



2016 Session Overview

**SECOND REGULAR SESSION OF THE
55TH LEGISLATURE**

Oklahoma House of Representatives

Research Division

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Introduction

The 2016 legislative session opened with very unwelcome news: declaration of an FY-16 revenue shortfall and an unprecedented revenue failure for the upcoming fiscal year that totaled nearly \$1.3 billion would be front and center and drive a majority of the legislative policies put forth for the year. The budget shortfall threatened the current and future provision of core government services. Pressure to add revenue, eliminate inefficiencies and reduce state expenditures resulted in the enactment of various measures that would enhance tax compliance, modernize fee structures, eliminate or reduce a range of long-serving tax incentives and improve cash management practices. Combined, these measures helped balance the budget and maintain essential state programs and services without a general tax increase.

Specifically, legislative leaders crafted a budget for 2017 that actually provided increased funding for the Oklahoma Health Care Authority, the Department of Mental Health and Substance Abuse Services, the Department of Human Services and the Court of Criminal Appeals. Common Education and the Department of

Corrections were held harmless for 2016 as a result of an annualization of supplemental appropriations made during session and did not see a cut in their 2017 budgets. Additionally, the Office of Juvenile Affairs, Corporation Commission, Indigent Defense System and the Pardon and Parole Board did not take additional cuts to their 2017 budgets beyond what they received due to the shortfall.

Despite the budget setback, lawmakers also made strides in several areas of policy reform including criminal justice, education and insurance. Significant legislation includes measures to give more flexibility to schools regarding testing, graduation requirements and teacher evaluation, measures that will help reduce prison overcrowding and incarceration rates and a bill that requires insurance coverage for children suffering from autism-related disorders.

Alcohol Modernization

Efforts to modernize Oklahoma's liquor laws saw attention from the Legislature this session. When prohibition ended in 1959 in Oklahoma, the Oklahoma Constitution was amended to place numerous restrictions on the sale of strong beer and spirits. **SJR 68** submits a constitutional amendment to a vote of the people that, if approved, would move much of the regulatory enforcement structure from the constitution to state statutes and allow the Legislature to enact statutes to regulate alcoholic beverages. The constitutional amendment would allow for the direct shipment of wine and allow retail stores to sell wine, beer and spirits if properly licensed.

The mechanics of alcohol regulation and enforcement is addressed in **SB 383** which re-creates the Alcoholic Beverage Law Enforcement Commission in statute. The measure also creates retail wine, beer, spirits, small brewer and brewpub licenses to allow for the sale of these items at retail locations. Protections against the sale of alcohol to minors are also maintained by

requiring training and licensure of those persons who sell alcohol to the public.

Criminal Justice and Corrections

The limited budgetary forecast for Oklahoma lawmakers led to an increased examination of criminal justice policy. For several years, the Legislature has attempted to structure a system that balances the rights of victims and the opportunity for societal re-entry for offenders.

HB 2443 increases the amount of time, from 24 months to 60 months, during which the court may modify a sentence imposed on an offender.

HB 2472 gives district attorneys the discretion to file a charge as a misdemeanor rather than a felony offense. The offense cannot be listed as an 85 percent crime and the district attorney must consider the nature of the criminal offense, the age, background and criminal history of the offender, the character and rehabilitation needs of the offender and whether it is in the best interests of justice to file the charge as a misdemeanor offense rather than a felony offense.

HB 2474 authorizes Oklahoma courts to order the Department of Public Safety to waive any requirement that fines and costs be satisfied by a person prior to that person being eligible for a provisional driver license.

HB 2479 modifies the punishment for possession of most Schedule I or Schedule II controlled substances from a term of imprisonment of not less than two years nor more than 10 years to a term of imprisonment of not more than five years. Second convictions are punishable by imprisonment for not more than 10 years and a third or subsequent offense is punishable by imprisonment for not less than four nor more than 15 years and a fine of not more than \$10,000. The measure also modifies

the punishment for a conviction of a second or subsequent possession of Schedule III, IV or V substances, marijuana and certain other substances from not less than two years nor more than 10 years to a term of not less than one year nor more than five years.

HB 2751 makes changes to numerous property related crimes by increasing the monetary threshold at which the certain offenses are to be considered a felony. The measure increases the monetary limit from \$500 to \$1,000 on the following crimes:

- Embezzlement;
- Payment for lease on rental of a motor vehicle by bogus check;
- Providing one's own name or social security number to create false documents;
- Obtaining property by trick or deception;
- Obtaining signature or property by false pretense;
- False making of a credit card;
- Receiving money, goods or services with a forged credit card;
- Sale of forged notes or instruments in the third degree;
- Possession of forged notes in the third degree;
- Possession of forged instruments;
- Publishing counterfeit instruments in the third degree;
- Forgery in the third degree;
- Grand Larceny;
- Receipt of stolen property;
- Shoplifting; and
- Chattels encumbered by mortgage, conditional sales contract or security agreement.

Additionally, the monetary limit for a false or bogus check to be considered a felony is raised from \$1,000 to \$2,000.

HB 2753 modifies the eligibility requirements for participation in a drug court by allowing any offender who has had an assessment that recommends the drug court program to participate.

HB 3119 allows a drug court judge to waive all or part of the costs and fees of a person who has successfully completed drug court if continued payment of the costs and fees would create a financial hardship for the offender.

HB 3160, a similar measure, gives judges greater discretion to waive outstanding fines, court costs and fees in criminal cases for individuals who have completed their prison sentence, complied with all probation or supervision requirements since being released and have made timely installation payments on outstanding fines, court costs, fees and restitution ordered by the court for 24 months following release. Following release, an offender must report to a court no later than 180 days after release to schedule a hearing to determine his or her ability to pay any outstanding fines, fees and costs.

SB 941 provides that, if the Oklahoma Department of Corrections is seeking to revoke the suspended sentence of an offender for failure to make timely restitution as ordered by the court and the court orders a reduction in the amount of restitution owed, the court must equally apply the same percentage of reduction to any court-ordered monetary obligation owed by the defendant.

SB 1214 creates new defenses for individuals alleged to have committed a crime and suffering from a mental illness. The measure reclassifies the verdict associated with an insanity defense as either guilty with mental defect or not guilty by reason of mental illness. An individual who has an antisocial personality disorder and is found guilty with mental defect cannot use the not guilty by reason of insanity plea and must complete the same sentence that would be imposed on others for the same crime. Any

individual found guilty with mental defect will be required to be examined by the State Department of Mental Health and Substance Abuse Services prior to release on probation. Within 45 days of the examination, the department must make recommendations for treatment, which will serve as a condition for probation. The recommended treatment will be paid for by the probationer and failure to continue the treatment will be grounds for revocation of probation. The probationer will also be required to file a psychiatric report with the probation officers and the sentencing court every six months during the probation period.

Economic Development and Tourism

SB 687 creates the Massage Therapy Practice Act and places the responsibility of licensing and regulating massage therapists on the State Board of Cosmetology and Barbering. The measure also authorizes the Oklahoma Board of Private Vocational Schools to license massage therapy schools and requires applicants for a massage therapy license to be at least 18 years of age, pass an examination, carry liability insurance and disclose past criminal proceedings or felony convictions. Anyone using a professional title related to massage therapy without authorization would be subject to disciplinary action by the board. Finally, the measure provides that the act supersedes any local ordinance regulating massage therapists.

HB 2261 protects the authenticity of Native American arts and crafts by modifying the definition of *American Indian tribe*, *American Indian* and *authentic American Indian arts and crafts* as it relates to the American Indian Arts and Crafts Act of 1974. The bill defines *American Indian tribe* as any Indian tribe federally recognized by the Bureau of Indian Affairs and defines *American Indian* as a citizen or enrolled member of an American Indian tribe. The measure also adds performing arts and literature

to the list of authentic art that is enforced by the act.

SB 1570 places the Will Rogers Memorial under the authority of the Oklahoma Historical Society (OHS) and transfers all property, funds and personnel to OHS effective July 1, 2016. The measure also repeals the Will Rogers Memorial Commission and authorizes OHS to act on behalf of the memorial and in place of the repealed commission. Finally, the measure requires that one member of the OHS board of directors be a descendent or family member of Will Rogers.

Education

Common Education

This session the Legislature created a process whereby end-of-instruction exams will be replaced with a new statewide system of assessments that will result in less testing for students and continued to make improvements to the Teacher and Leader Effectiveness evaluation system.

HB 3218 repeals the end-of-instruction tests, ends high-stakes testing for high school graduation and authorizes the State Department of Education to create new graduation requirements. The measure also limits standardized testing in grades three through 12 to only those federally required under the Every Student Succeeds Act, plus U.S. history. This change would reduce the number of required tests to 18, including:

- 12 English and math tests between grades three through eight;
- two science tests, one in grades three through five and one in grades six through nine; and
- four high school tests in English, math, science and U.S. history.

Tests that were removed include an art, geography and a social studies test. For the

2016-17 school year, the current testing requirements will apply. For 2017-18 school year, the department is authorized to look for new assessments to fulfill state and federal requirements.

The bill establishes a process for the board to study and develop assessment requirements that will be implemented in conjunction with the statewide assessment system and will include an opportunity for public comment and requires legislative review. The board must make a report of the study by October 31, 2016, and adopt the assessment requirements by January 1, 2017.

Unless otherwise exempt, all students entering the ninth grade in the 2017-18 school year must take the newly adopted assessments prior to graduation and meet any other high school graduation requirements adopted by the board. Student transcripts will include the highest-achieved score on the assessments and any business- and industry-recognized endorsements attained. School districts must adopt a plan for students who have started the ninth grade prior to or during the 2016-17 school year that states which assessments students must take in order to graduate. Preliminary results for assessments must be reported to districts no later than June 1 of each year. A-F report cards for the 2016-17 and 2017-18 school years will include an explanation of the changes made in the statewide assessment system and how the transition may impact school performance grades. Finally, the measure also modifies the definition of *teacher* to exclude principals, superintendents, school nurses or anyone else that serves in a supervisory or administrative capacity.

HB 2957 amends the Teacher and Leader Effectiveness (TLE) evaluation system by adding a professional development component to the evaluation system. The measure establishes a schedule for the development of individualized programs of professional development during the 2016-17 school year, implementation of the

programs on a pilot basis during the 2017-18 school and full implementation of the programs during the 2018-19 school year. Districts will be required to monitor compliance of the plans with the assistance of the State Department of Education (SDE) to ensure the components of the TLE are incorporated into district evaluation plans by the 2017-18 school year.

Under the measure, teacher evaluations for those in grades and subjects that do not have a mandated testing measure will no longer be required. Districts may continue to use quantitative measures as part of their evaluations plans, provided they are paid for by the district and approval is given by the board. Student performance, including performance on the statewide tests, if available, will be discussed with teachers and may be taken into consideration on the teacher's evaluation.

SB 1572 appropriated \$51 million from the Constitutional Reserve Fund to the State Board of Education to make up for the mid-year budget cuts caused by the two revenue failures declared for fiscal year 2016.

HB 2969 stipulates that standards for school accreditation adopted by the SDE must include standards relating to the provision of educational services provided in partial hospitalization programs, day treatment programs, day hospital programs, residential treatment programs and emergency shelter programs for persons between the ages of 3 and 21. The accreditation standards will apply to onsite and offsite educational services provided by public school districts or state-accredited private schools. The SDE will actively monitor schools providing educational services for students placed in such a program. If a school fails to comply with the accreditation standards, the department will make a recommendation to the board within 60 days that could include a warning, probation or revocation of the accreditation status. If a school fails to take action to comply with accreditation standards

within 90 days, the board will withdraw accreditation.

SB 1105 permits students who have not met curricular requirements for graduation to re-enroll and be offered remediation or intervention. These students would have the opportunity to complete curriculum units or sets of competencies necessary to meet graduation requirements and would be exempt from the hourly instructional requirements and six-period enrollment requirements.

HB 2614 allows a public school to decline or refuse educational services in the regular school setting to a student who has been removed from another school for using electronic communication with intent to terrify, intimidate, harass or threaten faculty or other students.

Higher Education

HB 2615 prohibits the giving of money or a thing of value to a student-athlete or family member for the purpose of recruitment and prohibits any transaction that would likely cause the student-athlete to permanently or temporarily lose athletic scholarship and participation eligibility. The measure also outlines several exemptions and establishes penalties for violations. Public and private high schools must advise student-athletes in writing of the provisions of the bill. Lastly, the measure grants public and private postsecondary institutions a right of action against persons engaged in illegal activity with student-athletes.

SB 1157 is a consumer protection bill that requires all private and out-of-state public degree-granting institutions to be authorized according to policies and procedures established by the Oklahoma State Regents for Higher Education. These policies and procedures will include a complaint process, standards for operation, reporting requirements and stipulations for a written enrollment agreement between the institution and the student. The bill provides exemptions for private institutions

participating in the Oklahoma Tuition Equalization Grant Program and out-of-state public and private institutions participating in a state authorization reciprocity agreement

Environment, Energy, Natural Resources and Utilities

HB 3158 clarifies the Oklahoma Corporation Commission's authority when responding to emergency situations. The measure authorizes the commission to take whatever action necessary to promptly respond to a situation with potential environmental or public safety impact, which results from activities within its jurisdiction.

SB 1388 repeals the Scenic Rivers Commission and transfers all authority, personnel, assets and obligations of the commission to the Grand River Dam Authority (GRDA) effective July 1, 2016. The measure also exempts state law enforcement officers serving under the authority of the Oklahoma Tourism and Recreation Department or GRDA from dual office holding. Finally, the measure authorizes the GRDA to collect fees for camping, facility use and use of off-road and all-terrain vehicles on its public lands. Fees may be used only for maintaining, policing, improving or expanding existing parks or public use areas, or for acquiring new lands for public use.

HB 2616 changes the administration of the Oklahoma Universal Service Fund from a litigation-based system to an administrative process to create certainty and clarity for service bids sought by schools and hospitals in part by creating a pre-approval process. Established in 1997, the fund makes Internet access affordable for schools, libraries and health care providers.

Water

SB 1219 directs the Oklahoma Water Resources Board to promulgate rules that establish a permitting process for aquifer storage

and recovery. The Water for 2060 Advisory Council recommended this conservation method, referred to as “ASR,” which allows communities to capture floodwater, treat it, and store it underground for periods of drought.

HB 2446 declares the protection of state waters a compelling state interest. The measure complements State Question 777, which will be on the November ballot and proposes a constitutional amendment to protect the right to engage in farming and ranching.

General Government

State Government

SJR 72 sends to a vote of the people a proposal to repeal Section 5 of Article II of the Oklahoma Constitution which relates to the use of public monies or property for sectarian or religious purposes.

HB 2510 amends the Open Records Act by permitting social security numbers to be redacted or deleted prior to release a record by a public body, regardless of the person’s status as a public employee or private individual.

HB 2704 modifies the State Travel Reimbursement Act by including rideshare as an authorized mode of transportation. The measure also states that distances for which reimbursement for use of privately owned motor vehicles is claimed must be actual business miles based on a recognized global positioning system.

HB 2997 authorizes agencies to establish education and training programs for positions critical to the mission of the agency. The measure authorizes agencies to contract with accredited institutions to provide this education and training and requires employees who participate in the program to execute a promissory note for expenses payable to the agency, promising to repay the note by remaining employed by the agency. The duration of the loan repayment will correspond with the

rules promulgated by the Office of Management and Enterprise Services.

State-Federal Relations

The Legislature responded to concerns about fiscal irresponsibility at the federal level by enacting **SJR 4**. The resolution makes two separate applications to Congress under Article V of the U.S. Constitution. One is for the purpose of calling a convention of the states to propose a balanced budget amendment to the constitution and one for the purpose of proposing amendments to the constitution to impose fiscal restraints, limit the power and jurisdiction of the federal government and to limit terms of office for federal officials and members of Congress.

Municipalities

SB 1493 authorizes a municipality to enter into agreements with a volunteer fire department for used equipment that has been tested and certified as safe. The measure exempts the municipality from liability for any damage caused by the use of such equipment.

Health and Human Services

Children and Families

HB 2757 decreases from 10 percent to 2 percent the interest rate that accrues on past-due court-ordered child support payments and other support judgements. The bill also modifies the factors that go into calculating the adjusted gross income of a parent who owes child support by taking into consideration support provided by the parent for children born after the child in the case under consideration. The measure also authorizes the court to approve a modification of a child support order that deviates from the child support guidelines if agreed to by both parties and directs the court to apply the principles of equity when modifying a support order due to changes in circumstances of either party.

HB 2971 was enacted in response to legislative concerns about the method in which

the state's child welfare system responds to reports of abuse or neglect of children with disabilities. The measure creates the Child Welfare Review Committee for the Death and Near Death of Children with Disabilities. The purpose of the committee is to study the deaths and near deaths of children with disabilities who had previous child welfare involvement or are in the custody of the Department of Human Services and to issue a report of its findings to the Legislature and Governor by December 1, 2018.

SB 1274 modifies the notice requirements for child care facilities that do not carry liability insurance by requiring facilities to keep on file a form signed by the parent or guardian of a child acknowledging that he or she is aware that the facility does not carry at least \$200,000 of liability insurance. The bill also requires facilities to keep a copy of its most recent compliance file onsite and to post a notice informing parents or guardians that the file is available for inspection.

Health Care

HB 2482 creates the Nurse Licensure Compact to create reciprocity of licenses across state lines. Some of the most significant provisions of the measure include:

- Establishing the governing body as a public agency known as an Interstate Commission;
- Setting out the qualifications an individual must meet to be issued a multistate license;
- Adding an application and renewal fees for a multistate license;
- The ability to take action against a multistate licensure privilege with application of state due process laws;
- Nurse compliance with state practices laws where the client is located;
- Limiting nurses to holding only one multistate nursing license issued from their state of residence;

- Requiring participation in Coordinated Licensure Information System (a database where licensure and discipline information is shared between compact states);
- Addressing how a licensee may obtain information about oneself that is in the coordinated licensure information system;
- Providing for the exchange of information with other party states;
- Allowing the commission to adopt administrative rules directly and limiting it to the procedural implementation of the compact; and
- Ensuring compliance with the compact by member states.

The compact would not be effective until either 26 states adopt the compact or December 31, 2018.

HB 2547 repeals the informed consent provision from the Oklahoma Telemedicine Act to expand access to health care services by eliminating the need for a primary care physician to obtain informed consent from a patient prior to the delivery of health care via telemedicine.

HB 2627 modifies eligibility requirements for a retired volunteer dentist license to include 30 years of consecutive practice. The board of dentistry may deny a license or permit to any applicant who fails to disclose a criminal history, guilty plea, or has been convicted of a felony or misdemeanor involving moral turpitude, Medicaid fraud or a violation of federal or state controlled dangerous substances laws. The board's review panel is authorized to take emergency action to temporarily suspend the permit of dental assistant or oral maxillofacial surgery assistant if the panel finds that it is imperative to protect the health, safety and welfare of the public.

HB 2820 creates the Music Therapy Practice Act. Some of the most significant provisions include:

- The establishment of a Music Therapy Committee to assist the State Board of Medical Licensure and Supervision in conducting examinations for applicants and to advise the board on matters pertaining to licensure, education and continuing education;
- Setting the powers and duties of the board with regard to the committee including requirements for licensure, the ability to set fees, conduct investigations and inspections, initiate prosecution and civil proceedings, issuing, denying, suspending or revoking a license;
- Establishing a \$50 license and biannual renewal fee; and
- Allowing for consultation and evaluation by a licensed music therapist without a referral for prevention, wellness, education, adaptive, and specialized instructional support and services.

Insurance

HB 2962 requires all new private health insurance plans and the Oklahoma Employees Health Insurance Plan to provide autism coverage up to age 9, or if the individual is diagnosed or treated at the age of 3 or later, for at least six years. The yearly maximum benefit allowed is \$25,000 and benefits may continue as long as the individual continually improves. If a health insurance plan experiences an increase in premium costs greater than 1 percent, it may be exempted from the requirement to provide coverage. Finally, the measure directs the Oklahoma Health Care Authority (OHCA), in conjunction with the Department of Mental Health and Substance Abuse Service (ODMHSAS), the State Department of Health (OSDH) and the State Department of Education (SDE), to examine the feasibility of amending the state Medicaid program to include treatment of

autism spectrum disorders and, if it is found to be feasible, to draft such an amendment beginning on July 1, 2017.

SB 1374 adds a category of *Not-for-Profit Life Care Community* to the Long Term Care Insurance Act and requires that an endowed prepayment, license or entry fee of \$50,000 or more be independently, actuarially determined prior to the opening of the community and annually thereafter, to insure that sufficient payments are collected to meet the future needs of residents.

SB 1386 authorizes the creation and submission of a State Innovation Waiver, which may include multiple waiver submissions, including those provided under of the Affordable Care Act to create more state flexibility within the health insurance market. Agencies including the OSDH, the OHCA, the ODMHSAS and the Oklahoma Insurance Department are charged with developing the waiver with input from private sector partners and subject matter experts. Finally, the bill authorizes the insurance department to conduct rate reviews for the individual and small group health insurance market upon implementation of the waiver.

Public Safety and Judiciary

In an effort to combat drunk driving, **HB 3146** creates the Impaired Driving Elimination Act. An issue within the state is how DUI offenses are tracked. Currently, all first time municipal DUI offenses are misdemeanors and any second or subsequent offenses are required to be prosecuted in district court. However, there is not a centralized database that tracks municipal DUI offenses. With the enactment of the measure, the Legislature pre-empts the entire field of legislation affecting the prosecution of offenses relating to driving under the influence. No municipality that is not a court of record has the authority to prosecute any law or ordinance relating to driving under the influence, therefore requiring these offenses to be prosecuted in

district court. Using a \$15 assessment on all DUI offenses, the Department of Public Safety is directed to create a statewide impaired driver database to track DUI offenders so that they may be properly prosecuted.

HB 2275 requires every person 18 years of age or older who is arrested for a felony offense to submit to DNA testing. The DNA sample is not to be analyzed and is to be destroyed unless the arrest was made due to a valid felony arrest warrant, the person appeared before a judge who found probable cause for the arrest, or the person posted bond or was released prior to appearing before a judge and then failed to appear for a scheduled hearing.

HB 2473 requires an officer, during a traffic stop, to access the online insurance verification system if a driver fails to produce security verification. The measure provides that if compliance with the Compulsory Insurance Law is verified in this way, no citation will be issued.

HB 3024 creates the Catfishing Liability Act of 2016. Knowingly using another's name, voice, signature, photograph or likeness through social media to create false identities without consent is considered Internet catfishing. The measure establishes remedies for victims of Internet catfishing, including the ability to file an automatic injunction preventing the continued use of the plaintiff's name, voice, signature photograph or likeness. A plaintiff may also be entitled to actual damages, punitive damages of at least \$500 and reimbursement of attorney fees and costs.

SB 359 creates the Uninsured Vehicle Enforcement Program to be operated by the district attorneys in the state. The measure allows law enforcement to use automatic license plate reader systems to access and collect data to enforce Oklahoma's Compulsory Insurance Law. The measure provides that the program is not to be implemented until the department of public safety verifies that at least 95 percent of the

personal lines auto insurance market participates in the verification system that it is updated in such a way to allow the program to be implemented without interrupting any other lawful uses of the system.

Emergency Management

HB 3126 centralizes oversight of, and provides uniformity to, 911 services by creating a statewide coordinator position and empowering the Oklahoma 911 Management Authority to distribute fees and oversee and audit emergency service systems and wireless service providers. The measure addresses revenue decreases due to waning landline use by increasing monthly wireless fees that fund 911 services and technology from 50 cents to 75 cents.

Retirement

HB 2264 amends the Retirement Freedom Act by authorizing members of the Oklahoma Public Employees Retirement System's defined contribution plan to modify their contribution rate each month.

SB 1128 creates the Oklahoma Pension Improvement Revolving Fund which will consist of funds received for the benefit of retired members and beneficiaries of the state's retirement systems. Expenditures from the fund can be made only by legislative appropriation to pay for the cost of any authorized cost-of-living adjustment for retirees and beneficiaries.

Revenue and Taxation

Facing an estimated \$1.3 billion shortfall for the fiscal year 2017 budget, the Legislature enacted several measures to add revenue, decrease or eliminate numerous tax incentives and expenditures and improve the budgeting and tax collections process.

In support of brick and mortar businesses, **HB 2531**, the Retail Protection Act, makes changes to the definition of *maintaining a place of business in this state* that will require online vendors that do not have a physical presence in Oklahoma to either begin voluntarily collecting sales tax at the point of purchase or be required to send each of their customers a notice at the end of each year. The notice must state the total amount of purchases from the prior year with a reminder to remit unpaid sales and use tax to the state. The bill also invalidates any existing ruling, agreement or contract stating that a person or vendor is not required to collect sales tax, unless the agreement is approved by a majority vote of each house of the Oklahoma Legislature. Currently, a taxpayer is required to claim unpaid use tax annually on their tax return, but only an estimated 4 percent of state taxpayers comply.

HB 2763 creates the Revenue Stabilization Fund to house excess oil and gas gross production tax collections, excess corporate income tax collections and any amount appropriated to the fund by the Legislature. The measure sets up a mechanism for monies to be deposited to the fund when the amount of tax revenue exceeds the moving five-year average. In the event that a revenue failure is declared or there is a decline in the revenue certified by the State Board of Equalization for the General Revenue Fund, the measure authorizes the Legislature to withdraw between 25 to 50 percent of the balance, respectively, to make up the shortfall. The measure also adds new duties for the board and instructs it to certify the revenue derived from gross production tax on oil and gas and from corporate income tax.

HB 3205 changes the amount of time a taxpayer has to file an amended sales or use tax return with the Oklahoma Tax Commission (OTC) for erroneously paid sales or use tax. The measure changes the reconciliation period from three years to two years and directs the commission to only accept an amended report that establishes a liability less than the

previously filed return. The commission estimates that this change will result in a \$10 million increase in sales and use tax collections for fiscal year 2017.

SB 1030 creates the Oklahoma Multi-Year Revenue and Expenditure Projection Act. The measure expands the time frame by which agencies are required to submit information to OMES for budgeting purposes. The expanded time frame, which will include the ensuing fiscal year and the following two fiscal years, will also apply to a comprehensive economic report prepared by the OTC and a multi-year trend analysis of the state's budget outlook prepared by the OMES. The agencies will be required to submit their reports and analyses to the legislative leaders and the members of the House and Senate appropriations committees. The measure also requires the subcommittees of the House and Senate appropriations and budget committees to establish budget performance measurements for each spending agency under its jurisdiction. All spending agencies, regardless of whether or not it receives state appropriations, will be required to submit analysis reports to allow the Legislature and the Governor to obtain measurable data to determine if the agency is performing its duties in the most cost-effective manner.

SB 1577 modifies a gross production tax incentive for economically at-risk oil or gas leases. The measure would modify the definition of *economically at-risk oil or gas lease* to mean any oil or gas lease with one or more producing wells with an average production volume per well of 10 barrels of oil or 60 thousand cubic feet of natural gas per day or less operated at a net loss or at a net profit that is less than the total gross production tax remitted for such lease during the previous calendar year. The measure also establishes a \$12.5 million annual cap for oil and natural gas produced from a qualifying lease from calendar year 2015 through 2020. The commission estimates that this change will result

in a positive fiscal impact of \$120.4 million for fiscal year 2017.

SB 1579 directs the Oklahoma Tax Commission to engage in various efforts to increase sales, income and gross production tax collections. The OTC expects to incur approximately \$4 million in costs for these increased efforts, but estimates that these changes will result in a \$53.9 million increase in total tax collections for fiscal year 2017.

SB 1582 establishes a \$25 million annual cap for the Investment/New Jobs tax credit effective tax year 2016 through 2018. In the event that more than \$25 million is claimed for the credit during each tax year, the OTC is directed to calculate and publish a percentage by which the credits will be reduced so that the total amount of credits paid out by the state does not exceed the cap. The commission expects this change to result in a positive fiscal impact of \$14 million for fiscal year 2017.

SB 1604 makes the earned income tax credit nonrefundable effective tax year 2016. The state earned income tax credit is equal to 5 percent of the federal earned income tax credit. The commission estimates that this change will result in a \$28.9 million increase in income tax collections for fiscal year 2017.

SB 1606 provides that taxable income, for the purpose of determining state income taxes due, will be increased by any amount of state or local sales or income tax deducted on a taxpayer's federal income tax return effective tax year 2016. This change only applies to taxpayers that itemize their deduction on the federal return and is estimated to result in a \$97.3 million increase in income tax collections for fiscal year 2017.

Transportation

HB 3167 removes statutory speed limitations on rural interstate highways, the

turnpike system, four-lane divided highways, and super two-lane highways to allow the Oklahoma Department of Transportation to set reasonable and safe speed limitations on these types of highways based upon engineering and traffic investigations.

HB 3231 authorizes the Oklahoma Capitol Improvement Authority to issue a \$200 million dollar bond to be used to fund highway and bridge projects through fiscal years 2016-23.

SB 1056 permits the sharing of information between the Turnpike Authority and law enforcement agencies pursuant to investigations or prosecutions of criminal violations.

Veterans and Military Affairs

HB 2348 allows Oklahoma Army National Guard and Air National Guard personnel to carry loaded or unloaded and concealed weapons in Oklahoma Military Department facilities, if they have authorization and are performing a military function. The measure also authorizes the Adjutant General, when not in the state, to delegate his or her duties to an Assistant Adjutant General or other state officer or employee.

HB 2497 designates the Oklahoma Department of Veterans Affairs building the "Vezey Veterans Complex" in honor of Edward Earl Vezey, Jr. The measure also allows for land associated with the Lincoln Boulevard Renaissance Project to be transferred to the Commissioners of the Land Office for further development.

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