests assess students' knowledge of a set of criteria, such as reading skills knowledge at the third grade level. In contrast, norm-referenced tests, which had been used at some grade levels in Oklahoma and in many other states, compare a student's performance with other

students' performance. In addition to aligning the tests with federal mandates by subject and grade level, HB 1414 addresses various other facets of testing, including streamlining some tests and the timing of the tests in the school year calendar. The major provisions of HB 1414 are as follows:

Test Preparation - Requires the State Board of Education (SBE) to establish a sample test item bank on the Internet for teachers to create and deliver classroom assessments throughout the school year in order to check for student mastery of key concepts assessed by the state criterion-referenced tests.

Test Configuration:

- Third and fourth grades - Requires development, field-testing, and implementation of criterion-referenced test in reading and mathematics by 2004-05. Ends the third grade norm-referenced test after the 2003-04 school year.
- Fifth and eighth grades - Keeps criterion-referenced tests for reading, language arts, writing, mathematics, and science. Combines the criterion-referenced tests for U.S. history, constitution and government (eighth grade), and for geography (fifth grade only) into one social studies test. Deletes the criterion-referenced arts test (see Fine Arts Test below).
- Sixth and seventh grades - Requires development, field-testing, and implementation of criterion-referenced test in reading and mathematics by 2005-06. Moves the criterion-referenced geography test formerly administered at the eighth grade to the seventh grade.
- High school - Updates requirements for the four secondary end-of-course tests in English II, Algebra I, Biology I, and United States History. Requires students who complete these secondary courses at the middle school level to take the end-of-course test.

The measure makes all tests in grades three through eight contingent on the availability of funds and allows the SBE to develop and administer any criterion-referenced test in any subject not required by federal law, contingent on the availability of funding.

Fine Arts Test - Discontinues the criterion-referenced tests in arts at the fifth and eighth grade levels in favor of a fine arts assessment in all grades three through eight, to be implemented in the 2004-05 school year. The measure requires each school district to determine the structure of the assessment strategies to be administered to the students, and it allows the assessment strategies to be in the form of grading, portfolio, or performance assessment, among other strategies. The SBE is required to convene a task force to make recommendations by December 1, 2003, on appropriate fine arts assessment strategies. The SBE is required to communicate the recommendations to school districts, and the SDE is required to work with school districts during the 2003-04 school year to plan implementation of the assessments and to provide technical assistance.

Test Rigor, Depth and Alignment - Specifies that academic competencies be assessed as the state academic content standards as defined by the SBE in the Priority Academic Student Skills; and requires the SBE to increase the depth of knowledge assessed for each subject and to ensure that the criterion-referenced tests in grades three through eight are vertically aligned by content across grade levels to ensure consistency and alignment.

Schedule for Testing and Results - Requires the SBE to implement an electronic delivery system for all computer-based assessments in order to expedite the delivery and use of the test results and to set the testing window dates for grades three through eight, with the exception of the writing assessments, no later than April 10 each year, and as near as possible to the end of the course for the four high school end-of-course tests; and changes the deadline from May 1 to the beginning of the next school year for reporting grades three through eight test results to the school district; moves the deadline by which the vendor is required to provide a final electronic data file of all school site, school district, and state results to the SDE and the Office of Accountability from June 15 to July 1.

Accountability -Expands the requirement for disaggregation of the state, district, and site level results of all tests from the ethnic group and gender to the race ethnicity, disability status, migrant status, English proficiency, and status as economically disadvantaged; requires the SBE to develop and implement an accountability system in accordance with federal laws beginning with the 2002-03 school year to be based on the statutory Academic Performance Index (API) data; removes current provisions for identification of low performing and high challenge schools and requirements for intervention and technical assistance; and requires school districts to identify individual schools for rewards and sanctions based on the API data. SBE is to establish a new system of recognition, rewards, sanctions, and technical assistance.

Another measure that dealt with the rigor and knowledge of the tests was vetoed. **HB 1476** would have specified that the testing performance level standard must incorporate the same level of rigor and knowledge as that used for the National Assessment of Educational Performance for the cut points for scoring on the Oklahoma School Testing Program beginning with the 2004-05 school year. In his veto message, the Governor said that this legislation would have set up a dual system of accountability with HB 1414, and the state would be out of compliance with the No Child Left Behind Act.

In other measures enacted pertaining to academic issues:

- ▶ **HB 1065** requires the SBE, prior to September 1, 2003, to adopt rules to allow district boards of education to make exceptions on an individual student basis for graduation provisions for students who move to Oklahoma after the junior year and who would be unable to meet the statutory curriculum requirements before graduation. This act was crafted as a result of the work of the Military Base Closure Prevention Task Force;

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- ▶ **HB 1094** creates the Oklahoma Partnership for School Readiness Act and is described in the Human Services section;
 - ▶ **SB 289** deletes an old exception in the statutes that allowed a shorter school day for first grade; and
 - ▶ **SB 801** prohibits state funding for alternative education programs that do not receive a recommendation for continued funding in the required program evaluation. School districts that do not receive the recommendation are permitted to request a hearing before the SBE, with a review of the evaluation prior to the SBE's final determination.

Appropriations and Finance

Midyear declines in state revenues necessitated a variety of approaches to assist public education. At the state, level the Legislature took steps to mitigate the loss of current year funds, provide adequate funding for FY- 2004, and ensure that common education is funded early enough in the legislative session to allow school districts to make informed hiring decisions for the next school year. These bills are as follows:

- ▶ **HB 1240** appropriates \$25.5 million from the state's Rainy Day Fund to schools for FY-03 to reduce the midyear shortfall from 9.5 percent to 8.3 percent (the state average reduction for most agencies was 7.85 percent);
- ▶ **HB 1160** appropriates \$1.95 billion for FY-04, with \$80.4 million in new money added to the State Aid formula. This is a 4.3 percent increase over the final FY-03 level and brings the common education funding level to within 4.4 percent of its initial FY-03 level;
- ▶ **HB 1162** allocates the funds appropriated in HB 1160. The current certified and support employee health benefits (FY-03 level) and the teacher retirement contribution offset are fully funded, as are the National Board Certification bonuses and the Oklahoma School Testing Program. Flexibility is given to expenditures for textbooks to allow for use for any instructional purpose. Funding for the following programs is deleted: psychometric services and the Regional Education Service Centers, homebound children, the Special Education Assistance Fund, the professional development centers, mentor teachers, and community education;
- ▶ **SB 201** transfers \$14.4 million from three revolving education funds to the Ad Valorem Reimbursement Fund to reimburse school districts that lost revenue due to a tax exemption for a new or expanded manufacturing or research and development facility for economic development purposes; and
- ▶ **HB 1247** requires the Legislature to present legislation to the Governor that fully funds common education at least 25 days before the date schools are required to notify teachers of continuing employment and no later than April 1 each year.

An omnibus education measure, **HB 1767**, deals with multiple issues affecting school district budgets. Major provisions of that bill:

- Require the SDE to conduct a review of HB 1017 enacted in 1990, HB 1759 enacted in 1999, and the federal No Child Left Behind Act enacted in 2001 to determine duplication or a conflict;
- Create the School State Aid Funding Study Group to evaluate and make recommendations on changes to the State Aid funding formula by December 31, 2003;
- Allow the SBE to waive class size penalties during the 2003-04 school year upon a showing of economic hardship;
- Create the Task Force on School District Administrative Reorganization or Consolidation that is required to make recommendations by December 31, 2004;
- Shorten the period in which a charter school sponsor must give written notice of intention to deny charter renewal from twelve months to sixty days;
- Allow school district superintendents to transfer unexpended or unencumbered funds of up to 25 percent of the total from one account, fund, or program category to another for the 2003-04 school year;
- Provide for a career teacher pretermination hearing before local school boards and specify the process for the hearing;
- Permit schools to forego the use of mentor teachers for residents in teaching for the 2003-04 school year if no qualified mentors are available;
- Move the date for filing notification of acceptance of open transfers with the state from August 1 to September 1 and require receiving school districts to notify parents and resident districts of the cancellation of open transfers by June 1 prior to the school year;
- Allow 18-year-olds to expunge records of truancy and lower the age for truancy provisions from 16 to 12;
- Suspend the penalties for excessive administrative expenditures for FY-04 and FY-05, expand the definition of administrative services, and increase reporting requirements;
- Prohibit certain reductions in teacher salary and fringe benefits from year to year, provide for a complaint system, and establish a penalty for violation;

- Permit the Virtual Internet School Pilot Program Coordinating Committee to enter into cooperative partnerships with private companies to advance web-based education, allow for the development of marketing, and set certain technology standards;
- Makes certain functions subject to the availability of state funds including the Academic Performance Award Program, continuing education for math teachers, an increase from \$5,000 and \$7,000 in the bonus for National Board certification through the Education Leadership Oklahoma program, full-day kindergarten, certain remedial education, and alternative education and additional school counselors for high at-risk elementary students in urban school districts; and
- Transfer the Office of Accountability and its personnel, funds, equipment, etc., from the SDE to the Oklahoma State Regents for Higher Education and add to the duties of the Education Oversight Board regarding recommendations for the creation of a seamless education system from preschool through post-secondary education.

A number of other measures assist with issues involving finance and budgeting. **HB 1153** reactivates the Oklahoma School Consolidation and Annexation Act as the Oklahoma School Voluntary Consolidation and Annexation Act. The bill also gives participants preference for certain line-itemed appropriation grants and exempts them from class size restrictions for five years and from general fund carryover penalties for three years. **SB 216** authorizes contracts between school districts for sharing administrators, teachers, and support personnel. The bill specifies the procedures and prohibits a district from entering into a contract with more than one district without the assent and knowledge of all districts contracting. School districts may agree on the terms related to the division of payments for employee benefits, travel, etc., and all districts are required to pay proportionally into the Oklahoma Teachers' Retirement System unless the contract specifies otherwise.

1980-81	618
1990-91	578
2000-01	544

Source: State Department of Education

In addition:

- ▶ **HB 1278** sends the creation of the Education Lottery Act to a vote of the people and **SJR 22** sends the establishment of the Oklahoma Education Lottery Trust Fund Act in the state constitution to a vote of the people. Both are described more fully in the section on Amusements and Sports;
- ▶ **HB 1343** allows local boards of education to charge fees for Internet-based courses and prohibits enrollment in such courses without board approval;
- ▶ **HB 1408** permits school districts to enter into interlocal cooperatives to form buying pools and purchasing agreements;

Education

- ▶ **HB 1527** requires the SDE to post data on school districts' income and expenditures on their web sites in a form that is accessible to the public;
- ▶ **HB 1572** authorizes school districts to put donations in the general fund without applicability to fiscal year or carryover restrictions;
- ▶ **SB 715** stipulates certain information on employee salary and benefits that must be included in employment contracts or related employee information worksheets for teachers and administrators. The SDE is required to specify the amounts paid by category in its annual personnel report, disaggregated by the categories of administrative and certified teaching personnel beginning with the 2004-05 school year; and
- ▶ **SB 837** allows schools and student groups and parent-teacher organizations to hold lotteries or raffles, if the state lottery is approved by voters. This measure is described in detail in the section on Amusement and Sports.

Health and Safety

Several bills deal specifically with issues relating to health and safety within the education system. **HB 1512** creates the Oklahoma Emergency Management Act of 2003 which modifies the provisions for school safety to require schools and institutions of higher education to have written plans and procedures in place for protecting students, faculty, administrators, and visitors from natural and man-made disasters and emergencies. Such plans must be placed on file at each school district and each local emergency management organization within the school district. The act requires annual reports to the local school board or Board of Regents that detail the status of emergency preparedness and identified safety needs.

HB 1469 requires persons offered a position in the SDE that involves working directly with children to furnish fingerprints to be used for a criminal history record check. In general, the bill modifies the description of the criminal history record check and stipulates that one may only be obtained when it is authorized or required by state or federal law.

The task of district attorneys to keep school districts notified in certain instances is modified in **HB 1707**. The district attorney is required to determine whether or not someone on whom an indictment is filed for a felony or violent misdemeanor is a student or school employee. The school district is authorized to take any action necessary with regard to such information. Finally, **SB 343** requires local boards of education to adopt a policy by September 1, 2003, that permits self-administration of inhaled asthma medication in schools by students and specifies the procedure.

Miscellaneous

Other measures address various items in common education:

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- ▶ **HB 1151** specifies that competencies for class management and student discipline must be incorporated into teacher education and professional development;
 - ▶ **HB 1438** modifies the certification standards for an administrator by requiring the completion of an approved program in education administration and a passing score on the subject area competency exam in addition to the current requirements. Standards for alternative certification of school superintendents and principals are also specified;
 - ▶ **HB 1646** allows school districts to release individual student records for the current or previous school year to a school district in which the student was previously enrolled to evaluate educational programs and school effectiveness. The bill also sets standards and compliance capabilities for the SDE to follow in constructing a state student record system; and
 - ▶ **SB 452** authorizes school district superintendents to exercise most powers and duties of the school board, with the board retaining final authority. Local boards of education are authorized to utilize hearing officers to conduct hearings and to render final decisions for out-of-school student suspensions.

Career and Technology Education

The Oklahoma State Department of Career and Technology Education underwent dramatic changes this year with legislation to reconfigure and reconstitute the Oklahoma State Board of Career and Technology Education. **HB 1068** contains the following revisions to that board:

- Ends the terms of office of all current board members;
- Changes the membership from the State Superintendent of Public Instruction, the six State Board of Education members and six other members (total of 13) to the State Superintendent of Public Instruction, two members of the State Board of Education, five members appointed by the Governor to represent each congressional district, and one member appointed at-large to represent educational interests (total of 9);
- Provides professional qualifications for the five members representing congressional districts who must be owners, chief executive officers, or business executives with policy-making or hiring authority for businesses or industries in the state or ones with significant workforces which perform a task for which training or other educational service may be obtained from the career and technology education system;
- Makes members of the board subject to the orientation and continuing education requirements of area technology district board members;
- Requires members to hold a high school diploma or equivalent; and

- Requires the board to meet at least ten times per year.

SB 628 amends HB 1068 to change the expiration date of the current state board members' terms of office and the initial appointment deadline for the new board and to create staggered terms of office. This bill also revises the requirements for certification for superintendent of a technology center to specify a masters degree, other professional education requirements as determined by the State Board of Education, and a minimum of four years teaching, supervising, or administrative experience, or certification as a superintendent of schools.

HB 1654 specifies that prior approval of the State Board of Career and Technology Education is not required for technology center expenditure of state bond monies. Technology center boards of education may meet by videoconference, as provided in **HB 1030**. Finally, the agency also received \$500,000 in **HB 1167** for the Training for Industry Program, an economic development tool.

Teacher Retirement, Health Insurance and Benefits

HB 1362 allows new employees at the two state comprehensive universities, the University of Oklahoma and Oklahoma State University, who are at least 45 years old to opt out of participation in the Oklahoma Teachers' Retirement System (OTRS). The bill also shortens the period of time to vest for all members of the OTRS from ten to five years and lowers from sixteen to seven the number of years of membership for which participants who withdraw from the OTRS may receive 50 percent of the interest computed on their contributions.

In other measures dealing with retirement:

- ▶ **HB 1440** allows OTRS members who are eligible to retire with 30 years of service to receive a partial lump-sum payment on the date of retirement and a reduced annuity;
- ▶ **SB 4** requires the OTRS to provide retiring members with an application to participate in a retired teachers organization, with a form that allows the member to elect to have annual membership dues to the organization prorated. To qualify for participation, the retired teachers' organization must have at least 1,000 dues-paying members;
- ▶ **SB 409** directs the state retirement systems and the Oklahoma State and Education Employees Group Insurance Board to conduct a feasibility study of alternative plans to help retired members and their dependents pay for health care;
- ▶ **SB 414** removes the option for persons retiring in the OTRS to begin health and dental insurance coverage in the Oklahoma State and Education Employees Group Insurance Program if the person or the school had not been a participant in that program; and
- ▶ **SB 663** allows nonclassified education personnel who have been retired at least 36 months and who return to work to earn up to \$30,000, as is the case for classified personnel.



General Government

State Government

The 2003 session was a watershed year for incorporation of performance considerations in the state budget process. In addition, the session was a notable one for reforms in the state's election process.

According to State Policy Reports, based on data from the National Conference of State Legislatures, Oklahoma ranked ninth among the states in terms of largest FY-03 general fund percentage budget shortfalls. Oklahoma's 7.8% shortfall was larger than any of the contiguous states. Alaska had the largest shortfall (30%), Texas was 15th (5.8%), and 12 states (including Arkansas and New Mexico) reported no shortfall.

Budget Process

As part of the budget agreement, the Legislature revamped its appropriation process to incorporate zero-based budgeting. The agreement also included a proposed constitutional amendment that would, if passed by voters, significantly change conditions for accessing the Rainy Day Fund and require the Legislature, pursuant to **HB 1247**, to pass the annual common education appropriation bill by April 1.

HB 1256 builds on previous sessions' efforts to encourage greater emphasis on performance measures in the budgeting process. This legislation will require agencies to prepare information in a zero-based budgeting (ZBB) format for use by the Legislature. The House and Senate appropriations committees will be required to file an annual evaluation report from the ZBB information by March 1. The measure renames the Joint Legislative Committee on Budget and Program Oversight as the Legislative Oversight Committee on State Budget Performance and reduces the size of the committee from 20 to 10 members. The committee, in consultation with the Office of State Finance, will establish a schedule for the review of agency strategic plans and existing programs for each agency that will be incorporated into the annual evaluation reports at least once every four years.

The Legislature gave voters an opportunity to consider a constitutional amendment that would restrict access to the Rainy Day Fund in **HB 1249**. Monies deposited into the fund come from any surplus over and above the General Revenue Fund estimate, of which 95 percent is certified for legislative appropriation, from the State Board of Equalization. If approved as State Question 708 in November 2004, the provisions for accessing the fund will be changed as the chart on the following page indicates.

HB 1250 changes the process of certifying state funds. The certification of natural and casinghead gas revenues will more accurately reflect Oklahoma's gas prices. The bill appropriates \$500,000 to the Oklahoma Tax Commission to develop its gross production tax reporting and revenue forecasting system.

Proposed Provisions of State Question 708 Accessing Rainy Day Fund

Provision	Current Law	Proposed Law
Amount that can be appropriated annually upon an emergency declaration from the Governor and 2/3 vote of each chamber or 3/4 vote of each chamber	Up to 1/2 of the balance	Up to 1/4 of the balance
Amount that can be appropriated in the event of a General Revenue Fund failure for the current fiscal year	N.A.	Up to 3/8 of the balance*
Amount that can be appropriated in the event of a reduction in the General Revenue Fund certification from the prior year	Up to one-half of the balance	Up to 3/8 of the balance

**Total appropriations from this portion of the Rainy Day Fund would be capped by the amount of the shortfall and the original appropriation to specific state entities.*

The Legislature also responded to the federal government’s recent \$20 billion appropriation to the states contained in the Job and Growth Tax Relief Reconciliation Act of 2003. **SB 198** would have made the Oklahoma share subject to legislative control, but the bill was vetoed because the Governor believes that there are sufficient provisions against the unauthorized expenditure of these monies.

Elections

This session’s election bills make substantial changes in the Oklahoma election schedule and conform to federal guidelines regarding military and overseas personnel. **SB 192** was enacted in response to last year’s federal Help America Vote Act (HAVA) and this year’s federal funding of that act. The Oklahoma legislation deposits to the Special Cash Fund the state’s \$8.2 million share of monies appropriated by Congress to reimburse Oklahoma and four other states which had developed at their own expense comprehensive statewide election systems. In addition, SB 192 creates a revolving fund for the State Election Board into which funds from HAVA will be deposited.

SB 3, which relates to the presidential preferential primary, and **SB 260**, which relates to the general election calendar, substantially change, as is reflected in the following table, Oklahoma’s election and filing dates. The earlier presidential preferential primary date, to be held one week after the New Hampshire primary, is expected to give Oklahomans more influence in choice of party candidates. Already the bill is credited with a noticeable increase in Democratic candidates’ visits to the state. The purpose for advancing the primary and primary runoff elections is to enable Oklahoma candidates to receive national party campaign contributions.

Election Date Changes

Filing Deadline/Election Date	Old Date	New Date
Presidential Candidate Filing Deadline	January 14, 2004	December 3, 2003
Presidential Preferential Primary	March 9, 2004	February 3, 2004
Filing Deadline	July 7, 2004	June 23, 2004
Primary	August 24, 2004	July 27, 2004
Primary Runoff	September 21, 2004	August 24, 2004
General Election	November 2, 2004	No change

The election date changes contained in SB 3 resulted in revisions to local campaign dates and other election-related dates regarding formation of political parties and when certain registration activities can occur. These revisions are contained in **SB 358**. The bill makes additional changes that:

- Bring Oklahoma laws into compliance with absentee voting requirements for persons subject to the federal Uniformed and Overseas Citizens Absentee Voting Act of 1986, including permitting them to vote absentee through the election date and voting by FAX;
- Add to the list of confidential registration information the following: spouses and dependents of persons in the judiciary and persons who are certified as participants under the Address Confidentiality Program; and
- Prohibit the salary of an assistant county election board secretary from exceeding that of the highest paid first or chief deputy or assistant to a county officer in the same county, provided that no current incumbent's salary will be reduced.

HB 1001 requires the removal of the name of a deceased candidate from the ballot in the primary runoff process. **HB 1412** makes it a felony for voters who have transferred their registration to another precinct to vote in their previous precinct, prohibits candidates or their campaign chairpersons from notarizing absentee ballots, requires posting information regarding the penalties for voter fraud at the polls, and establishes a procedure regarding State Election Board handling of fraud complaints. Finally, a scheduled salary increase for county election board secretaries which passed during the 2002 session was rescinded by **SB 175** due to concerns about its fiscal impact.

State Employees

Several measures were passed relating to state employees. The most significant legislation in this regard was **SB 194**, which provides that:

- Skill-based salary adjustments for classified employees, other than those made in a lump-sum, become permanent after two years; and
- A new Oklahoma Biennial Compensation Review Board be created to review the Office of Personnel Management's (OPM) compensation study and to consider recommendations bringing the midpoints of state employee compensation to within 95 percent of the market and to recommend targeted increases for job families that fall more than 15 percent below the market.

The bill also allows state employees who are retired veterans and who are receiving veterans health benefits to choose not to be enrolled in the state insurance program.

A similar measure, **SB 421**, was vetoed due to a provision in the bill allowing for e-mail access between state employee advocacy entities and state employees. The Governor felt this violated constitutional restrictions against the use of public equipment for private purposes.

With the expected increase in reductions-in-forces (RIFs) this year, several bills made important changes in the state's RIF statutes. The main purpose of **SB 703** in this regard is to exclude unclassified employees from RIFs. The bill, as amended by **HB 1101**, authorizes state agencies to give unclassified employees severance packages during a RIF and pursuant to **HB 1101** requires agencies to give unclassified employees those benefits if their termination is the result of circumstances that cause a RIF of their colleagues in the classified service. Agency reorganizations that result in state employees losing employment are specifically included in state RIF statutes by **HB 1086**. Finally, cabinet secretaries, in the future, will have to approve RIFs within their departments pursuant to **HB 1101**.

In addition to the RIF issue, **SB 703** extends confidentiality of state employee contact information to include personal electronic communication devices, protects state employee files of the employee assistance program from being subpoenaed, clarifies that the OPM administrator can adopt furlough rules, and provides more flexibility in the rotations for participants in the state's mentor executive program and to agencies in notifying their employees of promotional postings. In addition to **HB 1101**'s amendments regarding RIFs, the bill:

- Limits future appointments to the Oklahoma Merit Protection Commission to 12 years and gives the commission 30 days to rule on petitions after a petition to rehear, reopen, or reconsider is heard;
- Authorizes CompSource Oklahoma to implement a pilot compensation system for its employees upon approval of the administrator of OPM; and
- Exempts statewide elected officials who have completed their terms of office from the one-year cooling-off period before being employed by boards and commissions.

In an effort to increase the collection of income taxes owed to the state, **HB 1593** requires the Oklahoma Tax Commission to improve compliance by state employees. Beginning this year, the commission will identify and notify state employees who are not paying Oklahoma income taxes. If, after notification, state employees do not comply, the commission contacts the employees' employer for disciplinary purposes. State employees who fail to comply two or more times in the prior three years are to be terminated.

Several bills this session were related to the CORE project which involves the replacement of the state's central financial, human resources, and purchasing software systems. In order to comply with the software that the state is using, **SB 647** requires that the computation of leave accrual for state employees be changed from its current monthly basis to an hourly basis. The number of leave days will not change, but the number of hours earned during a given month will. The unclassified authorizations for state employees is extended to December 31, 2005, by **HB 1101** and **SB 196**, which also include a number of new unclassified authorizations. The latter measure also contains a provision allowing certain formerly classified employees at the Alcoholic Beverage Laws Enforcement Commission to return to the classified service. **SB 703** authorizes state agencies to employ nurses in the unclassified service. Finally, **HB 1800** creates a State Classification Task Force

to review and make annual recommendations to the Legislature concerning the feasibility of adding or removing positions from the unclassified service in the executive branch.

In other measures affecting state employees:

- ▶ **HB 1039** clarifies that classified state employees who are in an on-call status are to be paid for at least two hours when they are called to work;
- ▶ **HB 1058** extends the whistleblower act's protections to state employees who report wrongful governmental activities to the media;
- ▶ **HB 1127** provides that classified employees cannot have previous work-related offenses used against them if the offense occurred over four years prior to a current infraction, except for certain listed offenses; and
- ▶ **SB 149** transfers certain local conservation district employees to the Oklahoma Conservation Commission. These employees will retain their leave and will be granted credit for their prior service for longevity pay purposes.

HB 1744 would have amended the process for employee performance management as administered by OPM. The Governor vetoed the measure because he thought the Oklahoma Merit Protection Commission would be improperly burdened by appeals involving state employee service ratings.

Government Employee Benefits and Retirement Systems

Perhaps the two most significant measures regarding public employee benefits and retirement systems will have no immediate impact but may have significant long-term impact. The first of these measures, **SB 409**, directs four state retirement boards and the State and Education Employees Group Insurance Board (OSEEGIB) to conduct a feasibility study for the creation of a benefit that would assist retired state employees and their dependents in paying for health insurance. A second study, required by **SB 411**, directs the Oklahoma Public Employees Retirement System (OPERS) to consider the creation of a specialized hazardous duty plan for certain state employees, such as those with direct contact with juvenile offenders and mental health patients.

Two groups of retired public employees will receive assistance in paying their health insurance premiums. **SB 408** directs the Grand River Dam Authority to pay \$60 monthly per retiree, up to \$100,000 per year for all retirees, to OSEEGIB for member health insurance premiums. **SB 669** requires employers in OPERS who offer health insurance to active employees to also offer health insurance to retirees and vested employees. Additionally, the measure creates an open enrollment period for retirees whose employers had withdrawn from OSEEGIB but are now participating in OSEEGIB.

Other bills impacting OSEEGIB and the Oklahoma State Employees Benefits Council (EBC) are as follows:

- ▶ **SB 412** allows statewide nonprofit entities that receive state funds and provide legal services at no cost to low income and senior citizens to participate in OSEEGIB and requires all groups that participate in OSEEGIB to include all their members;
- ▶ **SB 636** amends the administrative hearing process on claims with the EBC to enable persons whose claims have been denied to have a hearing before the EBC executive director or a hearing officer designated by the executive director; and
- ▶ **SB 354** tightens up eligibility provisions for vision care providers to participate in the state's vision care programs by not permitting providers to be double counted and excluding optical shop and retail optical locations from the count.

Several significant amendments impacting OPERS are contained in **SB 643**. The major change is phasing in an increase in contribution rates for state and local governments after July 1, 2006. For state agencies, the rates will increase from 10 percent of compensation to 16 percent after July 1, 2011. For local governments, employer and employee contribution rates increase from 13.5 percent to 19.5 percent after June 30, 2012. Starting January 1, 2004, nonelected OPERS members may elect to increase their retirement benefit for subsequent credited years of service from the present 2 percent to 2.5 percent of the final average salary by increasing the employee contribution by 2.91 percent. The bill also allows members to purchase an additional two years of service credit at its actuarial value when the members reach their normal retirement dates. OPERS statutes are brought into compliance with federal laws in **HB 1647**, and the bill limits military service credit earned by any member of the various state pension systems to only one system.

Several measures enable state employees to transfer their pension system coverage. **SB 281** keeps criminalists at the Oklahoma State Bureau of Investigation in the Oklahoma Law Enforcement Retirement System (OLERS) even if they are not commissioned law enforcement officers. **SB 408** provides that active lake patrolmen and dispatchers at the Grand River Dam Authority can elect to become members of OLERS by January 1, 2004. Contributions will be transferred from OPERS to OLERS for those who elect this option.

The Legislature created back drop provisions for members in the Oklahoma Firefighters Pension and Retirement System in **HB 1464** and the Police Pension and Retirement System in **SB 668**. The back drops allow members who are eligible to retire to instead elect to continue working and to have one-half of the employers' contribution placed into an interest-bearing account by the systems on behalf of the members. This can occur for up to five years, during which the members make no retirement contributions of their own.

In addition to the back drop change, the Legislature addressed the Oklahoma Firefighters Pension and Retirement System in two bills. **SB 286**:

- Extends the amortization period for the system's unfunded liability from 15 to 30 years;

- Allows a retired firefighter to continue receiving a retirement benefit and be employed as a firefighter in a participating municipality as long as the position is not covered by the retirement system;
- Allows death benefits of unmarried firefighters to go to their children's legal guardian or trustee for the benefit of their children; and
- Directs that benefit payments to alternate payees due to a domestic order shall be reinstated to the members at the death of the alternate payee.

SB 639 and **SB 665** bring the pension system into compliance with federal law. **SB 639** allows the executive director of the Oklahoma Firefighters Pension and Retirement System to require a second physical/agility test for firefighters before they can be approved for membership in the system. **SB 665** allows a member who elected to participate in the system's deferred option program to receive retirement benefits and be re-employed by a participating municipality as a police chief or in another position not covered by the retirement system. **SB 643** prohibits municipalities with fewer than six police officers from hiring officers over 45 years of age who have never been a member of the Police Pension and Retirement System.

County retirement systems are addressed in **HB 1301**. Members of county retirement system boards of trustees who are not county officers, county employees, or members of the retirement system may now be paid \$50 for attending board meetings. The bill also restricts conditions under which a county employee can obtain up to four years of credit for elected service at a municipal or state level and enables members to receive credit for years as a member of OPERS through the transfer of contributions from that system to the county system.

Government and Procedures

The Governor's cabinet system and online purchasing of state products were among the many issues addressed by the Legislature. **SB 19** makes the cabinet system optional, and **SB 675** provides that, if a Governor chooses to have a cabinet, the number of cabinet departments can be fewer than ten. Previously, Governors were required to establish between ten and fifteen cabinet departments. The measure also allows the Governor's personal assistant to be reimbursed for actual travel costs when attending official functions at the Governor's request.

With the enactment of the Oklahoma Online Bidding Act in **HB 1329**, the Department of Central Services (DCS) and vendors will be able to use the Internet in letting state procurement contracts. The Central Purchasing Act is also amended by two other measures. **SB 646**:

- Allows the State Purchasing Director to approve state agencies' use of federal procurement contracts;
- Encourages the implementation of energy cost-saving initiatives and entering into contracts for that purpose;

General Government

- Creates the Contract Management Revolving Fund for DCS for the deposit of monies received from rebates and other forms of payment from vendors for contract management services; and
- Authorizes the Department of Human Services to enter into professional service contracts with former state employees for computer development support and network engineering.

The second measure, **HB 1393** requires the State Purchasing Director to verify with the Secretary of State that vendors for contracts of \$25,000 or more have registered to do business in the state and are paying their franchise taxes before contracts can be awarded.

Insurance carriers and bonding and surety companies involved in public construction projects will in the future be able to prequalify under the Public Construction and Bidding Act as a result of **SB 246**. Other provisions of the bill include clarifying the DCS rulemaking authority regarding state agency acquisitions, contracts, and contract management procedures and allowing the Construction and Properties Division at the DCS to charge state agencies reasonable fees for contract management duties.

In order to offset budget cuts at the DCS, **HB 1171** enables the agency to use monies from a variety of sources for agency support. The bill exempts from the statutory sealed bid process the sale or exchange of real estate or personal property between state agencies. **HB 1171** also creates a nonprofit Friends of the Capitol organization to raise monies for the preservation and enhancement of the Capitol Building and capitol complex. Projects sponsored by the organization are to be accomplished in cooperation with the Capitol Preservation Commission and the Department of Central Services.

Counties, schools, universities, political subdivisions and other government entities are required to purchase goods and services offered by the Oklahoma Correctional Industries (OCI) under provisions of **HB 1279**. The entities would be required to use OCI goods or services if the product or service is the lowest and best bid available.

The Oklahoma Privatization of State Functions Act is the subject of **HB 1115**. The bill:

- Details what is to be considered in cost analyses that agencies are required to provide when considering the privatization of a state activity valued at \$100,000 or more;
- Requires agencies to gather more information about vendor history and develop a plan in case the state is required to assume the performance of a function that has been privatized; and
- Stipulates that privatization contracts shall have performance provisions and a provision requiring vendors to employ former state workers terminated due to the privatization.

Last year's State Supreme Court ruling that the Legislative Bond Oversight Commission was unconstitutional was the impetus for **SB 722**. The ruling, by operation of law, caused the termination of the Executive Bond Oversight Commission in favor of the Council of Bond Oversight. In addition to amendments to address the change, SB 722 establishes the Office of the State Bond Oversight Advisor as a separate state agency and clarifies that agencies do not need approval from the Legislature for issuing refunding bonds for refinancing of bonds, provided that the refunding is approved by the State Bond Advisor and the Council of Bond Oversight. A second significant bond-related bill is **SB 200**, which authorizes the Oklahoma Building Bonds Commission and the Oklahoma Capitol Improvement Authority to refinance existing bond obligations thus taking advantage of the current favorable bond market.

SB 395 makes major changes to the Oklahoma Open Meeting Act due to concerns over access to information relating to terrorist threats. The legislation allows a variety of matters under consideration by a public body to be discussed in executive session and allows many of the records associated with related matters to be treated confidentially under the Oklahoma Open Records Act.

The divisive issue of the raising of the Confederate battle flag as one of the 14 historic flags in front of the Capitol Building was addressed by **HB 1007**. The resolution of this issue entails the display of the historic flags outside the new history museum, including the flag originally adopted by the Confederacy (which does not resemble the battle flag) and authorizes the Governor to decide whether the American, state, centennial, ex-prisoner of war, or a combination of those flags will be flown in front of the capitol.

In other bills affecting state government operations:

- ▶ **HB 1512**, an emergency management bill, includes amendments to the Oklahoma Civil Defense Act of 1957, now renamed as the Oklahoma Emergency Management Act of 2003, by invoking provisions in the event of man-made disasters for interim successor appointments to state legislative, certain executive and judicial offices;
- ▶ **HB 1114** allows vendors with authorized payroll deductions from the Office of State Finance to receive reasonable access to state employees;
- ▶ **SB 318** modifies the publication notice requirements imposed on the Commissioners of the Land Office when it sells oil and gas or other mineral leases and authorizes the commission to pay any required real estate appraiser license fees for its employees; and
- ▶ **HB 1556** clarifies that the Office of Personnel Management is to provide staff assistance to the Oklahoma Commission on the Status of Women and creates a revolving fund for gifts to the commission in order to support its activities.

County and Municipal Government

Several measures were enacted this session relating to local government finance. **HB 1724** modifies the Municipal and County Economic and Community Development Bonds Act as a result of voter

approval of constitutional amendments in the November 2002 General Election. This measure defines qualified economic or community development purposes for the use of bond proceeds, and amends the Local Development Act to allow capital costs associated with private buildings to be part of project costs. This act was further amended in **SB 671** by providing that the project area in which development activities occur may be coextensive or larger than the increment district and defines project costs to mean expenditures that are listed as costs of and incidental to planning, approval and implementation of the project plan.

SJR 12 (State Question 707) proposes to amend the Oklahoma Constitution, as it relates to tax increment financing, to allow apportioned tax increments to be pledged beyond the current fiscal year for the repayment of indebtedness. **SB 545** specifies that a municipal governing body that levies a license tax on licensed plumbing, electrical and mechanical contractors may only assess the tax on the licensed contractor and cannot levy the tax on a licensed journeyman or apprentice. **HB 1356** allows county sales tax revenues to be used for projects owned by the state, the county or any political subdivision located within a county, for regional development or for common education.

Several other measures were enacted that relate to a municipality's authority regarding municipal limits and the use of land and structures within the municipality:

- ▶ **SB 274** requires a city, in any annexation plan, to extend municipal services to the proposed annexed territory within 120 months from the date of annexation unless a different time period is agreed to by the property owners and the municipality. The measure also exempts parcels of land of five acres or more used for agricultural purposes and annexed into the municipal limits from ordinances restricting land use and building construction to the extent the land is used for agricultural purposes;
- ▶ **HB 1072** specifies that a municipality with a population of 350,000 or more has the authority to enact ordinances regulating real property belonging to the municipality that is outside its corporate limits. Any violation of state or municipal law occurring on such property will be prosecuted in the district court of the county or the municipal court of the local city where the violation occurred;
- ▶ **SB 279** authorizes municipalities to establish specific use permit ordinances;
- ▶ **SB 213** allows a municipality to issue a tax warrant against each separate lot that was actually abated in a case where a municipality has abated any public nuisance in accordance with state law or municipal ordinance. In addition, this measure exempts churches located within an improvement district from paying the required assessment; and
- ▶ **HB 1686** standardizes the appeals procedures for municipal dilapidation orders, building and zoning matters and municipal regional planning commission orders.

In another measure affecting municipalities, **HB 1089** reduces the time period from at least six months to 90 days during which property or money in the custody of the police chief may be disposed and increases the minimum value of unclaimed property from \$25 to \$100 for which the

last owner receives notice of hearing by certified mail. **HB 1583** provides an alternative method for selecting municipal jurors through the use of mechanical or electronic means.

In the county government area, three measures were passed relating to the use of county-owned equipment. **HB 1149** allows the board of county commissioners to utilize county-owned equipment on property owned by state two-year colleges, while **SB 237** allows the cost of county-owned machinery used to make improvements on school grounds to be billed to the requesting school district. **SB 531** authorizes county commissioners to construct, repair or maintain any streets of a municipality having a population of 15,000 or less if a local sales tax has been passed and the proceeds are earmarked for these purposes. The measure also allows the board of county commissioners in a county with a population of 500,000 or more which has a county planning commission to adopt building and fire codes for unincorporated areas within the county.

In other measures relating to county government:

- ▶ **HB 1139** authorizes the board of county commissioners in a county with a population of more than 500,000 to set a curfew that will apply to juveniles in all unincorporated areas of the county;
- ▶ **HB 1145** allows the board of county commissioners in a county with a population of more than 500,000 to employ an Oklahoma-licensed allopathic or osteopathic doctor to provide medical services for indigent patient care and care for adult and juvenile offenders;
- ▶ **SB 436** authorizes a county sheriff to enter into a private contract to establish an automated telephone system which would notify persons of their outstanding misdemeanor warrants; and
- ▶ **SB 534** allows all plats to be filed in digital electronic format with the county assessor and provides a penalty in the form of loss or denial of CLEET certification for county sheriffs who fail to attend the sheriff's administrative school.

Veterans and Military

Lawmakers enacted several bills during the 2003 session in a continued effort to pay respect to and address the needs of Oklahoma's veterans and military personnel. Measures regarding veterans relate to inspections of veterans centers, financing of capital projects, and various remembrances honoring veterans and military actions. Legislation designed to protect the state's military bases against future rounds of federal base closures is addressed in the Business and Finance section.

HB 1193 appropriates \$1,000,000 for the new 200-bed Lawton/Ft. Sill Veterans Center. This funding, along with an additional \$2,000,000 appropriated in **SB 50**, will allow this center to open and admit residents beginning October 1, 2003.

In an effort to eliminate duplication regarding the inspection of Oklahoma veterans centers, **HB 1034** exempts these facilities from the state's Nursing Home Care Act. Prior to the passage of **HB 1034**, the Oklahoma State Department of Health (OSDH) and the U.S. Department of Veterans Affairs

(USDVA) both conducted inspections at veterans facilities across the state. The chart below reflects the location and number of beds available in each facility.

Veterans Centers

Location	Beds	Occupancy Rate
Ardmore	175 beds plus 10 domiciliary beds	98%
Clinton	145	99%
Lawton/Fort Sill*	200	
Norman	301	96%
Talihina**	184	82%
Claremore	302	96%
Sulphur	132 plus 10 domiciliary beds	98%

* Opens 10-1-03

**Lower rate due to renovations

Another bill, **HB 1126**, extends from July 1, 2003, to July 1, 2008 the date whereby Oklahoma Department of Veterans Affairs (ODVA) is authorized to issue, or cause to be issued by a public trust, a bond or other evidence of indebtedness. This would allow ODVA to have a method of financing capital projects not otherwise fully funded by a combination of state-appropriated funds and federal funds. The bill ensures that ODVA can continue to meet life safety code standards in each facility. A related bill, **SB 376**, clarifies current law to allow proceeds from the use, sales, or lease of properties under the Oklahoma War Veterans Commission to be directly deposited into an ODVA revolving fund for capital projects outlay without specific legislative action on each deposit.

In other bills important to veterans:

- ▶ **HB 1368** makes it a crime to maliciously destroy, deface or remove veteran grave markers. The bill also specifies that anyone knowingly buying, selling or bartering for profit any veteran marker from any war grave is guilty of a misdemeanor;
- ▶ **SB 380** designates portions of Interstate Highway 40 as the Purple Heart Trail; and
- ▶ **SB 280** designates certain portions of State Highway 77 as the Pearl Harbor, USS Oklahoma Memorial Highway.
- ▶ **HCR 1004** encourages the Oklahoma State Regents for Higher Education to review its policies on residency for tuition, scholarship and financial aid purposes to assist military dependents;
- ▶ **HCR 1020** memorializes the President, Vice President, and Congress to continue to provide veterans with certain program services and benefits;
- ▶ **HR 1016** expresses gratitude for the American and allied forces in the war with Iraq; and
- ▶ **SCR 13** supports our troops in Iraq and praises deployed military personnel from Oklahoma, as well as activated members of the Oklahoma National Guard and Reserve.



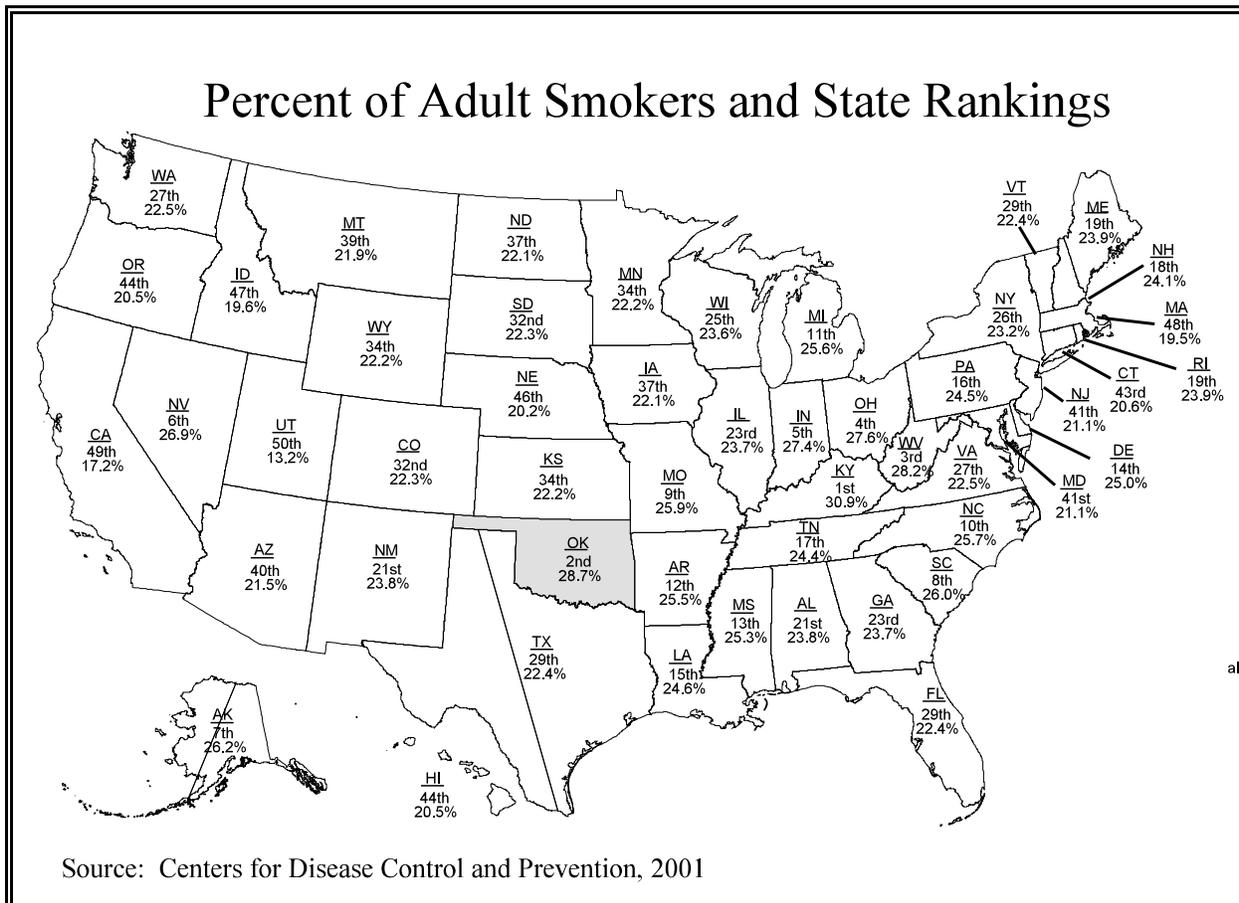
Health and Mental Health

Health

The most significant legislation enacted during the 2003 legislative session that related to health policy dealt with prohibiting smoking in most public places. Other significant issues that were addressed included restoring Medicaid services that had been reduced due to budget constraints and improving access to health care. A number of important measures also dealt with health-related professions and occupations. Legislation restructuring state oversight of health maintenance organizations is discussed in the Business and Finance section. Legislation establishing the state's response to health epidemics is addressed in the Homeland Security and Public Safety section.

Tobacco

After several years of contentious debate, an agreement to restrict smoking in most public places was finally reached this session. **SJR 21** will prohibit smoking in most indoor workplaces beginning



September 1, 2003. SJR 21 amends the Smoking in Public Places Act by making all indoor work places, unless exempted, smoke-free.

Exemptions from the no-smoking standard are made for:

- Stand-alone bars, stand-alone taverns and cigar bars that derive more than 60 percent of their gross receipts from the sale of alcoholic beverages and low point beer and where no one under 21 years of age is admitted, except for members of a musical band hired to play in such an establishment. The stand-alone bars, taverns and cigar bars cannot be located within and cannot share any common entryway or common indoor area with any enclosed indoor workplace, including a restaurant;
- The room or rooms where licensed charitable bingo games are being operated during the hours of operation of such games;
- Up to 25 percent of the guest rooms at a hotel or lodging establishment;
- Retail tobacco stores predominantly engaged in the sale of tobacco products in which no food or beverage is sold for consumption on the premises;
- Workplaces in which only the owner or operator of the workplace, or the immediate family of the owner or operator, performs work, and the workplace has only incidental public access;
- Workplaces occupied exclusively by one or more smokers if the workplace has only incidental public access;
- Private offices occupied exclusively by one or more smokers;
- Workplaces within private residences, except that smoking is prohibited inside a private residence where a licensed child care facility is operated during the facility's hours of operation;
- Medical research or treatment centers if smoking is integral to the research or treatment;
- A tax-exempt facility operated by a post or organization of current or former members of the Armed Forces of the United States utilized exclusively by its members and their families, except during an event or activity that is open to the public;
- Any outdoor seating area of a restaurant, provided that smoking is not allowed within 15 feet of any exterior public doorway or air intake; and

- Smoking rooms provided by an employer, unless otherwise prohibited by law, where no work is performed and the smoking room is fully enclosed and exhausted directly to the outside in such a manner that no smoke can enter a nonsmoking area.

Until March 1, 2006, restaurants may continue to have designated smoking and nonsmoking areas or they may be designated completely nonsmoking. Beginning March 1, 2006, restaurants must be completely nonsmoking or may provide nonsmoking areas and smoking rooms that meet construction and ventilation requirements where food and beverages may be served.

SJR 21 also requires that all buildings owned or operated by a county or municipal government be designated as entirely nonsmoking or may be designated as nonsmoking with one designated smoking room. Finally, the bill prohibits the State Department of Health from promulgating rules that would impose liability on the owner or operator of any facility for the violation of a provision of the Smoking in Public Places Act by a person who is not an employee of the owner or operator.

A measure designed to restrict youth access to tobacco, **HB 1814**, was enacted in response to the increased use of the Internet and mail system to sell, buy and deliver cigarettes. The measure specifically prohibits the sale and delivery of cigarettes to underage individuals and requires that, prior to the initial delivery sale of cigarettes to a consumer, confirmation be provided verifying that the purchaser is of legal age. The measure also closes the cigarette tax loophole inherent in Internet sales by requiring that each person who accepts a purchase order for a delivery sale of cigarettes collect and remit all applicable taxes to the Oklahoma Tax Commission.

HB 1359 amends the formula for determining the amount of money that tobacco companies which did not participate in the tobacco Master Settlement Agreement must keep in their escrow accounts in the event the state seeks damages against the companies in the future. The provisions of the bill will effectively increase the escrowed funds, but will not take effect until January 1 of the year after 25 states have enacted similar amendments.

Following the defeat by voters of a state question that would have modified constitutional provisions for allocating monies from the Tobacco Settlement Endowment Trust Fund that could lead to peaks and valleys associated with the performance of the economy, the Legislature passed **HB 1457**. The most important change is to clarify that earnings that can be assessed for expenditure by the fund's Board of Investors and Board of Directors is based on dividends and interest earned from investments and money management fees.

Access to Care

In an effort to address unreimbursed health care costs, **HB 1713** creates the Oklahoma Community Hospitals Public Trust Authorities Act. The measure authorizes one or more hospitals located within a county or an adjacent county or counties and a municipality to create a public trust for the purposes of:

- Securing funding for health care, including care for medically indigent persons;

Health and Mental Health

- Maximizing coordination of health care services; and
- Providing for supplemental Medicaid programs.

To qualify, a hospital must expend at least \$50,000 annually providing health care to medically indigent persons and provide a system of inpatient and/or outpatient care, trauma care and emergency care services that is not limited to a specific facility or modality of health care.

In an effort to reduce the number of Oklahomans who do not have health care coverage, **SB 610** creates the Oklahoma Medicaid Program Reform Act of 2003. Because current federal law acts as a barrier to providing Medicaid benefits to the uninsured, the bill directs the Oklahoma Health Care Authority (OHCA) to apply for a waiver or waivers to the federal Centers for Medicaid and Medicare Services. If approved, the waiver would enable OHCA to increase access to health care coverage for the uninsured by:

- Reforming the Oklahoma Medicaid program to promote personal responsibility and the appropriate utilization of health care benefits through the use of cost sharing;
- Purchasing health care coverage using buy-in arrangements for small employers and/or voucher arrangements for employer-sponsored insurance purchasing; and
- Developing flexible health care benefit packages based upon patient need and cost.

The measure also authorizes the OHCA to establish co-payments, premiums and enrollment fees, and to establish a policy for those Medicaid-eligible persons who will not be responsible for co-payments, premiums or enrollment fees.

Professions and Occupations

Two measures resulted from several years of negotiations between dentists and dental hygienists on the scope of practice for dental hygienists. **HB 1443** expands the types of procedures that a dentist may delegate to a hygienist, and **HB 1445** allows dental hygienists, for the first time, to practice outside of a dental office in the following places:

- Federal, state or local public health facilities;
- Private health facilities;
- Group homes or residential care facilities;
- Hospitals;
- Nursing homes;

**States with Highest
Percentage of Population
Without Health Insurance
2001**

State	% Total Population Uninsured
Texas	23.5
New Mexico	20.7
California	19.5
Louisiana	19.3
Oklahoma	18.3
Arizona	17.9
Florida	17.5
Georgia	16.6
Mississippi	16.4
Nevada	16.1
US Average	14.6

*Source: Governing, State and
Local Sourcebook 2003*

- Penal institutions;
- Public or private schools;
- Private residences of patients of record;
- Accredited dental colleges;
- Accredited dental hygiene programs; or
- Other places authorized by the rules of the Board of Dentistry.

Partly as a result of the scandal involving a Georgia crematorium where more than 300 unburied bodies were discovered, **HB 1270** was enacted to provide more accountability for funeral homes and crematoriums in Oklahoma. To ensure more rigorous accountability for careful handling of human remains, the bill prohibits a funeral director from:

- Knowingly and willfully signing a certificate of having embalmed, cremated or prepared a dead human body for disposition when the services were not performed as indicated;
- Simultaneously cremating more than one dead human body without express written approval of the authorizing agent; and
- Cremating human remains without the required permit.

Other conditions under which a funeral director's license may be revoked include soliciting business from a dying individual or the relatives of a deceased person or a person with a terminal condition other than through general advertising and advertising funeral services at a location that is not licensed.

The measure requires continuing education courses be completed as a condition of renewal or reactivation of a funeral director license and prohibits funeral establishments from:

- Doing business in a location that is not licensed as a funeral establishment;
- Advertising a service that is available from an unlicensed location;
- Advertising itself by a name other than the name the establishment is licensed under.

Finally, the measure renames the state oversight agency as the Oklahoma Funeral Board, increases certain fees and adds new fees related to licenses, registrations and examinations required by the Funeral Services Licensing Act.

In other health-related professions and occupations measures:

- ▶ **HB 1526** restricts pharmacists to administering therapeutic injections only as prescribed by a licensed physician;

- ▶ **HB 1140** authorizes the issuance of a special volunteer medical license for retired physicians and dentists who wish to continue providing medical and dental care to the indigent and other needy persons. The annual license is issued at no cost and without any continuing education requirements;
- ▶ **SB 561** allows physical therapists to provide physical therapy services without a physician referral to children who receive physical therapy services pursuant to the Individuals with Disabilities Education Act;
- ▶ **HB 1502** prohibits the dispensing, supplying, or otherwise applying of corrective or cosmetic contact lenses without a prescription issued by a licensed professional;
- ▶ **SB 678** makes it a misdemeanor to provide false information about a criminal conviction on the uniform employment application for nurse aides, punishable by a fine not to exceed \$500, imprisonment in the county jail for a term of not more than one year, or by both fine and imprisonment; and
- ▶ **SB 340**, among other provisions, authorizes the State Department of Health to approve, by reciprocity, applicants for certification to perform medical micropigmentation upon recommendation of the Medical Micropigmentation Advisory Committee and provided applicants meet requirements for certification.

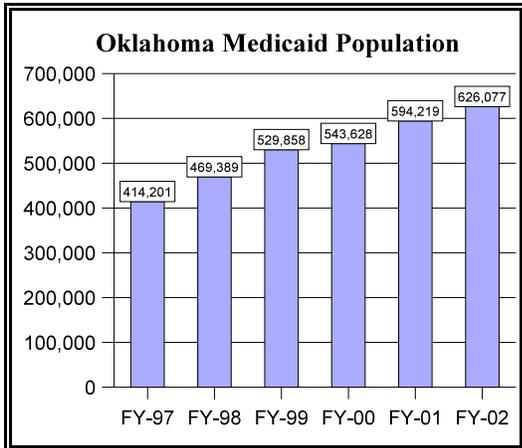
Immunizations

SB 787 requires students who are first-time enrollees in any public or private postsecondary educational institution and who reside in student housing to be vaccinated against meningococcal disease unless the student's parent or guardian or the student, if 18 years of age or older, signs a written waiver stating that the individual has chosen not be vaccinated. This measure is discussed in greater detail in the Education section.

HB 1099 requires the State Department of Health to offer a vaccination program for first responders who may be exposed to infectious diseases while deployed to bioterrorism attacks, terrorist attacks, catastrophic or natural disasters and other emergencies.

Oklahoma Health Care Authority

In an effort to help restore the reductions in Medicaid services made by the Oklahoma Health Care Authority (OHCA) during the last two years, **HB 1017** requires the agency to impose a quality assurance assessment fee on each health maintenance organization (HMO) having a Medicaid managed care contract with the state that is administered by the OHCA. The fee will equal 6 percent of the annual non-Medicare premiums collected by an HMO. The measure also provides for assessing a penalty equal to 5 percent of the quality assurance assessment for each month that the HMO fails to pay the assessment, not to exceed 50 percent of the total assessment. **HB 1246** transfers \$7.2 million from the Department of Human Services to the OHCA to help restore Medicaid services to children, pregnant women, the elderly and people with disabilities. The chart on the following page reflects Medicaid enrollment increases from FY-97 through FY-02.



Source: OHCA

Miscellaneous Health-Related Measures

SB 591 was enacted in response to a growing need among the terminally ill population – that of requiring more services than in-home hospice care can provide but not wanting to go to a hospital for end-of-life care. The measure amends the Oklahoma Hospice Licensing Act by creating a hospice inpatient facility provision. The bill gives the OSDH the authority to establish and enforce standards and requirements for hospice inpatient facilities and allows the OSDH to implement a construction plan review fee for such facilities.

HB 1442 requires a nursing facility to report the following serious incidents to the OSDH with 24 hours:

- Communicable diseases;
- Deaths by unusual occurrence;
- Missing residents, in which case the facility must also report to law enforcement within two hours if the resident is still missing;
- Situations arising where criminal intent is suspected, in which case the facility must also report to law enforcement; or
- Resident abuse and neglect and misappropriation of a resident’s property.

In an effort to increase the public’s awareness about the importance of becoming an organ donor, **SB 586** establishes an organ, eye and tissue donor registry to be known as the Life Share Donor Registry. The registry will be administered by a federally designated organ procurement organization and will maintain the names of Oklahomans who have indicated a willingness to be an organ, eye or tissue donor. Some requirements of the registry include:

- Placing limitations on the access to and use of the registry and ensuring confidentiality;
- Establishing a 24-hour toll-free telephone number where the public can obtain information on becoming an organ, tissue or eye donor;
- Establishing an online donor registration process and a procedure for a donor who has registered online to sign a confirmation card that will be returned to the designated organ procurement organization and made part of the registry record; and

- Collaborating with the Department of Public Safety (DPS) to transmit information stored in driver license data banks from DPS to the Life Share Donor Registry.

Finally, the bill authorizes a minor, with the consent of the minor's parent or legal guardian, to declare the minor's intent to be an organ, eye or tissue donor on any form of donor registration, but provides that the declaration does not constitute consent until the minor turns 18 years of age.

SB 621 modifies the method of disbursement of funds in the Trauma Care Assistance Revolving Fund by requiring that any monies used for the treatment of Medicaid-eligible patients that are subsequently used to establish federal matching fund requirements also be reimbursed to eligible trauma facilities and ambulance services. The measure also establishes the Task Force on Hospital Emergency Services and Trauma Care for the purpose of studying the availability and delivery of hospital emergency services and trauma care in the state and making recommendations for statutory changes.

In other health-related measures:

- ▶ **HB 1145** authorizes the board of county commissioners of any county in the state that has a population greater than 500,000 to employ a licensed physician to provide medical services for indigent patients and for adult and juvenile offenders;
- ▶ **SB 340** makes it a crime to create, issue, present or possess a fictitious or altered birth, death, or stillbirth certificate or to apply for or obtain any one of those certificates under false pretenses;
- ▶ **SB 455** increases the cost to obtain copies of medical records from 25 cents per page to \$1 for the first page and 50 cents for each subsequent page and provides that an individual's legal representative may obtain access to the records;
- ▶ **SB 680** creates the Oklahoma Task Force to Eliminate Health Disparities, which will make recommendations on ways to eliminate health and health access disparities in Oklahoma among multicultural, disadvantaged and regional populations;
- ▶ **SB 785** directs the State Commissioner of Health to convene a task force to make recommendations for a program to increase awareness, knowledge and understanding of Hepatitis C in Oklahoma; and
- ▶ **SB 830** directs the Oklahoma Health Care Authority to participate in the purchase of pharmaceuticals available through multistate or multigovernmental contracts.

Mental Health

The most significant issue related to mental health policy for this session was finding new methods to increase funding for substance abuse treatment programs. Other measures address limiting youth access to beer and add patient-friendly provisions to mental health statutes.

HB 1106 raises the cost of a three-year permit to sell low-point beer by \$100 for permits issued after July 1, 2003, and by \$200 for permits issued after July 1, 2006. The bill establishes a Community-based Substance Abuse Revolving Fund and directs that the revenue generated by the fee increases be deposited into the fund to be used by the Department of Mental Health and Substance Abuse Services (DMHSAS) to contract with private and tribal providers to deliver treatment, counseling and rehabilitation services to alcohol and drug-dependent persons. **SB 46** requires a person who has been found guilty of driving under the influence of alcohol or drugs or guilty of possession, distribution or manufacturing of drugs to pay a \$100 assessment. Monies collected from the assessment will be deposited in the Drug Abuse Education and Treatment Revolving Fund within the DMHSAS.

Another measure, **HB 1014**, intended to prevent the sale of beer kegs to minors and to discourage adults from purchasing kegs for minors, requires licensed retail sellers of beer kegs to attach identification seals to kegs that are sold for off-premises consumption. The bill requires retailers to keep a record with certain information about the purchaser of a keg for one year after the date of the sale and prohibits any person other than a licensed retailer, wholesaler, law enforcement officer or an agent of the Oklahoma Beverage Laws Enforcement Commission from intentionally removing the identification seal from a keg. HB 1014 is also discussed in the Business and Finance section.

Two measures build upon changes made in the adult and child mental health statutes last session.

HB 1266 makes additional changes to the adult mental health law. Significant provisions of the measure include:

- Providing that persons who have received mental health or drug or alcohol abuse treatment services are entitled to personal access to their treatment records unless access to those records is reasonably likely to endanger the life or physical safety of the patient or another person, pursuant to federal law;
- Increasing the enrollment fee for a DUI course from \$85 to \$150 for a 10-hour course and from \$250 to \$360 for a 24-hour course;
- Requiring the Board of Mental Health and Substance Abuse Services to establish application fees of no less than \$100 and no more than \$200 for the initial certification of instructors of DUI courses and not less than \$25 or more than \$50 for annual renewal; and

**The Economic Impact of Untreated
Substance Abuse in Oklahoma**

Not surprisingly, chronic drinkers and users of illegal substances have a lower workplace productivity rate than nonusers, according to the report of the Oklahoma Governor's Task Force on Substance Abuse released in 1998. The report estimates that drinkers have a 21 percent lower productivity rate than nondrinkers and that this productivity rate may be similarly applied to illegal substance abusers. The task force report estimates, conservatively, that about 10 percent of the value of the state's labor force is lost through substance abuse. Specifically, alcohol costs the state economy about \$3.6 billion annually, and illegal substance abusers have a loss of productivity valued at approximately \$2.1 billion.

- Increasing to \$175 the fee for those undergoing an alcohol and drug assessment and evaluation related to driver license revocation and directing that 10 percent of the fee be remitted to DMHSAS for the purpose of providing substance abuse treatment to the indigent.

SB 674 makes additional changes to the children's mental health code. Provisions include requiring a medical necessity review at the time of application for inpatient commitment of a minor and every 30 days during the time the minor is in inpatient treatment. Finally, the bill provides that a minor may be detained on an emergency basis for up to five days without a pre-hearing detention order. Another measure, **HB 1103**, provides that a person who has a mental illness and is under the care of a licensed mental health professional has the right to designate a treatment advocate who may participate in the treatment planning and discharge planning of the patient.

Finally, **SB 484** makes changes to the Social Worker's Licensing Act. Key provisions of the measure include:

- Requiring a minimum of 16 hours of continuing education for renewal of a social worker license;
- Giving the State Board of Licensed Social Workers the authority to establish the licensure fee;
- Authorizing the board to defer action regarding a social worker who is impaired by mental illness or substance abuse and to require treatment prior to granting permission for the social worker to resume his or her practice;
- Requiring a licensed social worker to report to the board a colleague believed to be violating the provisions of the Social Worker's Licensing Act or rules promulgated by the board; and
- Requiring that supervision for licensure be provided by a licensed social worker who has been approved by the board.



Homeland Security and Public Safety

Homeland Security

Several measures were enacted this session to address continuing national concerns with terrorism and the security of our nation. Issues relating to emergency preparedness and the state's response to catastrophic events were also focused upon by the Legislature.

Statutes establishing the state's emergency response plan received their first major revamping since the 1960's with the passage of **HB 1512**, which updates the existing framework of emergency management to better reflect the tumultuous times. In much the same way that the Cuban Missile Crisis led legislatures across the country to create preparedness plans for nuclear fallout, the nation's continued concerns over national security have forced legislatures to examine the application of emergency management to terrorist acts. The measure makes modifications to reflect the additional requirements placed upon the Oklahoma Department of Emergency Management and requires all state entities to have written plans and procedures in place to protect employees and visitors from natural and man-made disasters. Finally, the act streamlines the interim successor appointments of certain public officials.

Another measure, **HB 1467**, enacts the Catastrophic Health Emergency Powers Act to assist state and local governments in protecting citizens in the event that the state is affected by a major health epidemic. The measure creates the 20 member Oklahoma Catastrophic Health Emergency Planning Task Force which is directed to develop a comprehensive plan to provide for a coordinated response to any bioterror attack on the state. The bill also requires health professionals to notify state officials of unusual illness clusters or other health conditions which could be a potential cause of a health emergency. **HB 1099** requires the Oklahoma State Department of Health to offer a vaccination program for first responders who may be exposed to infectious diseases while deployed to bioterrorism attacks, terrorist attacks, catastrophic or natural disasters and other emergencies.

Concerns that information regarding the state's critical infrastructure could be attained and used by terrorists led to the enactment of **SB 395** which adds exemptions under which a public body may hold executive sessions. The measure allows a public body to meet in executive session if the group is discussing:

- Investigations of plans or schemes to commit an act of terrorism;
- Assessments of the vulnerability of government facilities to terrorism;
- Plans for terrorism prevention;

- Plans for response or remediation after an act of terrorism;
- Certain information technology of the public body; or
- Investigations of an act of terrorism.

The Department of Public Safety (DPS) is authorized in **HB 1313** to establish a Bomb Squad Section within the Highway Patrol Division. The measure gives DPS regulatory jurisdiction over the transportation, construction, intentional storage and use of any explosive which is not subject to the regulatory authority of another state agency. The measure also allows the Council on Law Enforcement Education and Training (CLEET) to create a Drug Dog Advisory Council and a Bomb Dog Advisory Council to establish minimum standards for drug and bomb dogs used by DPS, police departments, sheriff offices and university police. CLEET is also authorized to collect a fee of \$200 for the certification of bomb and drug dog teams with an annual recertification fee of \$100 for each team.

Public Safety

Budget shortfalls, identity theft, and speed traps were significant topics addressed by the Legislature this session. The necessity of reducing the state budget led many agencies to anticipate furloughing employees, and the DPS was no exception. DPS contemplated furloughing troopers for up to 23 days during the next fiscal year due to budget constraints. To minimize the impact of furloughs on public safety, the Legislature temporarily increased license tag fees by \$2 with the enactment of **HB 1237**. The measure authorizes the collection of a \$2 fee on every vehicle registered between September 1, 2003 and August 30, 2005, to be deposited in the DPS Revolving Fund. It is estimated that \$6.6 million will be generated each year the fee is in place.

Identity theft continues to be a top concern for law enforcement entities across the state. Because Oklahoma driver licenses are not issued by the same entity which tests applicants, they are easier to falsify. **SB 423** requires every applicant for a driver license to submit to finger scanning to ensure that the person who takes the driver license examination is the same person who applies at the motor vehicle tag agent's office for the actual license. Concerns over the ability to identify persons who wear religious headdress lead to the enactment of **SB 704** which requires photos on driver licenses or identification cards to be full frontal, unobstructed views of the entire face of the applicant. The measure also establishes the procedures necessary for non-U.S. citizens authorized to be in the United States to be issued a driver license or identification card. Finally, the measure allows a person whose driving privilege has been revoked due to noncompliance with child support to be reinstated upon becoming compliant with child support payments.

In other driver license-related legislation, **SB 426** establishes a procedure for court clerks to return information to DPS regarding the status of nontraffic related tickets issued by DPS. Tickets written for such things as drug violations or boating violations are not currently reported back to DPS. The reporting will allow DPS to close those cases. The bill also allows driver license examiners to confiscate documents when those documents are fraudulent or are used by a person not authorized to use the document. Finally, the measure gives the Oklahoma State Bureau of Investigation the

authority to investigate violent crimes on turnpikes. Another bill, **SB 257**, requires the county of residence to be placed on driver licenses to aid counties in determining qualified jurors in the county.

Speed traps were another concern of the Legislature this session. **HB 1456** allows the Commissioner of Public Safety to investigate traffic-related enforcement practices of a municipal law enforcement agency upon request. If requested to do so, the commissioner will determine if the municipal enforcement practices are:

- Within the boundaries of and on the outskirts of the municipality;
- For the purpose of generating more than 50 percent of the revenue needed for the operation of the municipality; and
- Conducted in such a manner so that the preponderance of citations being issued by the municipal law enforcement are for speeding one to ten miles per hour over the posted speed limit.

If these conditions are found to exist, the commissioner will notify the Attorney General, who has 60 days to either agree or disagree with the commissioner's findings. If the Attorney General agrees that the conditions exist, the commissioner is required to designate the highway in question for special traffic-related enforcement and must notify the municipal law enforcement agency that the local agency cannot regulate traffic, nor enforce traffic-related statutes or ordinances, upon the designated highway.

Numerous changes were made to the Oklahoma Self Defense Act and to laws related to the carrying of firearms. **SB 834** allows firearms on school property for recognized firearms sporting events, team shooting programs or living history re-enactments, provided the course or event is approved by the principal or chief administrator of the school. Other persons authorized to possess a firearm in the course of their official duties are also allowed to carry a firearm onto school property. The bill allows a law enforcement officer to issue a \$70 ticket for unlawfully carrying a loaded pistol in the motor vehicle to any person who is stopped pursuant to a moving traffic violation. In another provision, the measure authorizes a person to bring a civil action against a person, municipality or political subdivision if the person's preemptive rights to carry a gun have been violated by another person, municipality or political subdivision. Additionally, carry concealed permit holders are not required to identify themselves to law enforcement as a permit holder if no handgun is in the persons possession or in the vehicle. Finally, the measure requires Oklahoma to honor by reciprocal agreement any valid carry concealed permit lawfully authorized by another state. A related measure, **HB 1433**, allows an applicant to have one year from the expiration of the carry concealed license to comply with renewal requirements.

In other public safety measures:

- ▶ **SB 243** authorizes the Department of Public Safety to enter into contracts to provide information regarding vehicles involved in collisions. The information is limited to a description of the vehicle and the collision;

- ▶ **SB 760** allows a federally recognized Indian tribe to issue vessel registration numbers assigned to boats and creates a criminal penalty for selling an unregistered boat whose hull identification or serial number has been altered or removed;
- ▶ **HB 1053** allows a retired fire marshal to carry a concealed weapon;
- ▶ **HB 1084** requires drivers to devote their full time and attention to driving. Drivers may be issued a citation for inattentive driving if involved in an accident. The measure also prevents a third time DUI offender from having the driver license revocation period modified; and
- ▶ **HB 1782** allows persons involved in a motor vehicle accident to move off of the roadway so that regular traffic flow may be resumed.



Human Services

Policymakers tackled a wide variety of issues during the 2003 session related to the area of human services. Legislation was enacted that impacted grandparents, older Oklahomans, persons with disabilities, vulnerable adults and young children.

Grandparents' Rights

Recent decisions on grandparental visitation rights in the U.S. Supreme Court and Oklahoma Supreme Court basically confirmed parental rights to their children, unless the parents can be deemed unfit. **HB 1259** addresses the difficult issue of grandparent visitation rights. The bill establishes criteria or factors used in determining the best interest of the child which the court can use in granting visitation.

These factors include:

- The motivation and efforts of the grandparent to establish a relationship with the grandchild;
- The motivation of parent or parents denying visitation;
- The mental and physical health of the child, the parents, or the grandparents;
- The home environment of the child; and
- The moral fitness of the parties.

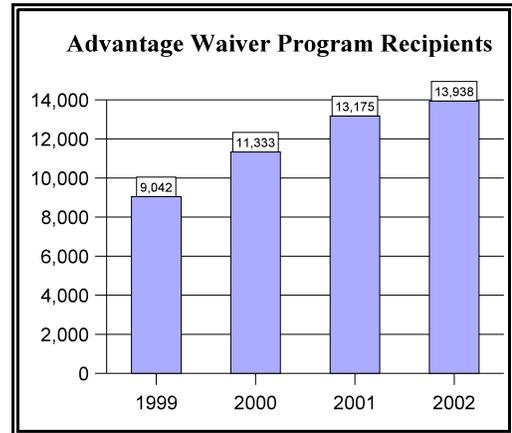
HB 1259 also addresses the issue of parental unfitness or unsuitability which includes evidence that a parent of the child or a person residing with the parent has:

- A chemical or alcohol dependency for which treatment has not been sought or for which treatment has been unsuccessful;
- A history of violent behavior or domestic abuse;
- An emotional or mental illness that demonstrably impairs judgment or capacity to recognize reality or to control behavior;
- Failed to provide the child with proper care, guidance and support to the detriment of the child which include parental indifference and parental influence on the child or lack thereof that exposes the child to unreasonable risk; or

- Demonstrated a conduct or condition which renders the individual unable or unwilling to give a child reasonable parental care including providing nurturing and protection adequate to meet the child's physical, emotional and mental health.

Older Oklahomans

To offset the decision of the Oklahoma State Department of Health (OSDH) to eliminate the Eldercare program, the Legislature appropriated an additional \$1.7 million to the Department of Human Services (DHS) in **HB 1197** to provide Advantage Waiver Program services to some persons previously served by Eldercare. The Advantage Waiver Program provides medical-related services for nursing home-eligible seniors who choose to live in their homes. As the chart reflects, there has been a significant increase over the years in the number of older Oklahomans served by this program.



Source: DHS

SB 589 allows multipurpose senior citizen centers to purchase state surplus properties, such as commodities, equipment or supplies, from the Department of Central Services. The bill also allows the centers to purchase obsolete vehicles from the Department of Transportation.

Persons with Disabilities

SB 45 authorizes the Oklahoma Capitol Improvement Authority to issue bonds in the amount of \$3.5 million to provide funding for completing the construction of a new building for the J.D. McCarty Center for Children with Developmental Disabilities. A companion bill, **SB 44**, allocates \$300,000 to the J. D. McCarty Center for debt service payment on the bonds that were authorized pursuant to SB 45.

Another bill, **HB 1200**, appropriates an additional \$1.1 million to the Department of Rehabilitation Services (DRS) to partially restore vocational rehabilitation services to people with the most severe disabilities. DRS' services had been suspended in December 2002 to all new applicants to the program. A related bill, **HB 1415**, authorizes DRS to establish comparable personnel standards at Oklahoma School for the Blind and Oklahoma School for the Deaf similar to those currently being used by public school district personnel in instructional and administrative areas.

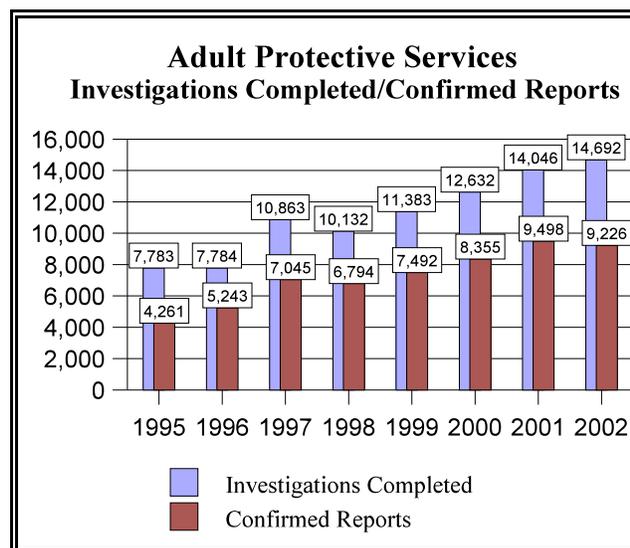
In other disability-related bills enacted this session:

- ▶ **SB 614** clarifies that certain zoning requirements for establishing group homes only apply to those group homes located inside city limits;

- ▶ **SB 561** allows physical therapists to provide physical therapy services to children without a physician referral pursuant to the Individuals with Disabilities Education Act; and
- ▶ **SB 355** authorizes the Oklahoma Tax Commission to design special license plates for motorcycles owned by physically disabled persons.

Vulnerable Adults

As a result of recent changes in the federal Health Insurance Portability and Accountability Act (HIPAA) that restrict access to health-related records without specific statutory authority, **HB 1323** allows state health care professionals, in the event of an adult protective services investigation, to release information necessary to protect the health, safety, and welfare of the vulnerable adult being investigated. The bill also facilitates better cooperation and information sharing between law enforcement and adult protective services employees with regard to an ongoing investigation on a vulnerable adult. The chart depicts the number of investigations completed and the number of cases confirmed from 1999 through 2002 by adult protective services workers.



Source: DHS

A related bill, **HB 1681**, gives authorization to DHS to report investigative findings on a vulnerable adult to any appropriate state licensure or certification board, agency, or registry. The measure allows a vulnerable adult to decide if a caretaker or next of kin is to receive notification of the investigation. Another measure, **SB 631**, establishes a penalty for abusing or exploiting a vulnerable adult. The penalty carries a maximum \$10,000 fine or imprisonment not more than 18 months, or both fine and imprisonment.

Children and Families

After three failed attempts to enact early childhood education legislation, advocates succeeded this session with the passage of **HB 1094**, the Oklahoma Partnership for School Readiness Act. The purpose of the bill is to encourage the private and public sectors to work together to help build a foundation for learning and educational success for Oklahoma's children, particularly those at risk of educational failure. The measure establishes the Oklahoma Partnership for School Readiness Board, composed of representatives from the public and private sectors and charges the board with:

Human Services

- Evaluating existing public and private early childhood programs to determine their effectiveness;
- Coordinating and promoting effective and cost-efficient programs;
- Encouraging community-level innovation and coordination of programs;
- Implementing a public awareness and education campaign about the importance of quality early childhood experiences; and
- Maximizing the extent to which private sector funding is leveraged with government funding.

In addition, HB 1094 recognizes the critical role parents play in a child's early development and emphasizes that participation in any early childhood programs is voluntary. Finally, to assist with the private sector funding component, the measure authorizes the establishment of a not-for-profit foundation to raise funds for and assist in the implementation of the partnership's objectives.



Revenue and Taxation

The Legislature addressed a variety of issues this session in the revenue and taxation area. Several tax relief and incentive measures were passed, including targeted relief for victims of the May 8 and 9, 2003, tornadoes. Also in the tax administration arena, legislation was passed ensuring Oklahoma's compliance with the national Streamlined Sales and Use Tax Agreement.

Tax Relief and Incentives

A variety of tax relief and incentive measures were enacted this session. **HB 1251** deals specifically with providing relief to victims of the May 8 and 9, 2003, tornadoes. This measure provides a credit against vehicle registration fees and vehicle excise taxes for a vehicle that is a replacement for a vehicle destroyed by these tornadoes. An income tax credit is provided for a homeowner whose residence was damaged or destroyed by the tornado in an amount calculated on the difference in the ad valorem tax on the property after the residence is repaired or rebuilt. The General Motors plant in Oklahoma City received significant damage from the May 8 tornado. This measure provides that any property installed to replace automobile assembly property destroyed in the tornado will continue to be subject to the five year manufacturing ad valorem exemption. In addition, in order to maintain this exemption, the average employment requirement is waived for 2003 because of temporary layoffs due to the tornado damage. Finally, **HB 1251** exempts from sales tax items withdrawn from inventory and donated to persons affected by the tornadoes and allows vendors to retain their sales tax discount if sales tax reports are delinquent due to the tornadoes.

Other tax relief and incentive measures are as follows:

- ▶ **HB 1002** exempts from sales tax jewelry with a retail value of \$50 or more sold by a school or school organization;
- ▶ **HB 1356** provides an income tax credit for donations to an independent biomedical research institute;
- ▶ **SB 231** extends the income tax credit for investments in qualified venture capital companies until 2003;
- ▶ **SB 429** provides for various income tax credits related to ethanol production facilities;
- ▶ **SB 440** exempts from sales tax service transactions among related entities and modifies the carry forward period for the investment income tax credit by allowing the credit to be utilized in any subsequent tax year after the initial twenty-year period; and

- ▶ **SB 535** extends the duration of several gross production tax exemptions and extends the time period for determination of the depletion allowance for income tax purposes.

Tax Administration

SB 708 is the legislation designed to bring Oklahoma into compliance with the federal Streamlined Sales and Use Tax Agreement. The primary purpose of the agreement is to simplify and modernize sales and use tax collection and administration. The agreement goes into effect when ten states comprising at least 20 percent of the population of states imposing a sales tax have come into compliance. SB 708 makes a number of amendments to the Oklahoma Sales and Use Tax Code in order to conform Oklahoma law with the terms of the agreement including modifying definitions, requiring the Oklahoma Tax Commission to give vendors at least 60 days notice before a local sales tax rate is changed and requiring the Tax Commission to maintain certain databases relating to sales taxing jurisdictions in order to ease the administration of local sales taxes.

Two measures deal with a variety of Oklahoma Tax Commission administration issues. **HB 1593** specifies that sales or use tax vendors owing an average of \$2,500 or more per month in total sales in the previous fiscal year must participate in the Tax Commission's electronic funds transfer and electronic data interchange programs. These vendors will be required to remit twice a month. Procedures are provided in this measure to require state employees to be in compliance with state income taxes or face disciplinary action. HB 1593 directs the Tax Commission to include a line on income tax returns for use tax remittance. Finally this measure requires winning bidders on state contracts to have obtained a sales tax permit if required to do so.

HB 1356 contains several provisions regarding electronic filing requirements of the Tax Commission. The Tax Commission is authorized to require persons to file reports or returns electronically and is allowed to file releases of tax liens and tax warrants electronically. Tax return preparers processing more than 50 returns in a year are required to file electronically in the following year unless the taxpayer directs otherwise. Employers owing an average of \$5,000 or more per month in employee withholding taxes are required to file electronically. Interest will be paid on income tax refunds after 30 days for returns filed electronically and interest will be paid after 150 days instead of 90 days for all other returns. This measure requires state agencies and courts to file claims electronically when seeking to collect debts by deducting the amount of the debt from the income tax return.

Other significant provisions of HB 1356 include:

- Allowing the Tax Commission to enter into contracts with qualified entities to acquire or utilize their technology systems or information to detect nonregistered taxpayers, nonfilers and under-reporting taxpayers;
- Eliminating the requirement that the Tax Commission audit every estate tax return;

- Prohibiting the claim of a manufacturing sales tax exemption for certain goods, wares, merchandise, property, machinery and equipment used in a nonmanufacturing activity;
- Requiring promoters or organizers of special events to obtain a special event permit for a fee of \$50;
- Decreasing the percentage of tax which is retained by sales tax vendors for timely filing from 2.25 percent to 1.25 percent for vendors who do not file electronically; however, an exception is made for vendors who are unable to file electronically; and
- Requiring a pass-through entity to withhold income tax at the rate of 5 percent of the Oklahoma share of income of the equity distributed to each nonresident member.

In other matters, **HB 1814** provides additional requirements relating to the sale of cigarettes in an effort to more closely regulate the sales and delivery of cigarettes purchased on the Internet. Income tax checkoffs were authorized in two measures. **HB 1534** provides an income tax checkoff for donations for the benefit of the Oklahoma County Fair Enhancement Fund and for the State of Oklahoma Junior Livestock Auction Scholarship Revolving Fund. **SB 549** provides an income tax checkoff for donations for the benefit of common schools, the maintenance of roads and highways and the Oklahoma Medicaid Program.

Ad Valorem Taxation

SB 300 addresses several issues concerning the five-year manufacturing ad valorem tax exemption. The requirements relating to payment of wages by certain distribution centers is modified so that payment of wages or salaries must be at a wage which equals or exceeds 175 percent instead of 150 percent of the federally mandated minimum wage. The time period for commencement of construction of these facilities in order to qualify for the exemption is extended from 2002 to 2006. The payroll threshold to qualify for the five-year manufacturing ad valorem tax exemption is increased from \$250,000 to \$1 million if the facility is located in a county with a population of 50,000 or more. Any new, acquired or expanded computer data processing, data preparation or information processing services which has made an initial application for exemption between January 1, 2003 and July 1, 2003, may apply for additional exemptions for each year in which improvements are made if there is a net increase in payroll of at least \$250,000 or a net increase of \$7 million or more in capital improvements while maintaining or increasing payroll and if the facility offers the new employees a basic health benefits plan.

HB 1712 specifies that the value of investment in property used by an oil refinery for the desulphurization of gasoline or diesel fuel is not to be included in the capitalization used in the determination of fair market value, if the property would qualify as exempt under the five-year manufacturing ad valorem tax exemption. The Task Force on Valuation of Gas Gathering System Assets is extended until December 31, 2005 pursuant to **SB 440**.

Motor Vehicle Registration

In order to provide funding to the Department of Public Safety, **HB 1237** levies an additional \$2 fee upon every vehicle to be registered. The fee will be in effect from September 1, 2003 through August 30, 2005. **SB 234** changes the registration of motorcycles to a staggered basis like passenger vehicles. The first \$100,000 collected from the registration of motorcycles in FY-2004 will be apportioned to the Tax Commission Revolving Fund. Two measures deal with special license plates. **HB 1599** authorizes the Lions Club license plate while **SB 355** requires a special license plate to be designed for motorcycles owned by physically disabled persons.



Technology and Telecommunications

Commercial electronic mail and technology accessibility are the focus of measures in the technology arena. **SB 660** addresses the ongoing problem of unsolicited commercial electronic mail, known as *spam*. The measure makes the following acts violations of the law regarding unsolicited e-mail transmissions:

- Falsifying e-mail transmission information;
- Sending e-mail with false or misleading information in the subject line;
- Using a third party's internet address or domain name without the party's consent;
- Failing to use the exact characters "ADV:" in the subject line to indicate advertisement;
- Sending sexually explicit material or advertising such goods or services without "ADV-ADULT" in the subject line; and
- Failing to provide a mechanism for recipients to remove themselves from electronic mail address lists.

The bill makes violations a misdemeanor offense and provides for recovery of damages, including attorneys fees and costs, sustained as a result of receiving the spam. **HB 1691** amended enrolled SB 660 to require senders of unsolicited spam to remove e-mail recipients from the electronic mail message list upon request. The illegal practices regarding commercial electronic mail specified in SB 660 and HB 1691 are now violations of the Oklahoma Consumer Protection Act.

HB 1650 authorizes the use of 911 emergency telephone service information by public law enforcement officials statewide or public health officials in cities of 300,000 or more to notify citizens of an emergency or to transmit information about an emergency. **HB 1342** creates the Electronic and Information Technology Accessibility Task Force. The task force is to study and prepare recommendations to the legislature concerning accessibility for the disabled to public electronic and information technology.

Two other measures affect technology communications. **SB 755**, covered in more detail in the Criminal Justice section, allows the Attorney General or other law enforcement officials to contact an interactive computer service provider and require the provider to remove child pornography when it is brought to the attention of law enforcement that child pornography is located on a server or is stored on a device controlled by the interactive computer service provider. With the enactment of the Oklahoma Online Bidding Act in **HB 1329**, the Department of Central Services (DCS) and vendors will be able to use the Internet in letting state procurement contracts.



Tourism and Recreation and Wildlife

Tourism and Recreation

Tourism legislation this session focused primarily on funding alternatives for the Tourism and Recreation Department's aging system of state parks and resorts. In addition, measures were passed that will enable funding to be provided for the completion of two state museums.

A combination of budget problems and wear and tear on facilities prompted legislators to seek alternative funding sources for the Tourism and Recreation Department. **HB 1353** authorizes the department to establish park entrance fees, day-use park fees and annual passes for the state park system. It is anticipated that the fees will generate between \$1 and \$2 million annually. The money will be used for capital improvements at the parks where the fees are collected. The map below depicts states that use entrance fees as a source of income, as well as those states for which tourism has a dedicated source of income.



The appropriation measure for the Tourism and Recreation Department, **HB 1219**, expresses the Legislature's intent that the department expend up to \$477,674 of the agency's appropriated funds to repay financial assistance received from the Oklahoma Water Resources Board to remediate

environmental problems within the department's park system. The assistance from the Oklahoma Water Resources Board was in response to a situation last summer that threatened closure of some state parks due to problems caused by outdated sewage systems.

SB 357 makes several changes to the law relating to scenic rivers and the Scenic Rivers Commission. The measure increases the number of appointments by the Governor, Speaker of the House of Representatives and the President Pro Tempore of the Senate one each. In addition, the measure authorizes peace officers retiring from the commission, or with 20 or more years of service, to retain their firearms.

In other tourism legislation:

- ▶ **HB 1478** redirects previously authorized revenue bond money at Lake Murray State Park from swimming pool construction and renovation to cabin renovations and improvements at that park;
- ▶ **SB 294** requires that one member of the Tourism and Recreation Commission possess a fishing license in Oklahoma or be active in the promotion of fishing in the state;
- ▶ **SB 371** allows state employees to use payroll deduction for subscriptions to the Oklahoma Today magazine; and
- ▶ **HCR 1013** gives legislative approval for the transfer of Crowder Lake State Park in Washita County to Southwestern Oklahoma State University, and other tracts of land owned by the Oklahoma Tourism and Recreation Department near the cities of Choctaw and Vinita to those municipalities.

The Legislature took a significant step this session toward completing the new Oklahoma History Museum and the Native American Cultural Center in Oklahoma City. **SB 73** enables the state to match federal funds for the Native American Cultural Center with up to \$33 million in revenue bonds issued by the Oklahoma Capitol Improvement Authority. With enactment of **SB 117**, the Authority can also issue \$18 million in revenue bonds for the completion of the Oklahoma History Museum. In an unrelated measure designed to assist the Oklahoma Historical Society in coping with its operational costs, **SB 527** allows entry fees to be charged at all its museums and historical sites.

Wildlife

Several measures were passed this session modifying or increasing license fees. Hunting and fishing licenses were increased for the first time since 1994. Other wildlife legislation modified requirements for various commercial licenses.

The budget crisis that has affected state-appropriated agencies has also impacted the Department of Wildlife Conservation, which derives all of its revenue from fees and the sale of licenses. To that end, two measures were passed this session increasing hunting and fishing license fees. The increases are expected to bring in an additional \$3.3 million in revenues, an increase of

approximately 12 percent, to the department’s annual budget. **HB 1419** increases lifetime license fees from \$150 to \$200 for a lifetime fishing license, from \$400 to \$600 for a lifetime hunting license and from \$525 to \$750 for a lifetime combination hunting and fishing license. In addition, the fee for a replacement license is increased from \$5 to \$10. **HB 1663** increases several types of hunting and fishing licenses as shown in the chart below and increases from \$100 to \$200 the maximum fine for violating the license requirements as provided by law.

A related measure, **SB 360**, further modifies hunting and fishing license fees by setting new fees for 16-17 year olds at \$4 for hunting or fishing licenses and \$8 for a combination license. The measure creases a new two-day resident permit license at \$9 and reduces the fee for a fur dealer’s license from \$68 to \$25. In other wildlife legislation:

- ▶ **HB 1493** changes the expiration date for commercial hunting licenses and commercial wildlife breeder licenses from the end of the calendar year to June 30; and
- ▶ **HB 1565** allows squirrel fur or pelts to be purchased or sold.

**Wildlife License Fee Increase
HB 1663**

License	Current Fee	New Fee
Fishing:		
Resident	\$11.50	\$19.00
Nonresident	\$27.50	\$36.00
5-day Nonresident	\$9.00	\$17.50
Hunting:		
Resident	\$11.50	\$19.00
Nonresident	\$84.00	\$91.50
5-day Nonresident small game	\$35.00	\$41.50
Resident deer	\$15.75	\$19.00
Resident deer archery	\$15.75	\$19.00
Resident primitive firearm	\$15.75	\$19.00
Resident elk or antelope	\$34.25	\$50.00
Resident bonus, special or second deer gun	\$15.75	\$19.00
Combination Hunting and Fishing:	\$20.00	\$36.00
Specialty Licenses:		
Scientific Purposes	\$5.00	\$10.00
Furbearers (20 traps or less)	\$5.00	\$10.00
Designated Trout Waters	\$6.75	\$9.00
Noncommercial Breeders	\$5.00	\$10.00
Waterfowl Hunting Stamp	\$4.00	\$9.00
New Licenses:		
Commercial hunting area big game 14-day	—	\$201 plus \$10 for each additional deer
Migratory Birds and Sandhill Cranes	—	\$2.00



Transportation

Legislation examining barge safety, regulating outdoor advertising, and expanding the use of alternative fuels were issues addressed in the area of transportation this session. City and county transportation issues were also examined by the Legislature.

The tragic Memorial Day 2002 collapse of the Interstate 40 bridge span over the Arkansas River caused by a barge slamming into pier supports led the Legislature to enact **SB 368**, which creates the Oklahoma Barge Traffic Safety Advisory Task Force. The 13-member group is to advise the Oklahoma Department of Transportation (ODOT) in addressing safety issues relating to barge operations on the Arkansas River. The task force is to complete its duties no later than September 1, 2004.

Ensuring the ability of ODOT to regulate outdoor advertising is the intent of **SB 317**. The bill authorizes the director of ODOT to approve the issuance of permits for outdoor advertising on right-of-way property acquired by ODOT and to approve the relocation of existing signs to suitable sites to reduce costs. The measure also allows signs advertising or giving directions to local outdoor recreational areas to be placed near interstate highways.

Two measures were enacted to help cities and counties build and maintain transportation systems within their communities. **SB 531** authorizes county commissioners to construct and maintain the streets of a municipality with a population less than 15,000 if the county has passed a sales tax with the proceeds dedicated to county streets and roads. The second measure, **SB 350**, allows cities or counties that jointly create a transportation authority for the purpose of planning, financing or constructing transportation projects to provide for the financing of toll bridges using any sales tax revenue available to the authority.

The Oklahoma Transportation Authority is granted the authority to develop and market alternative uses of the Authority's electronic toll collection system under the provisions of **SB 464**. The PikePass system is similar to a debit account and the PikePass could be used like a debit card. The measure also prevents the authority from transferring any turnpike to the state highway system without legislative approval. The bill specifies that the authority may transfer the Chickasaw Turnpike to ODOT only when the turnpike meets ODOT road construction specifications and when two interchanges are constructed at Roff and Sulphur.

HB 1705 continues the tradition of the state to advance the use of alternative fuels to help protect the environment. The measure requires that school and government vehicles which have been converted to an alternative fuel must use the alternative fuel when a fill or charge station is located within a five mile radius of the government entity or district using the vehicle and when the price of the fuel is comparable with the price of the fuel being displaced.

Transportation

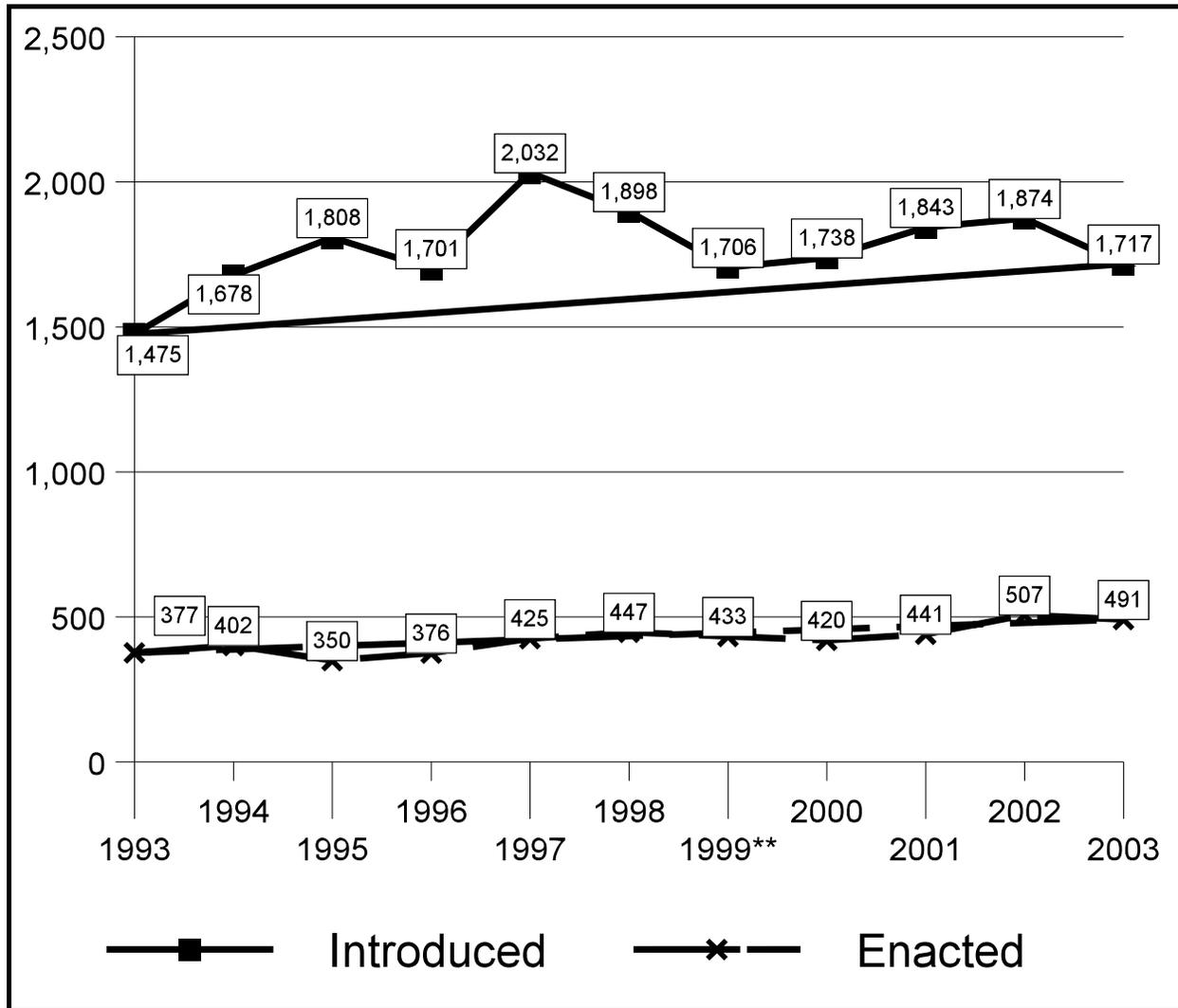
Numerous measures were enacted to honor or memorialize groups or individuals with highway and bridge naming, as follows:

- ▶ **SB 280** designates certain portions of State Highway 77 as the Pearl Harbor, USS Oklahoma Memorial Highway;
- ▶ **SB 295** designates U.S. 412 between State Highway 74 and State Highway 58 as the Trooper Chris Van Krevelen Memorial Highway;
- ▶ **SB 350** designates the South Loop of the Creek Turnpike from U.S. 64 to the intersection with the Muskogee Turnpike as Liberty Parkway;
- ▶ **SB 380** designates Interstate 40 westbound from the intersection with Interstate 35 as the Korean War Veterans Memorial Highway/Purple Heart Trail and designates Interstate 40 eastbound from the intersection with Interstate 35 as the Vietnam Veterans Memorial Highway/Purple Heart Trail;
- ▶ **SB 489** designates State Highway 3 within the boundaries of Tom, Oklahoma, as the Southeastern Mountain Gateway;
- ▶ **SCR 9** designates State Highway 64 from Pawnee to Cleveland, Oklahoma, as the Dwight C. Woodrell, Jr. Memorial Highway;
- ▶ **SCR 19** designates a portion of State Highway 77 in Love and Carter Counties as the Congressman Bill K. Brewster Highway; and
- ▶ **SCR 34** designates a portion of State Highway 77 in Carter County as the Tom Tipps Highway.

Appendices

Appendix 1 Legislative Production 1993-2003

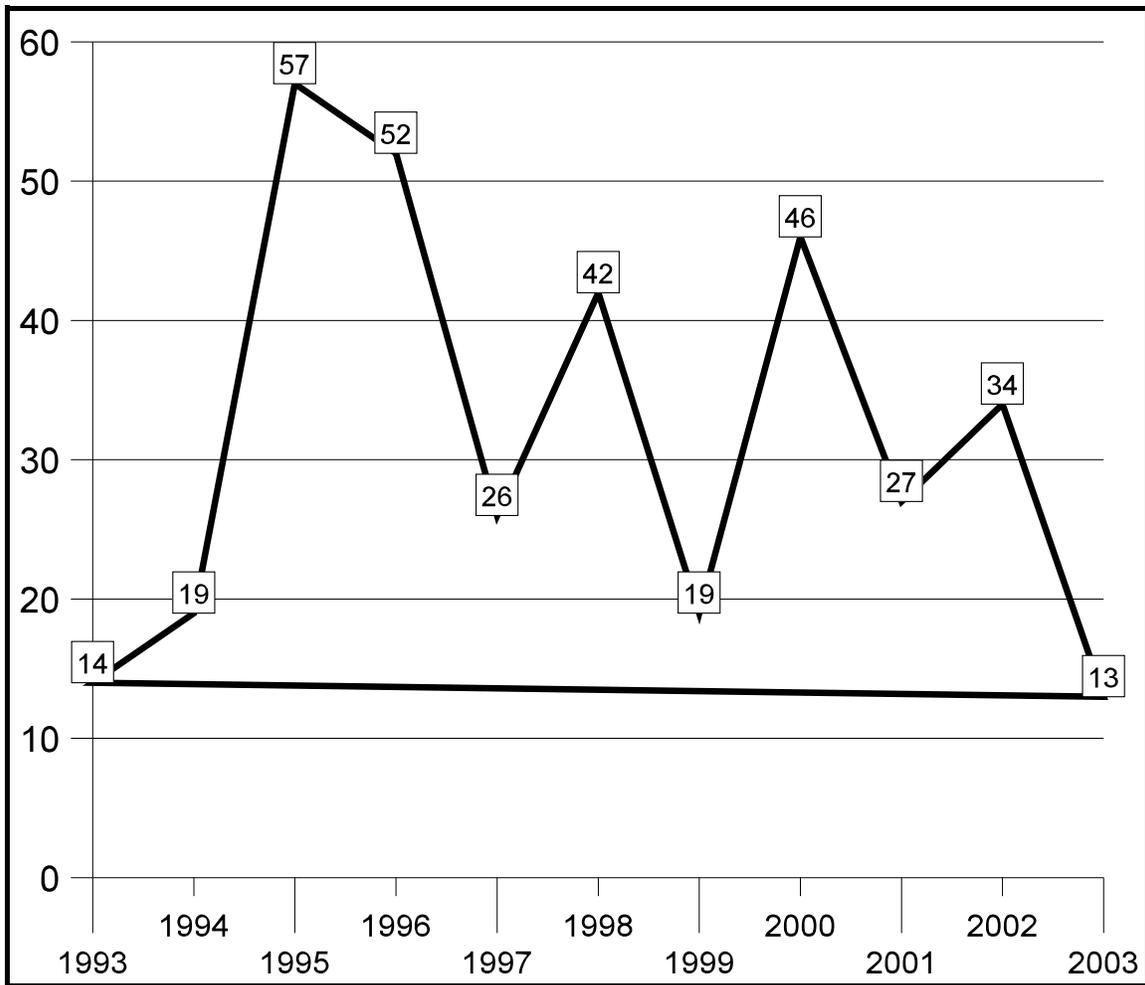
Measures and Joint Resolutions Introduced and Enacted*



* Does not include concurrent and simple resolutions or measures filed or enacted during any special sessions.

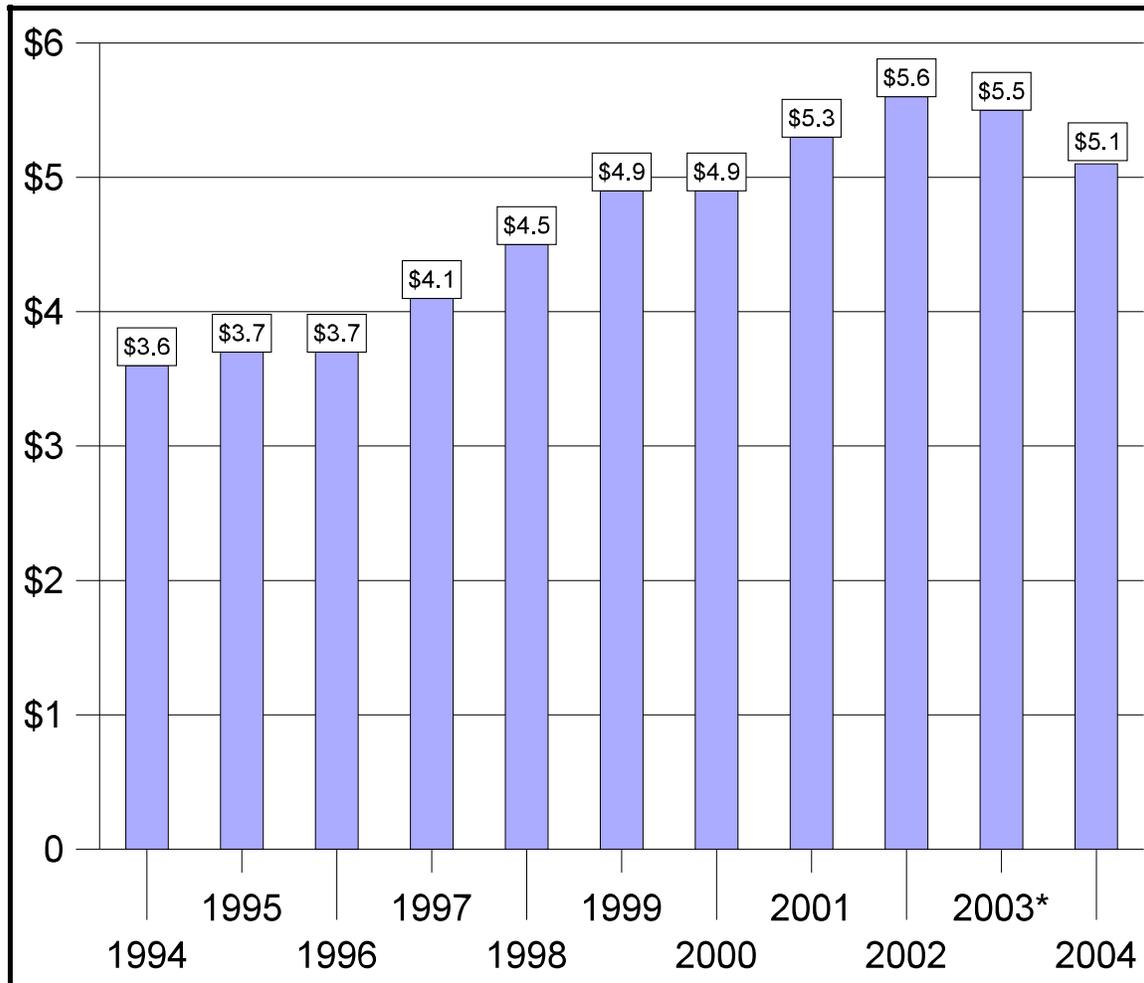
** First year for the House of Representatives' limit on introduction of House bills and joint resolutions.

Appendix 2 Vetoed 1993-2003



Measures that were line-item vetoed are counted as vetoes.

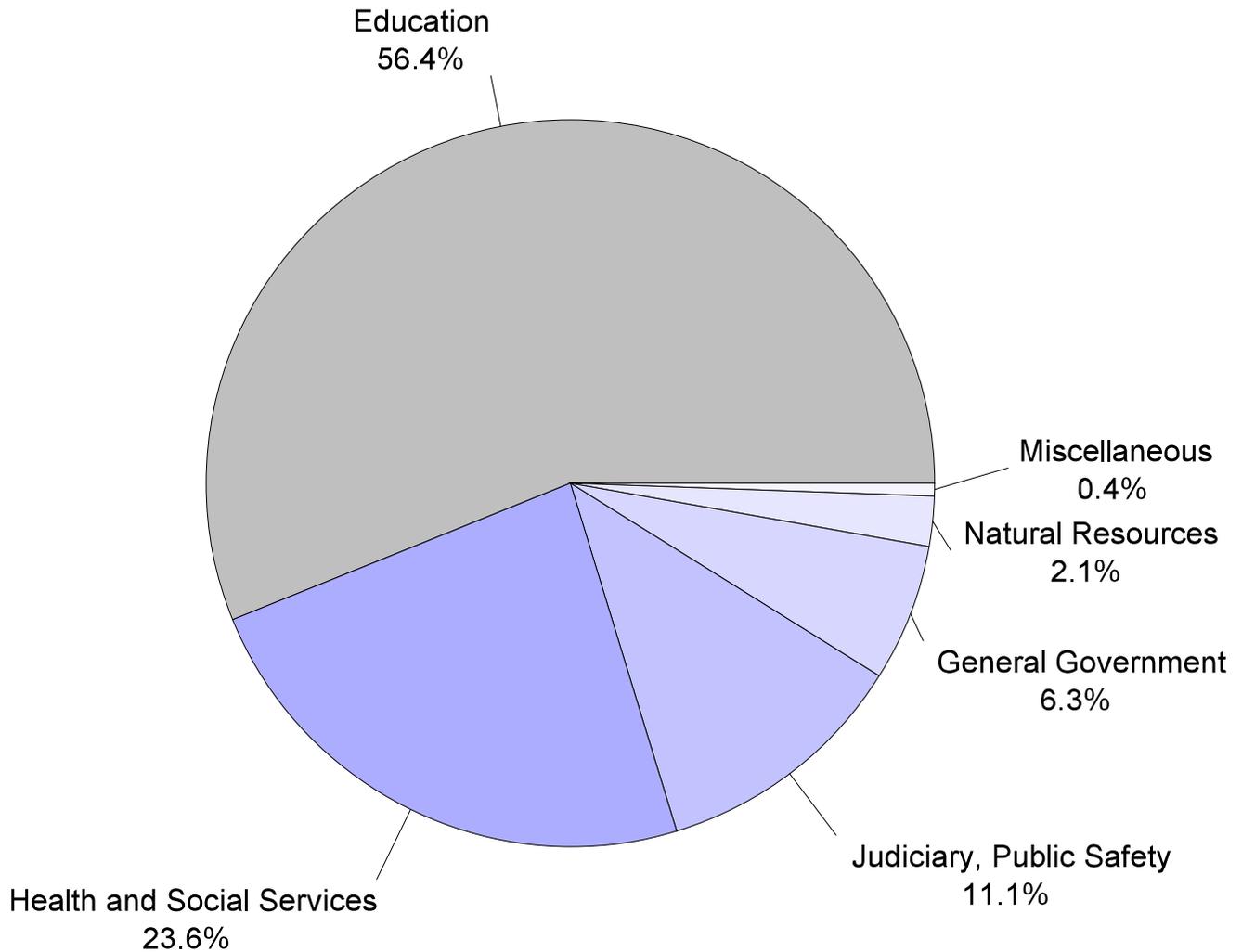
Appendix 3
Legislative Appropriations
Fiscal Year 1994-2004
(Billions of Dollars)



* Actual allocations were \$5.1 billion due to state budget shortfalls.

Source: House Fiscal Division

Appendix 4
Distribution of FY-04 Appropriations
by House Subcommittees of
General Conference Committee on Appropriations



Total Appropriations = \$5,106.6 Billion

Excludes supplemental appropriations and reappropriations.
Includes capital and onetime expenditures.

Appendix 5 State Questions

The following chart lists the two lottery state questions that are currently active with their status. State Questions 706, 707 and 708 are constitutional questions passed without a special election provision, so they will appear on the November 2004 general election ballot. State Question 705, a statutory measure, can be placed on an earlier ballot by the Governor (although he has indicated that he would schedule it November 2004 when the vote on State Question 706 occurs), otherwise it also will be considered in November 2004.

Question	Authorizing Document	Subject
705	HB 1278	Statutes authorizing a state lottery and creating the Oklahoma Lottery Commission to administer the lottery.
706	SJR 22	Companion constitutional amendment to SQ 705 which delineates how lottery revenues are to be spent.
707	SJR 12	Constitutional amendment allowing local governments to pledge apportioned tax increment revenue beyond a current fiscal year toward the repayment of indebtedness.
708	HB 1249	Constitutional amendment regarding access to the Rainy Day Fund.

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HB 1001	47	HB 1171	52
HB 1002	75	HB 1193	55
HB 1007	53	HB 1197	72
HB 1014	10, 65	HB 1200	72
HB 1017	62	HB 1202	12
HB 1030	44	HB 1219	81
HB 1034	55	HB 1237	68, 78
HB 1039	49	HB 1240	39
HB 1051	3	HB 1246	62
HB 1053	70	HB 1247	39, 45
HB 1058	49	HB 1249	45
HB 1061	22	HB 1250	45
HB 1065	15, 38	HB 1251	75
HB 1068	43	HB 1256	45
HB 1072	54	HB 1259	71
HB 1084	70	HB 1261	10
HB 1086	48	HB 1263	28
HB 1087	20	HB 1266	65
HB 1089	54	HB 1270	61
HB 1094	39, 73	HB 1271	2
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HB 1101	48	HB 1278	5, 41
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HB 1408	41	HB 1635	26
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HB 1415	72	HB 1647	50
HB 1419	83	HB 1650	79
HB 1433	69	HB 1654	44
HB 1438	43	HB 1658	18
HB 1440	44	HB 1663	83
HB 1442	63	HB 1667	26
HB 1443	60	HB 1669	23
HB 1445	60	HB 1681	73
HB 1449	10	HB 1683	13
HB 1451	9	HB 1686	54
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SB 353	10	SB 539	17

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SB 557	1	SB 724	12
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SB 591	63	SB 801	39
SB 596	35	SB 807	28
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