

17-21

May 21, 2021

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FINAL COUNTDOWN TO SINE DIE

The final countdown is on to Sine Die. Pursuant to the Oklahoma Constitution, the Legislature must Sine Die by 5 pm on Friday, May 28th. There was a false alarm that the Legislature would be done this week but the hopes of everyone were dashed as they started scheduling times for floor work next week.

With the Legislature one step closer to the end of the 2021 legislative session, House, and Senate passed the FY22 general appropriations bill ([HB 2900](#)) and all accompanying funding measures. The budget deal includes increases in mental health, transportation, education, and adds a huge amount into the state's savings account. They are all waiting action by Governor Stitt.

Governor Stitt has five (5) days to act on these bills which includes Saturday. Should he veto any bill, the Legislature could attempt to override them prior to Sine Die. Any measure that passes next week, the Governor has fifteen (15) days to take action.

MENTAL HEALTH FUNDING FOR OML PRIORITY ON GOVERNOR'S DESK

On Thursday, [SB 1047](#) by Sen. Roger Thompson (R-Okemah) and Rep. Kevin Wallace (R-Wellston) appropriates was sent to Governor Stitt's desk. This bill helps provide Two Million Dollars (\$2,000,000.00) to carry out the provisions in [HB 2877](#) which is an OML priority that was signed by Governor Stitt earlier this Session that impacting law enforcement mental health transport and authorizing telemedicine for an individual to be assessed by a licensed mental health professional.

The bill also appropriates the following items that impact the crisis of mental health in communities:

1. \$500,000 to carry out the provisions of [SB 848](#) which authorizes the Department of Mental Health to contract for the purpose of providing peer support crisis intervention, counseling and wellness for law enforcement, firefighters, and emergency medical personnel impacted by trauma, stress, anxiety, addictions, death and suicides and the impact on their personal lives.
2. \$2,034,000.00 to expand connectivity programs between law enforcement officers, mental health providers and Oklahomans in mental health crisis.
3. \$2,966,000.00 to be used for additional mobile crisis teams to respond and diffuse crisis situations in communities.

BILLS SIGNED BY GOVERNOR STITT

Broadband Deployment Grant Program: [HB 1124](#) by Rep. Logan Phillips (R-Mounds) and Sen. James Leewright (R-Bristow) is new law requiring the Oklahoma Department of Commerce with the participation and advice of the rural Broadband Expansion Council to make rules and procedures to establish the State Broadband Deployment Grant Program. This program, under the administration of the Department of Commerce, shall include development of a competitive grant program that awards funding to applicants seeking to expand access to broadband internet service in Oklahoma. This bill creates a fund for this grant.

The bill goes into effect on November 1, 2021.

BILL VETOED BY GOVERNOR STITT

Sales Tax Exemption/Parent Support Groups: [HB 1849](#) by Rep. Andy Fugate (D-OKC) and Sen. Michael Brooks (D-OKC) would have expanded the current sales tax exemption for schools by adding "school support organizations".

Governor Stitt's [veto](#) message said that this bill creates a new exemption that unnecessarily complicates the tax code.

BILLS MOVED TO GOVERNOR'S DESK

Tenth Amendment/Political Subdivisions: [HB 1236](#) by Speaker Charles McCall (R-Atoka) and Pro Tempore Greg Treat (R-OKC) authorizes the Oklahoma Attorney General to evaluate any action by the federal government, including but not limited to, executive orders by the President, rules or regulations of a federal agency or acts of Congress to determine if such actions are in violation of the Tenth Amendment. Among the provisions of this bill is the creation within the Office of Attorney General of a State Reserved Powers Protection Unit, a review by the Legislature with recommendations to the Attorney General and possible legal action by the Attorney General. Political Subdivisions or any publicly funded organization shall not implement, adopt, or enforce any federal action declared unconstitutional by a Court.

The bill passed the House on Tuesday by a [vote](#) of 77 to 18 and the Senate on Thursday by a [vote](#) of 37 to 9.

Driver License Revocation: [HB 1795](#) by Rep. Nicole Miller (R-Edmond) and Sen. Kim David (R-Porter) amends various sections of Title 47 including Section 6-107.1 impacting municipal court in notification to the Department of Public Safety. Changes include alteration of the period for canceling or denying driving privileges. The Bill provides for canceling or denying driving privileges for a "period of 6 months for the first offense or a period of 1 year for a subsequent offense". Section 6-205 is altered to allow a person whose driving privileges are or have been canceled or denied filing a petition for relief in district court based upon error or hardship. In addition, changes are made to 47 O.S. Sections 6-206 and 6-212 impacting the suspension and revocation of driver licenses including convictions in other states, duties of the Department of Public Safety, payment plans, provisional licenses, fees, and fines.

The bill passed the Senate on Tuesday by a [vote](#) of 43 to 1.

Insurance Premium Tax/Firefighters and Police Pensions: [HB 2893](#) by Rep. Kevin Wallace (R-Wellston) and Sen. Roger Thompson (R-Okemah) returns funding for FY 2022 for the Firefighter and Police to the FY 2020 funding level. However, the funding levels are cut for each System for FY 2023 through FY 2027.

The bill passed the House on Monday by a [vote](#) of 97 to 0 and passed the Senate on Wednesday by a [vote](#) of 42 to 5.

Transportation/ROADS Funding: [HB 2895](#) by Rep. Kevin Wallace (R-Wellston) and Sen. Roger Thompson (R-Okemah) amends the funding mechanism for the Rebuilding Oklahoma Access and Drive Safety (ROADS) Fund. It modifies the FY22 allocation to the ROADS Fund to \$80 million. IT also increases the annual revenue cap from \$570 million to \$590 million.

The bill passed the House on Tuesday by a [vote](#) of 91 to 1 and the Senate passed on Thursday by a [vote](#) of 38 to 5.

Transportation Funding/8-Year Plan: [HB 2896](#) by Rep. Kevin Wallace (R-Wellston) and Sen. Roger Thompson (R-Okemah) authorizes the Oklahoma Capitol Improvement Authority to issue notes, bonds or other evidences of obligation, and to execute federal loans with the United States Department of Transportation pursuant to the Transportation Infrastructure Finance and Innovation Act (codified as 23 U.S.C., Sections 601-609), in an amount necessary to generate net proceeds of Two Hundred Million Dollars (\$200,000,000.00), no earlier than July 1, 2021, after providing for costs of issuance, credit enhancement, reserves and other associated expenses related to the financing. The proceeds of this financing would help fund construction and maintenance of the Oklahoma Department of Transportation's 8-Year Plan.

The bill passed the House on Tuesday by a [vote](#) of 89 to 5 and the Senate on Thursday by a [vote](#) of 43 to 1.

Pay for Success Act: [HB 2902](#) by Rep. Kevin Wallace (R-Wellston) and Sen. Roger Thompson (R-Okemah) appropriates One Million Nine Hundred Twenty Thousand Dollars (\$1,920,000.00) to the Pay for Success program by the Office of Management and Enterprise Services (OMES). Of the appropriated amount seventy-five percent (75%) shall be utilized in equal amounts for municipalities of the state with populations of three hundred fifty thousand (350,000) or more as determined by the latest Federal Decennial Census.

The bill passed the House on Tuesday by a [vote](#) of 75 to 11 and the Senate on Thursday by a [vote](#) of 40 to 3.

Oklahoma Conservation Commission/Master Irrigator Program: [HB 2907](#) by Rep. Kevin Wallace (R-Wellston) and Sen. Roger Thompson (R-Okemah) directs the Oklahoma Conservation Commission's Master Irrigator Program to use One

Hundred Forty Thousand Dollars (\$140,000) training and research of the Ogallala Aquifer.

The bill passed the House on Tuesday by a [vote](#) of 91 to 0 and the Senate on Thursday by a [vote](#) of 41 to 2.

Sales Tax Rebate/Broadband Equipment: [HB 2946](#) by Rep. Kevin Wallace (R-Wellston) and Sen. Roger Thompson (R-Okemah) creates a sales tax exemption for the sale, lease, rental, storage, use or other consumption of qualifying broadband equipment by providers of Internet service or subsidiaries if the property is directly used or consumed by the provider or subsidiary in or during the distribution of broadband Internet service. The exemption must be administered as a rebate. Total tax rebates will not exceed Forty-two Million Dollars (\$42,000,000.00) with Thirty-one Million Five Hundred Thousand Dollars (\$31,500,000.00) of the total reserved for eligible projects serving counties having a population density of fewer than one hundred persons per square mile and Ten Million Five Hundred Thousand Dollars (\$10,500,000.00) for eligible projects serving counties having a population density of one hundred or more persons per square mile. For tax year 2023 and years afterwards, the rebate is capped at Forty-two Million Dollars (\$42,000,000.00).

The bill passed the House on Tuesday by a [vote](#) of 89 to 4 and the Senate on Thursday by a [vote](#) of 45 to 1.

Sales Tax Exemption/University Hospitals Trust: [HB 2949](#) by Rep. Kevin Wallace (R-Wellston) and Sen. Roger Thompson (R-Okemah) amends the sales tax exemption for the University Hospitals Trust by making the exemption effective on July 1, 2022. This amendment is made in Section 1 of the bill in paragraph 10 on page 6 and paragraph 30 on page 14. In addition, the sales tax exemption for sales of tangible personal property or services used solely for construction and remodeling projects to a tax-exempt organization whose primary purpose is to construct or remodel and sell affordable housing and provide homeownership education is effective on November 1, 2021. Finally, the sales tax

exemption for sales of tangible personal property or services to a nonprofit entity whose principal function is to help natural persons following a disaster, with emphasis on repair or restoration to single-family residential dwelling is effective on November 1, 2021.

The bill passed the House on Tuesday by a [vote](#) of 90 to 5 and the Senate on Thursday by a [vote](#) of 45 to 1.

Ambulance Service Provider Fee: [HB 2950](#) by Rep. Kevin Wallace (R-Wellston) and Sen. Roger Thompson (R-Okemah) s new law creating the Ambulance Service Provider Access Payment Program Act which authorizes the Oklahoma Health Car Authority to assess an ambulance service provider access payment program fee. It is not clear whether this will apply to political subdivision ambulance service.

Exempt is:

- An ambulance service owned or operated by the state or a state agency, federal government, a federally recognized Indian tribe, or the Indian Health Service.
- An ambulance service eligible for supplemental Medicaid reimbursement under 63 O.S. Section 3242.
- An ambulance service that provides air ambulance services only; or
- An ambulance service that provides nonemergency transports only or a de minimis amount of emergency medical transportation services, as determined by the Authority.

The bill passed the House on Tuesday by a [vote](#) of 83 to 11 and the Senate on Thursday by a [vote](#) of 29 to 17.

State-Tribal Litigation Fund: [HB 2951](#) by Rep. Kevin Wallace (R-Wellston) and Sen. Roger Thompson (R-Okemah) creates a revolving fund in the Office of Management and Enterprise Services (OMES) to be designated the “State-Tribal Litigation Revolving Fund”. The fund shall only be used for legal services relating to cases and

controversies that the Joint Committee on State-Tribal Relations has formally recommended the State of Oklahoma to pursue or litigate. Expenses for the third-party legal counsel shall only be made if the contract is approved by the Joint Committee on State-Tribal Relations. If this fund is ruled unconstitutional by a court of competent jurisdiction, any unexpended funds shall revert to the State’s General Fund.

The bill passed the House on Monday by a [vote](#) of 80 to 18 and the Senate on Thursday by a [vote](#) of 38 to 8.

Tobacco Products: [SB 1078](#) by Sen. Roger Thompson (R-Okemah) and Rep. Kevin Wallace (R-Wellston) amends the definitions of “tobacco products” as defined in HB 2292. The products include smokeless tobacco, smoking tobacco, and cigars.

The bill passed the Senate on Tuesday by a [vote](#) of 34 to 13 and the House on Thursday by a [vote](#) of 68 to 21.

Oklahoma Historical Society Funding: [SB 1081](#) by Sen. Roger Thompson (R-Okemah) and Rep. Kevin Wallace (R-Wellston) appropriates One Hundred Fifty Thousand Dollars (\$150,000.00) to the Oklahoma Historical Society to be used to hire a grant writer for Black Towns in Oklahoma. From the funds appropriated in Enrolled HB 2900 (the general appropriations bill), not less than One Hundred Fifty Thousand (\$150,000.00) to be used to provide grants for schools to provide transportation to the Freedom Center & Clara Luper Civil Rights Center, the Greenwood Historic District, and the Oklahoma City National Memorial and Museum.

The bill passed the Senate on Tuesday by a [vote](#) of 39 to 8 and the House on Thursday by a [vote](#) of 87 to 7.

BILLS MOVING

Oklahoma Telecommunications Act/Broadband: [HB 2040](#) by Speaker Charles McCall (R-Atoka) and Sen. James Leewright (R-Bristow) amends the Oklahoma Telecommunications Act impacting the Oklahoma Telecommunications Act. New and amended definitions in 17 O.S. Section 139.102 include “broadband”, “eligible entity”, “high speed internet access service” or “broadband service”, “served area”, “underserved area”, “unserved area”, and “wireless Internet service provider” or “WISP”. Section 139.202, as last amended by Section 1 of Enrolled Senate Bill 802 of the 1st Session of the 58th Oklahoma Legislature, alters the newly created Rural Broadband Expansion Council by creating an exception for legislators impacting the Council’s chair “or co-chair”. Additionally, on or before October 31, 2021, the Council shall develop a set of broadband incentive award guidelines for recommendation to the State Legislature including a weighted approach and recommending necessary controls.

The bill made it out of conference and is awaiting a hearing in the House.

Opioid Abatement/Political Subdivision Grants: [HB 2510](#) by Rep. Chris Kannady (R-OKC) and Sen. Roger Thompson (R-Okemah) amends the Political Subdivisions Opioid Abatement Grants Act in various ways. Included are adding addressing the needs of parents and caregivers caring for babies with neonatal abstinence syndrome, mental health response training and reimbursement of attorney fees and expenses related to opioid litigation incurred as part of legal services agreements entered before May 21, 2020. In addition, an “eligible participant” is changed to be any political subdivision “negatively impacted by the opioid crisis”. Finally, the criterion for making awards is altered by removing current language which gives equal weight to the number of people per capita, number of opioid overdose deaths and the number of opioids distributed. The new language authorizes the Opioid Abatement Board to create the criteria. The initial awards shall be listed in an

opioid grant award “distribution table” reviewed and adopted by the Board.

The bill made it out of conference and is awaiting a hearing in the House.

REC/Broadband/Easements: [HB 2779](#) by Rep. John Pfeiffer (R-Mulhall) and Sen. James Leewright (R-Bristow) allows a rural electric cooperative to use an easement it holds for electric services to also use it to supply high-speed internet service. Class action lawsuits are prohibited against the rural electric cooperative, or its broadband subsidiary based on a claim of expanded use of an easement when used for these purposes. In a trespass or inverse condemnation suit based on a claim of expanded use of an easement, any trespass found will be deemed permanent and the actual damages awarded will be the fair market value. The bill allows a broadband provider with a current pole attachment agreement with the electric cooperative to also use the cooperatives above ground easement to provide high speed internet service.

The bill made it out of conference and is awaiting a hearing in the House.

University Hospitals Authority: [HB 2874](#) by Rep. Kevin Wallace (R-Wellston) and Sen. Roger Thompson (R-Okemah) imposes reporting requirements on University Hospitals Authority regard the sales tax exemption pursuant to 68 O.S. 1356(30) as amended by SB 79 signed earlier in Session. The bill has further reporting requirements when it comes to the number of residents, nursing graduates from the Oklahoma Health Science Centers.

The bill passed the House on Wednesday by a [vote](#) of 85 to 4. It awaits a hearing in the Senate.

Sales Tax Exemption/Operation School Bell: [SB 236](#) by Sen. Rob Standridge (R-Norman) and Rep. Jacob Rosecrants (D-Norman) creates a new sales tax exemption for clothing sales to an exempt organization that distributes clothing to disadvantaged children via Operation School Bell.

The bill passed the Senate on Wednesday by a [vote](#) of 45 to 1. It awaits a hearing in the House.

Sales Tax Exemption/Agriculture: [SB 422](#) by Sen. Frank Simpson (R-Ardmore) and Rep. Dell Kerbs (R-Shawnee) requires the Oklahoma Tax Commission (OTC) to accept any of the following as proof of eligibility for the agriculture sales tax exemption.

1. A copy of IRS Schedule F, a copy of the IRS form 1065 or a copy of IRS form 4836, or any equivalent form prescribed by the IRS, with respect to a federal income tax return.
2. A one-page business description form provided by OTC.
3. Farm Service Agency form 156EZ; or
4. Other documents at the discretion of the OTC that verify active agriculture production.

The bill passed the Senate on Wednesday by a [vote](#) of 45 to 0. The bill awaits a hearing in the House.

Workers' Compensation Compliance Investigation: [SB 1013](#) by Sen. Julie Daniels (R-Bartlesville) authorizes the Workers' Compensation Commission to keep its litigation files and investigatory reports confidential. In addition, an attorney or an investigator from the Compliance Division of the Commission may be required to testify.

The bill passed the Senate on Wednesday by a [vote](#) of 43 to 0. The bill awaits a hearing in the House.