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May 27, 2021

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THAT'S A WRAP - LEGISLATURE SINE DIES

After sixty-seven (67) days, the House and Senate have wrapped up the 1st Session of the 58th Legislature. Sine Die was declared before noon by both chambers. Speaker McCall notified the House that they will be back for Special Session later this year to address the Federal Redistricting plans and possibly interim studies, but for now, you all are safe from any further legislative action.

A special thank you to everyone who called, emailed, and visited with your legislators at the Capitol and back home in their districts about bills with significant municipal impacts. With your help, we have seen several pieces of positive legislation signed into law and several negative bills stopped. We are beginning to work on the annual Sine Die Report, which captures the major issues tracked by OML during the 1st Session of the 58th Oklahoma Legislature. The Sine Die Report will be available next month.

MEDICAL MARIJUANA BILL STAYS LIT

It was a repeat of last Session where a medical marijuana bill was the last bill to be passed before the Legislature adjourned. [SB 1033](#) by Sen. James Leewright (R-Bristow) and Rep. Scott Fetgatter (R-Okmulgee) was presented in the Senate on Wednesday and failed by a [vote](#) of 20 to 24. Sen. Leewright held the bill on a "Motion to Reconsider" and brought the bill back up to have further negotiations. This morning he brought the bill back up and laid out the points in the bill and after an hour and a half long debate, the bill passed the Senate by a [vote](#) of 37 to 11 and then immediately was brought up in the House and passed by a [vote](#) of 78 to 12.

The bill grandfathers any setback location that a retail marijuana commercial grower, processor, or dispensary if it was issued on or after June 26, 2018, by the Oklahoma Medical Marijuana Authority (OMMA) and allows for the grandfather status to be transferred if there is a change in ownership. OMMA is prohibited from denying or renewing any license if there is a mistake in the measurement by OMMA. It defines the setback distance for public and private schools, this does not include athletic fields, administration buildings or anything not deemed to be a classroom. The bill authorizes a publicly traded company to purchase up to forty percent (40%) of the equity in an existing Oklahoma business. The Department of Health is authorized to enter and negotiate a Memorandum of Understanding (MOU) between OMMA and other state agencies for enforcement of marijuana laws in this State. The Department of Health is permitted to enter a contract with the Oklahoma Tax Commission (OTC) to collect and enforce the seven percent (7%) tax on the retail sales. OTC can assess, collect, and enforce any tax and penalty on retail medical marijuana sales existing. OTC is granted the authority to charge a one and a half percent (1.5%) on the gross collection of proceeds for this task.

BILLS SIGNED BY GOVERNOR STITT

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 goes into effect on July 1, 2021.

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 goes into effect on November 1, 2021.

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 goes into effect on July 1, 2021.

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 goes into effect on July 1, 2021.

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 went into effect on May 24, 2021.

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 goes into effect 90 days after Sine Die.

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 goes into effect 90 days after Sine Die.

Sales Tax Rebate/Broadband Equipment: [HB 2946](#) by Rep. Kevin Wallace (R-Wellston) and Sen. Roger Thompson (R-Okemah) creates a new sales tax exemption for qualifying broadband equipment by provider 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 shall 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 went into effect on July 1, 2021.

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 went into effect on July 1, 2021.

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 goes into effect on November 1, 2021.

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 went into effect on May 24, 2021.

Mental Health Funding: [SB 1047](#) by Sen. Roger Thompson (R-Okemah) and Rep. Kevin Wallace (R-Wellston) appropriates Two Million Dollars (\$2,000,000.00) to the Department of Mental Health and Substance Abuse Services. It also provides funding for the following programs:

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.

The bill goes into effect 90 days after Sine Die.

REAL ID/Municipal Examiners: [SB 1057](#) by Sen. Roger Thompson (R-Okemah) and Rep. Kevin Wallace (R-Wellston) amends 47 O.S. Section 6-110 authorizing, with approval of the Department of Public Safety (DPS), a "public transit agency or state, county or municipal government agency" to be third-party examiners of Class A, B or C driving skills portion of the Oklahoma driving examination.

The examiners shall be approved by DPS and the Department is authorized to make rules. The bill also repeals Section 3 of HB 1679, Section 1 of HB 2183 and Section 2 of HB 2465.

The bill went into effect on May 24, 2021.

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 went into effect on May 24, 2021.

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 goes into effect 90 days after Sine Die.

BILLS MOVED TO GOVERNOR'S DESK

Nursing Facility/Dementia: [HB 1794](#) by Rep. Nicole Miller (R-Edmond) and Sen. Adam Pugh (R-Edmond) creates the Alzheimer's Dementia and Other Forms of Dementia Special Care Disclosure Act impacting nursing facilities, residential care facilities, assisted living facilities, adult day care centers, continuum of care facilities, or special care facilities. In addition, an Advisory Council is created to assist the Commissioner of Health in rulemaking.

The bill passed the Senate on Monday by a [vote](#) of 42 to 6.

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 passed the House on Monday by a [vote](#) of 92 to 6 and the Senate on Tuesday by a [vote](#) of 42 to 3.

Insurance/Interlocal Cooperation Act: [HB 2120](#) by Rep. Marcus McEntire (R-Duncan) and Sen. John Montgomery (R-Lawton) amends 36 O.S. Section 607.1 impacting an Interlocal Entity that insures an Oklahoma educational institution. Changes are made to current law and new law regulates any insurer that the Insurance Commissioner has “substantial evidence” to believe is insolvent or the condition of the insurer renders the continuance of its business hazardous to the public or to holders of its policies or certificates of insurance or if an insurer has exceeded its powers or fails to comply with laws of this state.

The bill passed the House on Monday by a [vote](#) of 97 to 0 and the Senate on Wednesday by a [vote](#) of 45 to 0.

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 passed the House on Monday by a [vote](#) of 95 to 0 and the Senate on Wednesday by a [vote](#) of 45 to 1.

Law Enforcement/Sexual Assault Victims: [HB 2546](#) by Rep. Cyndi Munson (D-OKC) and Sen. Kay Floyd (D-OKC) is new law creating the Sexual Assault Victims’ Right to Information Act impacting advocates, duties for medical facilities and law enforcement officers, information rights for victims including evidence and police reports and the like.

The bill passed the House on Monday by a [vote](#) of 94 to 4 and the Senate on Tuesday by a [vote](#) of 45 to 0.

Tobacco/Nicotine Products: [HB 2674](#) by Rep. T.J. Marti (R-Broken Arrow) and Sen. Brent Howard (R-Altus) defines the term “nicotine product” as any product that contains nicotine extracted or isolated from plants, vegetables, fruits, herbs, weeds, genetically modified organic matter, or that is synthetic in origin for human consumption; provided that this does not include products approved by FDA for smoking cessation and adding these products to state law. The bill prohibits any sales of “nicotine products” to any individuals under the age of twenty-one (21) years of age.

The bill passed the House on Wednesday by a [vote](#) of 76 to 13 and the Senate today by a [vote](#) of 39 to 9.

Medical Marijuana/Omnibus: [HB 2646](#) by Rep. Jon Echols (R-OKC) and Sen. Zack Taylor (R-Seminole) by Rep. Echols and Sen. Taylor is a comprehensive bill of over 100 pages amending a number of areas of marijuana law including various licensing requirements, various fees, record privacy, required information and reporting, inspections, penalty provisions, schools within one thousand (1,000) feet of disposal facilities and the like. It provides if a dispensary met statutory requirements at its initial licensure, it may continue operating in the same manner, and not be subject to nonrenewal or revocation despite subsequent events or changes in regulations that would render it in violation by being within one thousand (1,000) feet of a public or private school. If a school is established within one thousand (1,000) feet of a dispensary after it has been licensed, it is not a deterrent to license renewal nor warrant revocation of the license. The one thousand (1,000) feet is measured from the nearest property line of the public or private school and the nearest perimeter wall of the licensed dispensary. A public or private school shall not include administrative buildings, athletic facility, ballpark, field, or stadium, unless the property is located on the same campus as a building used for classroom instruction on core curriculum. Regulation of research, education, waste disposal facilities and testing laboratories are included in the bill.

The bill passed the House on Monday by a [vote](#) of 93 to 3 and the Senate on Tuesday by a [vote](#) of 38 to 8.

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 Senate on Wednesday by a [vote](#) of 46 to 0.

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 House on Tuesday by a [vote](#) of 79 to 14.

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 House on Monday by a [vote](#) of 96 to 0.

Sales Tax Exemption/Museums: [SB 909](#) by Sen. Adam Pugh (R-Edmond) and Rep. Chad Caldwell (R-Enid) creates a new sales tax exemption for tax exempt museums that are not accredited by the American Alliance of Museum, whose budgets are less than \$1 million. The exemption is effective November 1, 2021 through December 31, 2024.

The bill passed the House on Tuesday by a [vote](#) of 76 to 16.

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 House on Tuesday by a [vote](#) of 85 to 2.