



session overview 2013

First Regular Session of the 54th Oklahoma Legislature
Oklahoma House of Representatives
T.W. Shannon, Speaker



session *overview* 2013

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Oklahoma's economy continued to perform relatively well in State Fiscal Year (SFY) 2013 due to stability in key sectors such as energy and manufacturing and due to the state having one of the lowest unemployment rates in the nation. As a result, the Legislature had a moderate increase in revenues to consider while crafting the SFY 2014 budget. An additional \$285 million, a 4.2 percent increase over last year, was appropriated in the budget; most of which was directed at education, health and mental health, human services and maintenance and repair of state buildings.



Legislators addressed a number of policy issues including a significant reform of the workers' compensation system, enhancing school safety initiatives, continuing to shore up the state's retirement systems, providing income-tax relief and taking steps to more efficiently maintain state-owned property. ■



The Legislature passed measures to allow for the slaughter of horses for human consumption outside the state and for the hunting of feral hogs by air.

To help end the inhumane practice of abandoning or of shipping frail or sick horses to Mexico for slaughter, **HB 1999** repeals the section of law that prohibits the slaughter of horses for human consumption. However, the measure prohibits the slaughter of horses for human consumption in Oklahoma. The measure authorizes the state commissioner of health to have access to any

transport vehicle, factory, warehouse or establishment in which horsemeat or feed suspected of containing horsemeat is transported, manufactured, processed, packed, sold or prepared. The commissioner also may examine all sale and shipping records and embargo any article of food or horsemeat suspected of being in violation of the law. The measure also defines *properly labeled* as displaying the name and address of the original packer or processor and the word *horsemeat*.

To provide additional means of controlling the feral hog population, **HB 1920** and **SB 919** authorize hunting of feral hogs from the air in fixed-wing aircraft or helicopters anytime except between October 1 - January 15. HB 1920 authorizes the Oklahoma Department of Agriculture, Food, and Forestry to issue a permit to any landowner or any person who has contracted with a landowner to engage in the management of depredating animals by use of aircraft. SB 919 allows for the hunting of hogs outside commercial hunting areas using manned, nonexperimental, fixed-wing aircraft and non-fixed wing aircraft registered with the Federal Aviation Administration.

Water

While the state awaits a U.S. Supreme Court decision regarding Texas' access to water that feeds the Red River basin, the Legislature addressed the persistent drought that has plagued the state in recent years and addressed the composition of the state's water agency board.

HB 1923 creates the Emergency Drought Relief Fund and appropriates \$3 million to the fund. The measure also creates an Emergency Drought Commission, which will recommend fund expenditures to the Governor in the event of an emergency drought declaration.

SB 965 modifies the composition of the Oklahoma Water Resources Board of Directors to represent nine regions, based on county boundaries, rather than congressional

districts. The measure also adds “oil and gas production” to the list of required industries represented on the board. A map of the regions can be viewed below.

alternative percentages. First-year teachers will be evaluated only on the qualitative measures in the evaluation system.

During the 2013 Session, members tweaked reforms from past sessions, focused on school security and addressed salaries for newly certified National Board teachers.



Common Education

SB 426 instructs districts to phase in the full implementation of the Teacher and Leader Effectiveness Evaluation System (TLE) by the 2015-16 school year. The quantitative portion of the evaluation system will be delayed, with phase-in occurring until the 2015-16 school year. For evaluations in the 2015-16 school year and subsequent years, districts must fully implement the TLE, including the qualitative and quantitative components.

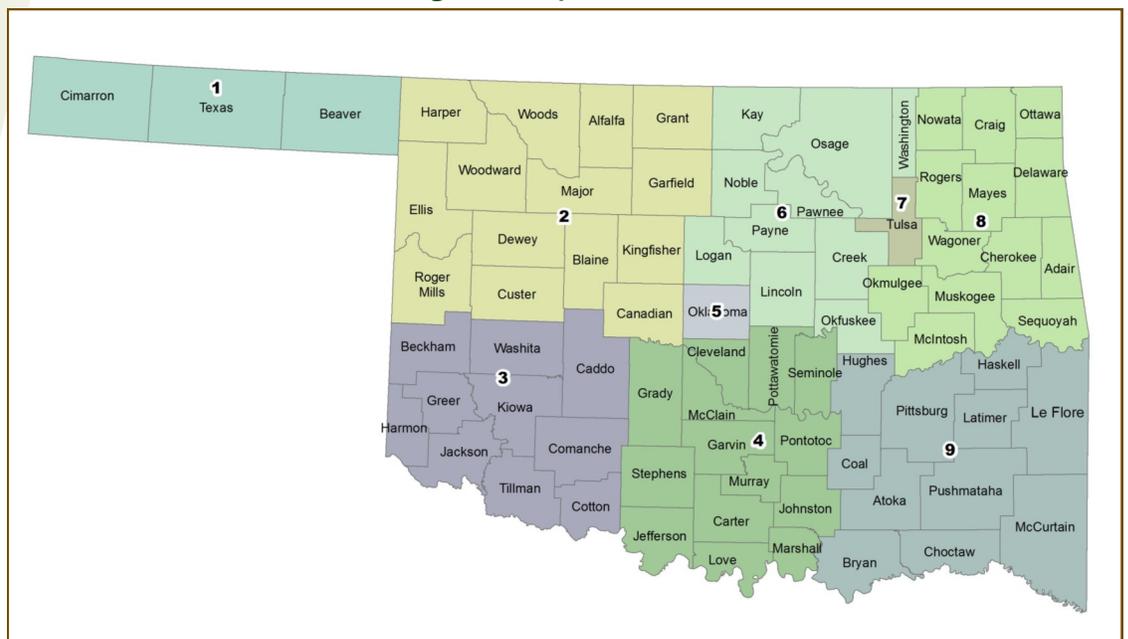
HB 1658 modifies the A - F school ranking system. Fifty percent of school grades will be based upon whole school performance. Twenty-five percent will be based upon whole school growth by allocating one point for each student who improves proficiency levels or improves

substantially within a proficiency level on tests, divided by the number of students taking tests. The remaining 25 percent will be based upon growth in the bottom quartile of students. The measure also sets number ranges for grades, with 97 percent to 100 being an A+ and so on. A listing of the number of schools by grade received is shown on the following page.

Probationary teachers will be evaluated once during the fall semester and once during the spring semester. For teachers in grades and of subjects for which there is no state-mandated testing to form the quantitative measure of the TLE, the State Board of Education may adopt

Members also addressed the issue of bonus payments for teachers certified through the National Board for Professional Teaching Standards with **HB 1660**. National Board certification bonuses will no longer be subject to the availability of funds and teachers with certification or who started the process

SB 965 Oklahoma Water Resources Board Regional Representation



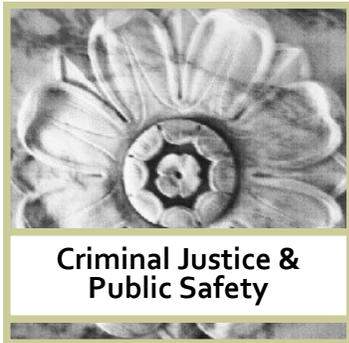
prior to June 30, 2013, will be eligible for a bonus of \$5,000 annually for 10 years. Teachers who start the process after that date will be eligible for an additional salary increment created between the steps for bachelor's degrees and master's degrees. In addition, the Oklahoma Commission for Teacher Preparation will select up to 100 applicants each fiscal year and pay up to \$1,300 for fees associated with certification and provide a \$500 scholarship. Applicants who do not complete the process within three years must repay the fee.

School Safety

Several measures were adopted as a result of recent national events involving school shootings. **SB 256** requires that in addition to the two lockdown drills required in statute, school districts must conduct a minimum of eight safety drills per school year, which must include two fire drills, two intruder drills, two tornado drills and two drills to be determined by administrators. **SB 257** directs the Oklahoma Office of Homeland Security to designate a division as the Oklahoma School Security Institute, which will act as the central resource for information on

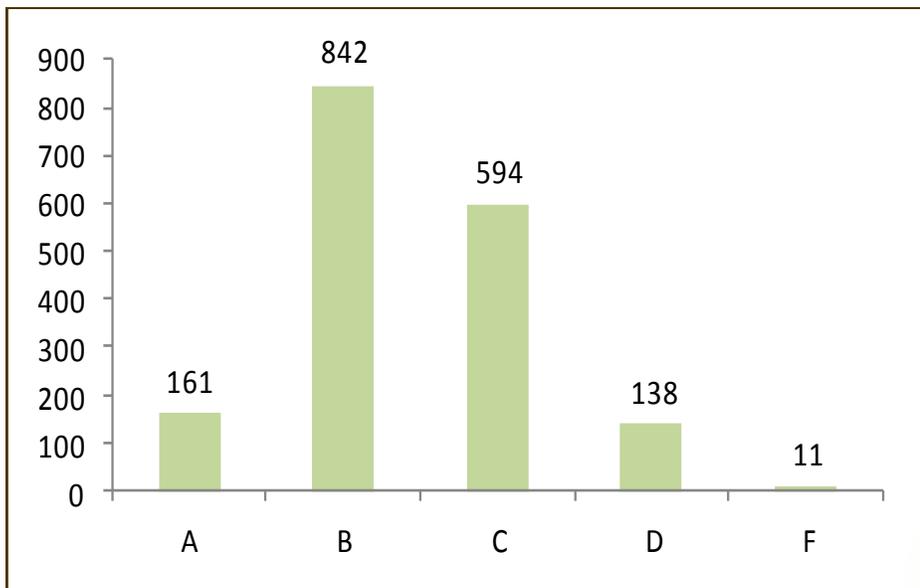
enhancing school security and assessing risks and threats to school campuses. **SB 259** requires school authorities to report to law enforcement the discovery of a firearm on any student or upon any other person not authorized by law to possess a firearm on school property. A final measure, **SB 283** requires local district courts to notify the State Board of Education when a school employee is charged with a felony or violent misdemeanor. Additionally, the bill requires schools to notify the State Board of Education after the dismissal of an employee due to criminal sexual activity.

Several measures were adopted this session to improve the criminal justice system. In an effort to improve oversight of the pardon and parole process, the Legislature enacted **HB 1722** to provide procedures to be used by the Pardon and Parole Board and Governor when considering pardons and commutations. The measure provides that any consideration of a pardon or commutation



may only be considered after an application is made with the Pardon and Parole Board. The board is required to

2011-2012 Letter-Grade Distribution Among Oklahoma Public Schools



Source: Oklahoma Department of Education

provide copies of these applications to the district attorney, the victim or representative of the victim and the office of the attorney general. An application for commutation also must be accompanied by the written recommendation of two of three trial officials. The trial officials are the current judge of the court where the conviction occurred, the current district attorney where the conviction occurred, and the chief or head administrative officer of the arresting law enforcement agency. Additionally, the measure clarifies that inmates who are sentenced to consecutive sentences are not eligible for parole consideration on any consecutive sentence until one-third of the consecutive sentence has been served or until the minimum term of incarceration has been served.

Another measure, **HB 1068**, creates the Postconviction DNA Act to establish a procedure for a person convicted of a violent felony crime or who has received a sentence of 25 years or more and who asserts that he or she did not commit the crime to file a motion requesting forensic DNA testing of biological material to challenge the conviction. A sentencing court must have a hearing after receipt of a motion for DNA testing and must order testing if the court finds:

- a reasonable probability that the person would not have been convicted if favorable results had been obtained at the time of the original prosecution
- that the request for testing is made to demonstrate innocence and not to delay the administration of justice
- that one or more items of evidence to be tested exists
- that the evidence to be tested was secured; and
- that the chain of custody of the evidence is not in dispute.

The court may order DNA testing to be performed by the Oklahoma State Bureau of Investigation or other accredited laboratory. If the DNA results are favorable, the court must schedule another hearing to vacate the conviction, grant a new trial or order the person released from custody.

HB 1068 establishes a procedure for a person convicted of a violent felony crime or sentenced to 25 years or more to request forensic DNA testing to challenge the conviction.

The Bail Enforcement and Licensing Act is created by **SB 1013** to provide a licensing procedure for those persons engaged in bounty hunting. The measure requires any person who acts as or offers services as a bail enforcer to be licensed by the Council on Law Enforcement Education and Training (CLEET). Bail enforcers are prohibited from breaking into a dwelling to recover a defendant unless the bail enforcer has first-hand knowledge that the person is in the dwelling and after reasonable requests that the person surrender. A license is valid for three years and the fee for an unarmed bail enforcer license is \$300 and an armed bail enforcer license is \$400. A person who acts a bail enforcer without a license may be found guilty of a felony, punishable by a fine of up to \$10,000 and imprisonment for up to three years, or both fine and imprisonment.

Issues related to human trafficking were also addressed by the Legislature. **HB 1067** requires any peace officer who comes into contact with a victim of human trafficking to inform the victim of the emergency hotline number maintained by the attorney general's office and provide the victim notice of certain rights. Law enforcement also is required to notify the Department of Human Services when an officer comes into contact with a child who may be a victim of human trafficking or sexual abuse. A related measure, **HB 1508**, grants Oklahoma Bureau of Narcotics and Dangerous Drugs Control the ability to

issue investigative subpoenas in human trafficking cases.

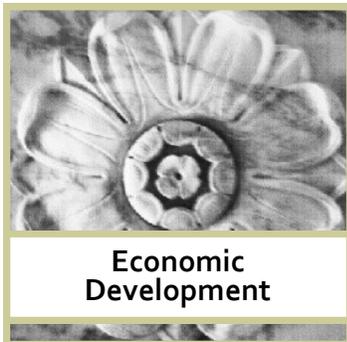
HB 1328 allows a district attorney to collect \$40 per month from offenders not under the supervision of the district attorney during the first two years of probation to compensate the district attorney for costs incurred during the prosecution of the offender and for the additional work of verifying the compliance of the offender with the rules and conditions of probation. Failure to pay may not be considered a violation of probation and the district attorney may waive this fee in the best interest of justice. The court is prohibited from waiving the fee.

Drug Control

In an effort to deal with the epidemic of prescription drug abuse in Oklahoma, the Legislature passed several measures to address the issue. **HB 1419** instructs the director of the Oklahoma State Bureau of Narcotics and Dangerous Drugs to notify a health care practitioner, as defined in the Uniformed Controlled Dangerous Substances Act, if a patient is possibly unlawfully obtaining prescription drugs. Additionally, the bureau is authorized to contract with vendors to facilitate the electronic transmission of central repository data to dispensers. A related measure, **HB 1783**, prohibits health care practitioners from refilling a written or oral prescription containing hydrocodone.

To facilitate study of this epidemic, **HB 1781** gives the Department of Mental Health and Substance Abuse Services and the State Department of Health access to the central repository for statistical, research, substance abuse prevention and educational purposes if confidentiality is not compromised. ■

Legislators passed several measures related to unemployment benefits to combat frivolous unemployment claims and to give lawmakers additional tools to assess the effect of future proposals to expand unemployment benefits.



Economic Development

HB 1911 requires unemployment claimants to sign an affidavit, created by the Oklahoma Employment Security Commission (OESC) describing in plain language certain criteria that would disqualify a claimant from benefits. In the case of misconduct or a positive drug or alcohol test, the measure provides the claimant with the burden of proof and establishes circumstances where the employee may be terminated for misconduct. An immediate cessation of benefits would ensue if an employer delivers evidence that an offer of suitable work was offered to the claimant, provided the commission has the final determination regarding benefits.

SB 5 provides that temporary employees of a temporary help firm who leave their last job voluntarily without good cause may be denied unemployment benefits if they do not contact the help firm for reassignment, refuse a suitable job without good cause, fail to communicate their decision to stop seeking assignment for any period of time, become unavailable to accept a suitable job without good cause or accept employment with a client of the temporary help firm.

HB 1023 requires the Employment Security Commission to conduct a fiscal impact study on any proposed legislation that expands unemployment benefits expended by the Oklahoma Unemployment Trust Fund. The commission must present the study to the Legislature and Governor before final passage can take place. Furthermore, the measure allows an employer to file an untimely appeal or written protest of the contribution rates determined by the commission and modifies the information required on a petition for review.

Tourism

Through **SB 976**, the Legislature voted to expand the types of events that qualify for incentive payments under the Oklahoma Quality Event Incentive Act to include certain national, international or world championship events and events managed by Oklahoma-

based national or international organizations. The measure also shortens several deadlines regarding event approval to give host communities more flexibility to recruit quality events.

SB 931 exempts agritourism professionals from liability for injuries incurred by a participant in agritourism activities as long as a warning is posted. The liability will not be limited if they are negligent or disregard safety or have knowledge of or should have known about a dangerous condition. Signs warning people of the risks they assume by participating in the activities must be posted in conspicuous locations. Similarly, **HB 1009** provides limited liability to landowners who offer their land as an aviation site for fly-ins at non-public use airports. ■



Two measures addressed the state's energy infrastructure. **HB 1718** authorizes the Oklahoma Corporation Commission to inspect public-access CNG stations. The measure also amends qualifications for the clean-burning motor vehicle fuel tax credit by requiring that retrofitted vehicles meet federal safety standards and be installed by a technician certified in accordance with the Alternative Fuels Technician Certification Act. The second measure, **HB 1932** grants to incumbent electricity transmission owners the right of first refusal to construct, own, and maintain a transmission facility approved for construction. The incumbent owner must respond to the Southwest Power Pool's "direction to construct" within 90 days of its receipt and if the owner does not respond within 90 days, the owner surrenders the right to construct and maintain the facility. ■



The Legislature passed several measures affecting state, county, and municipal governments.

The Legislature took action this session to begin addressing the repair needs of the State Capitol building. **HB 2032** appropriates \$120 million, split between fiscal year 2014 and fiscal year 2015, to the newly created Oklahoma State Capitol Building Repair and Restoration Fund to initiate repairs for the State Capitol.

HB 1924 authorizes the board of county commissioners to solicit telephone bids for the removal of recyclable materials and allows counties to conduct internet auctions to dispose of equipment.

HB 1402 modifies population requirements for municipalities subject to the Oklahoma Town Meeting Act, which outlines the procedures for conducting initiatives, meetings, and elections, by changing the population from 1,000 residents, to fewer than 2,000 residents. ■

Government Modernization

The Legislature took steps to more effectively manage buildings and property owned by the state. **HB 1910** authorizes the Office of Management and Enterprise Services (OMES) to recommend the sale of state properties based on the value of the property and the potential for a net gain to the state. The measure also:

- streamlines procedures for state entities to dispose of real property
- requires the appropriate county officials to file and record instruments vesting the state's right to, or interest in, lands or minerals or to adjust irregularities on those instruments at the request of OMES without filing or recording fees

- directs the Long-Range Capital Planning Commission (LRCPC) to include preparing an annual capital plan budget for addressing state capital facility needs for the ensuing eight years
- requires the LRCPC to decrease the amount of property owned by the state and to better maintain and use the state's real property assets; and
- modifies the procedures for state entities entering a lease agreement, purchasing property or constructing a building.

Legislators continued to focus on streamlining state government and identifying ways to improve management of agencies. **HB 1002** requires the director of OMES to identify the 10 state agencies with the lowest rankings in the financial services cost performance assessment published by the office and requires those agencies to contract with OMES to provide shared financial services if it will result in cost savings or efficiencies to the state. The measure allows a contracted agency to discontinue the shared services if it can document that it can provide the services at a lower cost and the documentation is approved by the director of OMES. Finally, the bill authorizes OMES to enter into contracts to carry out the functions of the State Employee Assistance Program.

Another measure, **SB 596**, requires each state agency to submit annually a program management and performance report to the Legislature and to the director of OMES. The report is to include detailed data for each agency program, cost avoidance and cost containment measure implemented, the methodology for determining the agency's fee structure and gauging customer satisfaction and a list of programs or operations not required as part of the core function of the agency. The director will make the reports available on the state's public access website.



Health & Human Services

The Legislature expanded its oversight role over state agencies with the adoption of HB 2055.

Government Oversight

The Legislature expanded its oversight role over state agencies with the adoption of **HB 2055**. The measure modifies the Administrative Procedures Act to allow the Legislature to affirmatively approve all rules promulgated by state agencies with the adoption of an omnibus joint resolution. Any rule to be disapproved by the Legislature will be specified in the bill to provide greater transparency and efficiency in the administrative rule-making process. ■

The Legislature also focused consolidation efforts on health related entities, exempted home bakeries from licensure and empowered local governments to restrict smoking on government properties.

HB 1467 creates the Oklahoma Public Health Advisory Council Modernization Act consolidating numerous

boards and committees. Some provisions include:

- combines the Child Abuse Training and Coordination Council, the Childhood Lead Poisoning Prevention Advisory Council, the Interagency Child Abuse Prevention Task Force, the Genetic Counseling Advisory Committee into the Infant and Children's Health Advisory Council

- consolidates the State Barber Advisory Board into the State Board of Cosmetology and Barbering; and
- consolidates the Licensed Professional Counselors Advisory Board, the Licensed Marital and Family Therapist Advisory Board and the Licensed Behavioral Practitioners Advisory Board into a State Board of Behavioral Health Licensure.

Additionally, the measure creates the Home Care and Hospice Advisory Council, which will have jurisdiction over all issues that arise in the areas of home care or hospice services and other areas as designated by the State Board of Health.

SB 945 assists the state in recovering debts for health care or medical services. The measure allows state agencies to file a claim to intercept income tax refunds to collect debt owed to the agency.

Health Care

In an effort to increase transparency of changes in prescription drug coverage, **HB 1672** requires health benefit plans that provide prescription drug coverage or contracts for those services, to notify enrollees of any deletions in drug formulary. The measure provides an exception for generic substitutions and does not apply to a drug that a therapeutics committee of the health benefit plan determines to be subject to new safety warnings or safety recalls by the Federal Drug Administration.

Another bill, **SB 765**, increases access to oral cancer treatment by requiring any health benefit plan that offers coverage and benefits for cancer treatment to cover orally administered anticancer

medications. Coverage will not be subject to prior authorization, dollar limit, copayment, deductible or an out-of-pocket expense that does not apply to intravenously administered or injected cancer medications. The bill prohibits changes that will reclassify or increase cost-sharing for anticancer medications.

A measure to assist the state in recovering debts owed for health care or medical services provided, **SB 945** allows state agencies file a claim to intercept income tax refunds to collect debt owed to the agency.

SB 684 requires dentists to supervise hygienists and oral maxillofacial surgery assistants. The measure directs the Board of Dentistry to establish educational guidelines for oral maxillofacial surgery assistants. Additionally, the board is empowered to initiate administrative proceedings and impose penalties against oral maxillofacial surgery assistants. The measure requires dental assistants and oral maxillofacial surgery assistants to have a permit, which costs \$50.

HB 1347 requires each licensed birthing facility to perform a pulse oximetry screening on every newborn prior to the newborn leaving the facility. A pulse oximetry screening is used to measure the percentage of hemoglobin in the blood that is saturated with oxygen, which may indicate a critical congenital heart defect.

Abortion

Three abortion related measures passed through the Legislature this session. **HB 1361** requires that a parent who is entitled to notice and consent provide documentation to the court verifying the relationship to the minor who is seeking an abortion. Additionally, the measure authorizes the court to require an unemancipated minor to receive a mental health evaluation and access to counseling services through the State Department of Health. The court also may consider factors that gauge the maturity level of the unemancipated minor.

A related measure, **HB 1588**, creates the Parental Notification for Abortion Act. The measure extends the time of delivery for a request of written informed consent from the next day of regular mail delivery

to the third day for an unemancipated minor seeking an abortion. Additionally, the measure stipulates that 48 hours must pass after written notice has been delivered to a parent or guardian before an abortion can be performed. If a medical emergency exists and an abortion must be performed, the parent or guardian must be verbally informed and sent written notification within 24 hours after the procedure. The bill also provides that notice is not required if the parent has stated in notarized writing that he or she has been informed or if the minor declares she is a victim of sexual or physical abuse by the parent or parents.

Finally, **HB 2015** adds questions to the Individual Abortion Form completed by the physician and adds reporting measures to the Annual Abortion Report issued by the State Department of Health. The bill also allows registered voters in Oklahoma to initiate legal proceedings against an abortion provider failing to submit any required report.

Mental Health

The issue of mental health and substance abuse treatment has become a top priority in many legislatures including Oklahoma's. **HB 1069** permits the successful completion of a Department of Corrections-approved substance abuse treatment program to satisfy the recommendations made by an assessment agency for a 10- or 24-hour alcohol and drug abuse course or treatment program. Additionally, the measure allows an alcohol and drug abuse evaluation and assessment to be paid for by a third party on behalf of a defendant, provided no state-appropriated funds are used.

In response to recent events at a private, recovery and recovery support facility, **SB 295** requires such facilities be certified by the Department of Mental Health and Substance Abuse Services. The measure also modifies the definition of community-based structured crisis center to include comprehensive community addiction recovery centers under the Unified Community Mental Health Services Act. The measure specifies that such centers must comply with standards adopted by the Board of Mental Health and Substance Abuse Services. These standards must be in compliance with

certain national accrediting organizations or approved medical and professional standards as determined by the board. The measure exempts faith-based nonresidential recovery programs, residential recovery-based programs with less than 12 residents, and residential recovery and recovery support programs that are not located with certified treatment programs from the provisions of this act.

HB 1532 increases the distribution of unclaimed lottery prize money to the Department of Mental Health and Substance Abuse from \$500,000 to \$750,000.

Children & Families

Elected officials continued to take steps to protect vulnerable children from abuse and neglect. **SB 460** requires DHS to electronically record all referrals received by the child abuse hotline and retain the recordings for 90 days. The records are confidential and subject to disclosure as provided for elsewhere in statute. The measure also makes it a felony for any person with prolonged knowledge of ongoing child abuse or neglect to knowingly and willfully fail to report the abuse or neglect. *Prolonged knowledge* is defined as knowledge of abuse or neglect for at least six months.

Two measures address public assistance. **HB 1909** directs DHS to not renew a request for a waiver from the federal requirement that limits able-bodied adults without dependents to 3 months of food stamp benefits during a 3 three year period unless the recipients are employed for at least 20 hours per week. Another bill, **SB 667**, prohibits the use of an electronic benefit transfer cards in liquor stores, casinos and gaming establishments, adult-oriented entertainment establishments and smoke shops.

HB 2166 authorizes a court to require individuals who owe child support and are willingly unemployed to work two eight-hour days per week in a community service program administered by the county commissioners.

To encourage more Oklahomans to become foster parents, the Legislature created an income tax deduction for

foster parents in **HB 1919**. The deduction is capped at \$2,500 for single persons and \$5,000 for married individuals filing a joint return.

A final measure, **HB 2301**, appropriates an additional \$32 million to the Department of Human Services for implementing year two of the Pinnacle Plan, which is the result of the 2012 settlement of the class action lawsuit brought against the agency.

Elderly & Long-term Care

Two measures address the safety of residents in nursing facilities. **SB 587** allows for the voluntary authorized electronic monitoring of a resident's room and prohibits a facility from refusing to admit an individual or remove a resident because of the electronic monitoring of a resident's room. The bill also prohibits the obstruction of, or tampering with, an electronic monitoring device installed in a facility. **SB 629** makes nursing facilities operated by the Oklahoma Department of Veterans Affairs (ODVA) once again subject to the requirements of the Nursing Home Care Act. The measure requires the Oklahoma State Department of Health (OSDH) to conduct at least one annual unannounced inspection of the facilities operated by ODVA and gives OSDH the authority to approve employer-based nurse aide training programs provided by ODVA. The measure also prohibits those facilities from employing a nurse aide who is not certified and who is not eligible for placement on the OSDH nurse aide registry.

HB 1403 requires health care providers to deliver life-preserving health care services as directed by the patient, or their legally authorized person, regardless if they are elderly, disabled or terminally ill. Under the law health care providers have the right to defend their actions by pleading a legitimate, nondiscriminatory reason or reasons for the basis of denying treatment.

HB 1094 exempts a home food establishment from the licensing requirements of the State Department of

Following the trend in other states, legislators created a more competitive environment for private workers' compensation.

Health and permits the department to request written documentation to verify the gross annual sales of the establishment. The measure requires establishments to affix a label that states the name and address, the name of the prepared food and that the food was made in an unlicensed establishment.

SB 501 authorizes counties and municipalities to enact laws restricting smoking on their property. ■

Following the trend of other states, legislators created a more competitive environment for private workers' compensation by limiting the competitive advantage of state workers' compensation programs. The Legislature also addressed a variety of other insurance topics and updated the provisions of the Captive Insurance Act.

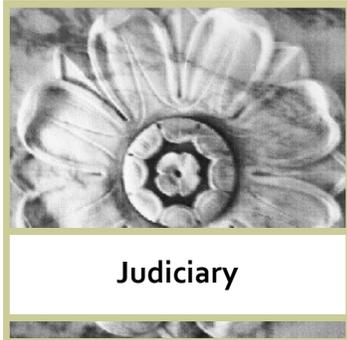


HB 2201 converts CompSource Oklahoma into a domestic mutual insurer beginning January 1, 2015. The measure renames CompSource Oklahoma to CompSource Mutual Insurance Company which will be organized under state law, but independent of the State of Oklahoma. The company will be subject to current law governing private insurers and be required to pay state premium taxes; however, the measure exempts the company from the Oklahoma Insurance

Rating Act and the Property Casualty Competitive Loss Cost Rating Act until three years after the company begins operations. The company also will be considered a continuation of CompSource Oklahoma and absorb all its remaining properties, debts, claim and other assets or liabilities.

HB 1512, the Insurance Department omnibus bill, amends the regulatory laws of several industries overseen by the Insurance Commission. Some provisions of the measure include:

- requiring confidential treatment of information obtained by the insurance commissioner through an examination or investigation, unless authorized by the insurer. However, the commissioner is authorized to share and receive confidential information with a regulatory agency and the National Association of Insurance Commission (NAIC), provided these entities agree to maintain the privileged status of the documents
- removing the bond requirement for an individual applying for an insurance broker's license
- requiring contracts, prices list and statements for prepaid funeral benefits to be retained for at least six years
- increasing the minimum hours of continuing education required for an insurance adjuster from 20 to 24; and
- providing that a small employer carrier may include wellness programs, such as tobacco cessation, in the premium rate developments and allows employers to offer incentives to employees for participating the programs.



insurance companies formed by their parent company to insure the risk of the parent company. Some provisions of the measure include:

- requiring captive insurance companies to obtain approval from the insurance commissioner before taking certain actions related to the financial status of the company.
- establishing criteria for businesses written by a sponsored captive insurance company and allowing a sponsored captive insurance company to invest and combine the assets of two or more protected cells; and
- lifting certain exclusions that prohibited a captive insurance company from providing workers' compensation insurance and allowing the commissioner to issue provisional licenses to applicants. ■

Legislators amended Oklahoma's legal code to reduce litigation, modernize the court process and provide more transparency in civil proceedings while addressing various other topics related to the courts.

SB 404 creates the Personal Injury Trust Transparency Act. The measure requires plaintiffs to disclose information about all current and anticipated

personal injury claims filed against a personal injury trust and attest to its completeness and accuracy. The measure also allows a defendant to identify other personal injury trusts that the defendant in good faith believes the plaintiff can file a successful claim against within 90 days before trial. For each additional or alternative personal injury trust identified, the plaintiff is required to either file a claim with the identified trust, or file a written response with the court stating reasons why there is insufficient evidence to permit the plaintiff to file a claim.

To protect officers, directors and shareholders of corporations and members and managers of limited

HB 1108 helps bring Oklahoma's captive insurance laws more in compliance with the National Association of Insurance Commission's model act for regulating captive companies. Captives are

liability companies (LLC) from claims brought against the LLC or corporation of which they are a part of, **SB 1083** requires a judgment to be rendered against the corporation or LLC before any claims or suits may be brought against the individuals.

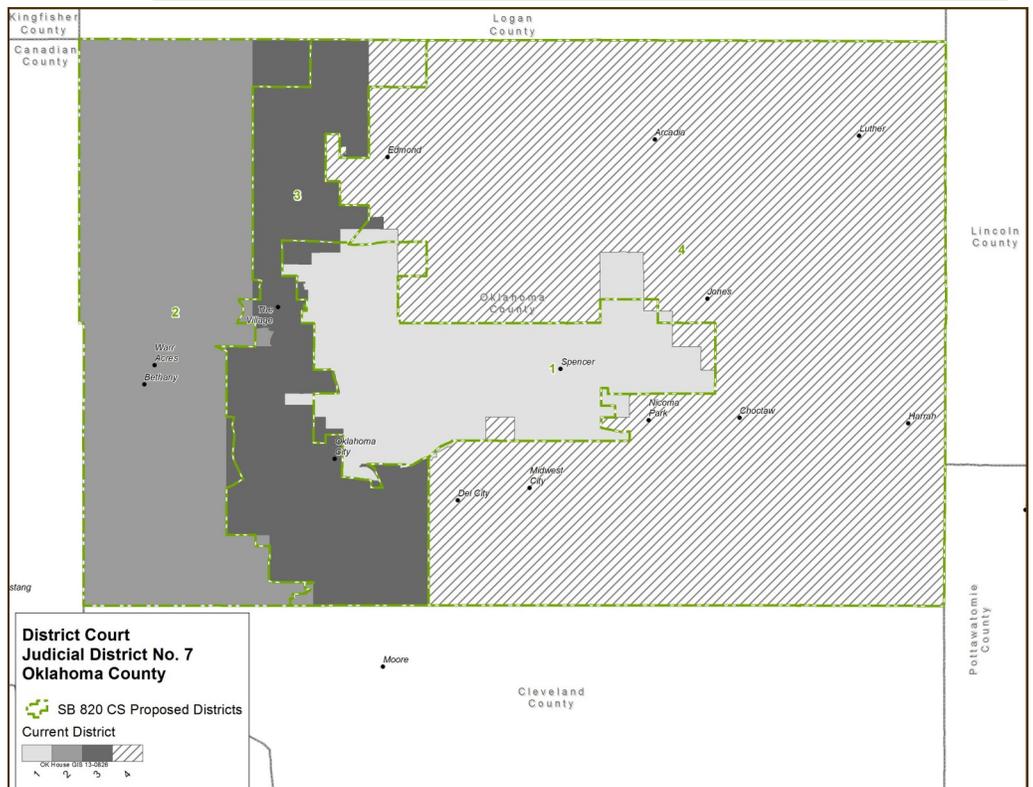
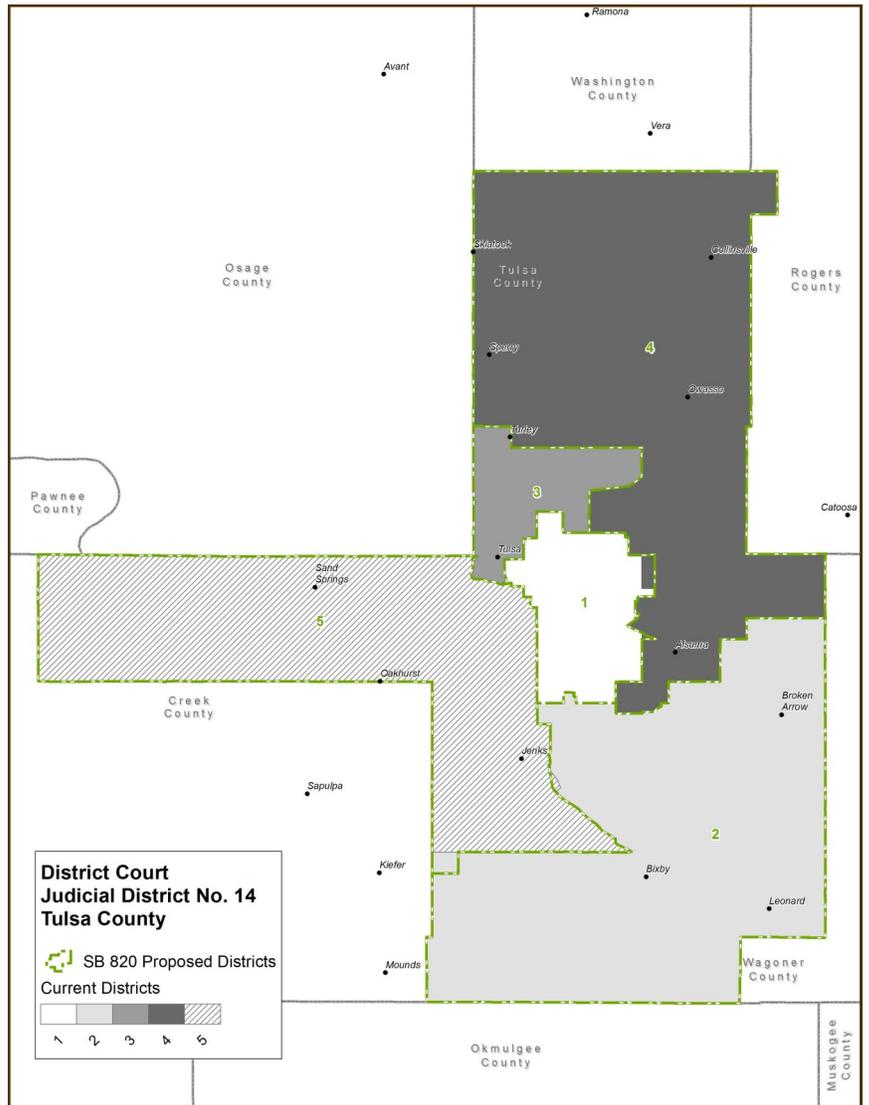
HB 1060 prohibits the recognition of foreign laws in state courts if the constitutional rights of the affected parties are violated. The measure makes void and unenforceable any court, arbitration, or administrative decision that does not grant the parties affected by the ruling the same fundamental liberties, rights and privileges granted under the U.S and state constitution.

SB 820 redistricts the boundaries of the electorate divisions within District Court Judicial District No. 7 (Oklahoma County) and No. 14 (Tulsa and Pawnee counties) to align with the current state precinct lines. The measure also increases the number of judges in District No. 21 (Garvin, McClain and Cleveland counties) from four to five and decreases the number of judges in District No. 22 (Seminole, Hughes and Pontotoc counties) from three to two.

Workers' Compensation

The Legislature voted to change Oklahoma's distinction as one of the remaining two states to have a court-based system to determine workers' compensation claims. **SB 1062** changes how claims from injured workers are handled and computed. The measure establishes an administrative workers' compensation system, allows employers to opt out of the states' workers' compensation laws by creating their own defined benefits plans and authorizes agreements to arbitrate claims for injuries.

Effective February 1, 2014, the Workers' Compensation Court will be renamed the Workers' Compensation Court of Existing Claims and be responsible for hearing claims for injuries or death filed prior to February 1, 2014, under existing statutes. Provisions of the measure include:



SB 1062

	Current Law	New Law (effective February 1, 2014)
TTD	70 percent of the employee's average weekly wage (EAWW) up to 100 percent of the state average weekly wage (SAWW) for 156 weeks. Benefits may be extended for an additional 52 weeks if the court makes a finding of a consequential injury.	70 percent of the EAWW up to 70 percent of the SAWW for 104 weeks. Benefits may be extended for an additional 52 weeks if allowed by an administrative law judge.
TPD	70 percent of the difference between the EAWW before the injury and his or her wage earning capacity thereafter for 156 weeks.	70 percent of the difference between the EAWW before the injury and his or her weekly wage for performing the alternative work after the injury, but only if that wage is less than the TTD rate. Compensation may not exceed 52 weeks.
PPD	70 percent of the EAWW or \$323, whichever is less, for 500 weeks. PPD benefits may not be less than \$150 per week.	70 percent of the employee's average weekly wage, not to exceed \$323 for 350 weeks. Vocational rehabilitation services are allowed for up to 52 weeks.
PTD	70 percent of the EAWW or the SAWW, whichever is less, for 15 years or until the employee reaches the age of maximum Social Security retirement benefits, whichever is longer.	70 percent of the EAWW or the SAWW, whichever is less, for 15 years or until the employee reaches the age of maximum Social Security retirement benefits, whichever is longer.
Disfigurement	Up to \$50,000 for any part of the body.	Up to \$50,000 for any part of the body. No award will be entered until 12 months after the injury.

- creating a three-person commission, appointed by the Governor to serve six year terms
- creating the position of administrative law judges, who are appointed by the commission, to conduct hearings and determine claims for compensation under the rules and regulations established by the commission
- allowing an employer to voluntarily opt of the Administrative Workers' Compensation Act by becoming a qualified employer. To obtain the qualified-employer status, an employer must complete certain notice requirements, establish a written benefit plan that is comparable to the benefits provided under the act, pay an annual \$1,500 filing fee and furnish proof to the insurance commissioner of the employer's financial ability to pay for compensation. Employers may self-insure or contract with an insurer to supply benefits
- providing that agreements to arbitrate claims for injuries covered by the act are valid and enforceable, provided the employer gives notice of an agreement to both the employee and the employer's workers'

compensation insurance provider, an alternate dispute resolution program is filed with the commission and the agreement contained a provision that allows any party to arbitration the opportunity to appeal any decision to the commission; and

- establishing new compensation rates for temporary total disability (TTD), temporary partial disability (TPD), permanent partial disability (PPD), permanent total disability (PTD) and Disfigurement as outlined in the chart on the previous page. ■

The Legislature continued its support of Oklahoma's veterans.

SB 228 creates the Quality Workforce for Oklahoma's Heroes Act. Beginning November 1, 2013, the Oklahoma Department of Veterans Affairs is authorized to establish education and training programs for its employees to improve the quality of care in department institutions.

An employee who successfully completes a program will be eligible for additional education and training. The department may pay an employee's educational expenses but also may seek repayment if the individual leaves employment. Finally, the measure authorizes the department to cover fees for employees to maintain their licenses and certifications in order to provide quality care and maintain accreditation. The department may require repayment.

SB 752 allows an identification card issued by a branch of the armed services of the United States to serve as proof of identity for voting. ■

The Legislature passed several reform measures this year intended to further strengthen the state's public pension systems.

HB 1325 will help improve the fiscal health of the Oklahoma Public Employees Retirement System. The measure

modifies the definition for *Final Average Compensation*, currently the highest three of 10 years, to the highest five of the last 10 years of participating service immediately preceding retirement or termination of employment. This measure affects members whose first participating service occurs on or after July 1, 2013.

A measure similar to the 2012 reform bill that made changes to the Oklahoma Police Pension and Retirement system, **HB 2078** modifies the Oklahoma Firefighters Pension and Retirement System. The measure:

- modifies contribution rates to the system by increasing the employee rate from 8 percent to 9 percent and the employer rate from 13 percent to 14 percent
- increases the percentage of insurance premium tax that is allocated to the system from 34 percent to 36 percent
- changes the retirement age for new participants to at least 50 years of age and completion of 22 years of service to qualify for unreduced retirement benefits and makes participants eligible to vest after 11 years of service; and
- provides that for new members, Deferred Retirement Option Plan balances will receive the earned investment return less 1 percent and must be distributed by age 70 1/2.

The measure affects participants who joined the system on or after November 1, 2013.

Addressing discrepancies in the computations of retirement benefits for certain positions within the Oklahoma Law Enforcement Retirement System, **HB 1383** provides that new participants will have their retirement benefits



based upon their final average earnings and years of service. This affects:

- Alcoholic Beverage Laws Enforcement Commission – agent
- Oklahoma State Bureau of Narcotics and Dangerous Drugs Control – narcotics agent III
- Oklahoma Tourism and Recreation Department – park ranger II
- State Board of Pharmacy – pharmacy inspector
- University of Oklahoma – police officer
- Oklahoma State University – police officer

The measure affects new participants who joined the system on or after February 12, 2013. ■

The Legislature responded to the devastating tornadoes in the state near the end of session and gave individual taxpayers a tax cut while tackling an array of other tax topics related to property valuations, debt recovery and tax administration.

SB 330 will offer tax relief to affected residents and businesses by providing

a tax credit for vehicle registration fees and excise taxes for vehicles destroyed by a tornado receiving a Presidential Major Disaster Declaration in 2013. Additionally, the measure offers an income tax credit for homeowners affected by a federally declared disaster. Affected businesses will still be allowed to claim the state deduction for filing timely sales tax reports and payment of taxes even if they are not able to file in a timely manner. Businesses also may be eligible for a sales tax exemption on tangible personal property donated to assist individuals affected by a tornado receiving Presidential Major Disaster Declaration in 2013.

HB 2032 lowers the top marginal income tax from 5.25 percent to 5 percent beginning tax year 2015 and provides for

further reduction to 4.85 percent beginning tax year 2016 contingent upon certain revenue growth.

SB 864 gives taxpayers an additional avenue to dispute tax assessments and refund amounts. The measure will allow any individual to file for a trial de novo in district court and provides that any judgment rendered in district court also may be appealed directly to the Oklahoma Supreme Court.

HB 1265 directs county assessors to reassess the value of properties damaged by fire, lightning, storms, winds, floodwater and other natural events and present the reassessment to each county's board of tax roll collections.

HB 2005 extends the tax credit for clean burning motor vehicles until January 1, 2020.

HB 2308 eliminates several outdated and underutilized tax credits. Some of these credits include:



- The water treatment and pollution control facility tax credit
- The contribution to energy conservation assistance fund tax credit
- The commercial space industries tax credit

- The tax credit for employers incurring child care services expenses
- The wind or photovoltaic (for example solar cells or panels) energy systems tax credit
- The tourism promotion credit
- The qualified ethanol facilities tax credit
- The eligible biodiesel facility tax credit; and
- The deduction for political contributions

Lastly, the measure eliminates the dividend/interest income exclusion available to individual and joint tax payers. ■



Transportation

Two measures intended to increase the safety of motorists on the state's roadways were enacted. **HB 2186** diverts \$300,000 of the apportionment of revenue derived from fines and penalties collected by the Corporation Commission to the Department of Public Safety to staff the port-of-entry weigh stations for safety inspections.

HB 1792 creates the Oklahoma Temporary Motorist Liability Plan to provide minimum vehicle liability insurance coverage when a citation is issued and the vehicle license plate has been seized. The measure adds an additional \$125 fee paid to the sheriff's office before the license plate will be returned. ■



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House members utilize the research staff for assignments ranging from information and policy analysis requests to staff support for House committees during session and interim periods. Each researcher performs these duties in a nonpartisan manner and has expertise in one or more legislative policy areas. The research staff also is involved in general review and oversight of Oklahoma's executive agencies and their operations. At the request of an individual member or committee, this oversight can involve more specific concentration on a particular program or function of a state agency. As part of the work performed for House committees, staff members provide summaries and analyses of each bill that is given a hearing.