

14-24

May 10, 2024

In This Issue:

Governor Stitt Signs OML's Audit Priority Bill	1
Governor & Legislative Leaders Hold Open Budget Meetings	1
Bills Signed by Gov. Stitt	2
Bills Moved to Gov. Stitt's Desk	3
Bills On the Move	3

The Advocate is published by the Oklahoma Municipal League. Forward your comments or suggestions to:

Oklahoma Municipal League
201 N.E. 23rd Street
OKC, OK 73105
Phone: 1-800-324-6651 /
405-528-7515
Fax: 405-528-7560
Email: leslie@oml.org
Internet: www.oml.org



Governor Stitt Signs OML's Audit Priority Bill

On Monday, the House concurred with the Senate amendments on [HB 2362](#) by Rep. Brad Boles (R-Marlow) and Sen. Jessica Garvin (R-Duncan) by a [vote](#) of 84 to 0. The bill directs the governing body of each municipality that requests the biennial agreed-upon-procedures engagement to determine the establishment of policies related to adjustments, write-downs, or write-offs for various receivables due to the municipality and/or the utility-related trust and select a sample of adjustments to test for adherence to policies and for appropriate supporting documentation; obtain two (2) months of bank statements of the General Fund and Utility Fund and confirm that cash deposits were made in the appropriate account(s) and verify utility billing receipts or posting reports agree to the daily deposits. The governing body shall agree upon a pay rate to be authorized and documented in the personnel file or in approved meeting minutes for the city manager/town administrator, city/town clerk, city/town treasurer and payroll clerk. If any employee received compensation over and above his or her authorized salary or hourly rate, the payroll clerk, upon request, shall provide appropriate documentation of authorization for such pay. The requirements shall not include expense reimbursements but shall include any allowances considered taxable. Public trusts with municipal governments as the beneficiary that meet the same financial requirements established in subsection B, may in alternative to obtaining an audit, follow the biennial agreed-upon-procedures engagements as outlined in subsection D of this section.

The bill was signed by Governor Stitt today and goes into effect on November 1, 2024.

Governor & Legislative Leaders Hold Open Budget Meetings

This week, Governor Stitt hosted a "Budget Summit" with Senate and House leaders to discuss budget negotiations. The first meeting held on Monday highlighted the differences between the two Chambers, but Thursday's meeting proved to be a bit more productive. Big issues such as education funding, DPS training center, state grants for sheriff salaries, water system upgrades, and tax policy are still being negotiated. They did agree to schedule the first Joint Committee on Appropriations and Budget (JCAB) meeting for Monday to appropriate \$45 million for the Office of Emergency Management, to help local communities with funding match required by the FEMA for disaster response.

Bills Signed by Governor Stitt

County Emergency Medical Services Sales Tax Bill: [HB 1967](#) by Rep. Carl Newton (R-Cherokee) and Sen. Darcy Jech (R-Kingfisher) passed the House on Monday by a [vote](#) of 75 to 8 and went to Governor Stitt on Tuesday. The bill authorizes any county to levy a sales tax not to exceed one percent (1%) upon the gross proceeds or gross receipts derived from all sales or services in the county upon which a consumer's sales tax is levied. The proceeds will be used solely for the purpose of emergency medical services. Before the sales tax may be levied by the county, the imposition of the tax shall first be approved by a majority of the registered voters of the county at a special election called by resolution of the board of county commissioners.

The bill goes into effect on November 1, 2024.

Energy/Southwest Power Pool: [HB 3053](#) by Rep. Brad Boles (R-Marlow) and Sen. Dave Rader (R-Tulsa) requires the Corporation Commission to coordinate with the Southwest Power Pool (SPP) to develop and provide a reporting of the regulatory and statutory frameworks addressing the rule of the SPP as it pertains to this state. The report shall provide a comprehensive assessment of the impact of the SPP on the state's electricity infrastructure and areas in which the state may desire further evaluation. The Commission shall ensure the completion of the report no later than December 31, 2024. A copy of the report shall be submitted electronically to the following: the Governor, Speaker, Pro Tempore, Chair of the House Utilities Committee of the House or successor committee, and the Chair of the Senate Energy & Telecommunications Committee or successor committee.

The bill goes into effect May 10, 2024.

State Fire Marshals/Grills & Griddles: [HB 3169](#) by Rep. Dell Kerbs (R-Shawnee) and Sen. Grant Green (R-Wellston) requires the State Fire Marshal Commission to promulgate rules allowing the use and storage of propane-fueled grills and flattop griddles and electric wood pellet grills on boat docks; provided, that the act of using such cooking instruments is performed within ten (10) feet of a fire

extinguisher. The fire extinguisher shall be installed and maintained in accordance with the most current version of NFPA 10 (Standard for Portable Fire Extinguishers). Any violations or penalties shall be assessed to the person committing acts contrary to this subsection. The owner or operator of the marina or dock shall not be held liable for the actions of its tenants or others.

The bill went into effect on May 6, 2024.

Grocery Sales Tax Exemption/Terms: [SB 1283](#) by Sen. Pro Tempore Greg Treat (R-OKC) and Speaker Charles McCall (R-Atoka) adds definitions for "bottled water" and "food sold with eating utensils" provided by the seller, as it relates to the state sales tax exemption on groceries and food items. The bill amends the definition of "prepared food" to clarify that food sold with eating utensils provided by the seller is taxable if it does not include a container or packaging used to transport the food. The definition of prepared food is further modified to exclude food sold by a food manufacturer, food sold in an unheated state by weight or volume as a single item and food sold that ordinarily requires additional cooking by the consumer prior to consumption. The bill eliminates the temporary moratorium on local sales tax increases on food and food ingredients that would have been in place until June 30, 2025.

The bill goes into effect ninety days after Sine Die.

Workers' Compensation Court of Existing Claims: [SB 1456](#) by Sen. Pro Tempore Greg Treat (R-OKC) and Rep. Chris Kannady (R-OKC) directs the Court of Civil Appeals to establish the Court of Existing Claims (CEC) Division to replace the three-judge en banc panel of the Workers' Compensation Court of Existing Claims. The CEC Division has jurisdiction over all appeals filed pursuant to the Workers' Compensation Code or previous statute in effect on the date of an injury that occurred before February 1, 2014. CEC does not have jurisdiction over any claim arising on or after the effective date of this act. The Chief Justice of the Supreme Court must appoint one judge from a list of retired judges on a rotational basis to serve as the CEC trial judge. All judicial functions of the CEC remain under the Supreme Court's authority. The CEC must contract with the Oklahoma Workers' Compensation

Commission to provide support services and personnel needs.

The bill goes into effect on July 1, 2024.

Worker's Compensation/PTSD: [SB 1457](#) by Sen. Pro Tempore Greg Treat (R-OKC) and Rep. Chris Kannady (R-OKC) adds a mental injury for a first responder who suffers post-traumatic stress disorder while responding to an emergency to be compensable. The bill defines "first responders". If the treating physician is of the opinion that the first responder is temporarily unable to perform his or her job or any alternative work offered by the employer, he or she shall be entitled to receive compensation which is the greater of the weekly benefit provided for in a collective bargaining agreement or according to the policy of the employer, or seventy percent (70%) of the injured employees average weekly wage not to exceed the state average weekly wage. If the employee has a temporary pension benefit available at no additional cost to the employee and the benefit is equal to or greater than the temporary award in this system, the employer may elect to exercise the temporary pension benefit. In no event shall the disability benefits extend beyond fifty-two (52) weeks). A first responder who receives benefits for a mental injury or illness not accompanied by a physical injury who, after reaching maximum medical improvement, is unable to perform the essential functions of his or her employment position and who is not eligible to receive a disability retirement through his or her pension or retirement system shall be eligible to be awarded permanent disability benefits not to exceed Fifty Thousand Dollars (\$50,000.00). In the event that the Workers Compensation Commission finds that a first responder has suffered PTSD not accompanied by a physical injury, the employer shall provide reasonable and necessary medical treatment for such injury, subject to the Commissions Fee Schedule, for a period not longer than one (1) year. The employer shall not be responsible for medical treatment in the form of prescription medicine in excess of Ten Thousand Dollars (\$10,000.00). During any period in which a first responder is temporarily unable to perform his or her job, the employer must pay to maintain health insurance coverage for the first responder if such health insurance was in effect on the date of the

injury. Claim payments for volunteer firefighters shall be paid pursuant to the Volunteer Firefighter Group Insurance Pool.

The bill goes into effect on January 1, 2025.

Bills Moved to Governor Stitt's Desk

Ambulance Districts/Motor Fuel Tax Exemption: [HB 3031](#) by Rep. Cody Maynard (R-Durant) and Sen. David Bullard (R-Durant) exempts Oklahoma ambulance districts established under Section 9C of Article X of the Oklahoma Constitution from motor fuel taxes.

The bill passed the House on Tuesday by a [vote](#) of 80 to 0.

Blockchains/Digital Asset Mining: [HB 3594](#) by Rep. Brian Hill (R-Mustang) and Sen. Bill Coleman (R-Ponca City) establishes Title 75A in the Oklahoma Statutes to address laws and regulations related to Technology. The bill defines numerous terms related to blockchain and digital asset mining and outlines a series of actions that the state and local governments are prohibited from doing to hinder or restrict the use of digital asset for purchases, commercial asset mining, home asset mining, staking or operating nodes on a blockchain networks. The bill does not prohibit state or a local government from imposing or collecting a tax, withholding, assessment, or charge that would otherwise be offered if the transaction had taken place with US legal tender.

The bill passed the House on Tuesday by a [vote](#) of 76 to 2.

Bills on the Move

Municipal Zoning/Comprehensive Plans: [HB 1599](#) by Rep. Jon Echols (R-OKC) and Sen. Lonnie Paxton (R-Tuttle) establishes that municipal zoning decisions are legislative in nature and valid unless the challenging party proves the ordinance lacks a substantial relation to the public health, safety, or general welfare of the public light of objective and relevant facts, or if the decision constitutes an unreasonable, arbitrary exercise of police power. If the validity of a challenged zoning ordinance or

zoning decision is fairly debatable, in light of objective and relevant facts, the legislative judgment of the municipality must stand. Comprehensive plans may be utilized as a guide in the decision-making process; however, determinations must be made in light of objective and relevant facts outlined in the municipal code. The bill also establishes that municipal platting decisions are quasi-judicial in nature. The respective Planning Commission and City Council of a municipality shall have reasonable discretion to determine the compliance of preliminary and final plats with the municipality's adopted subdivision regulations and all applicable codes and ordinances. If the Council and Planning Commission determines the proposed plat is in compliance with the adopted subdivision code, and meets all applicable ordinances, both accept any proposed dedications, the plat shall be approved. In the case of a preliminary or final plat denial, the objecting governing body member is required to identify their basis for denial. Comprehensive plans are allowed to be used as a guide when making zoning or plat decisions, but decisions are required to be based on objective and relevant facts and the municipal code.

The bill is awaiting a House conference committee assignment. Senate conferees are Sens. Daniels, Floyd, Garvin, Howard, and Paxton.

Water and Water Rights/Water Usage: [HB 2197](#) by Rep. Dick Lowe (R-Amber) and Sen. Lonnie Paxton (R-Tuttle) requires permit holders to report their annual water use to OWRB in a manner provided by the Board. The water use report shall provide the permit holder with an opportunity to explain any nonuse of the water allocated by the permit. In addition to the procedure for individual proceedings, OWRB is authorized to promulgate rules for reporting stream water used and the approval of excused nonuse of stream water. Failure to report annual water usage may result in cancellation of the permit by OWRB upon proper notice and hearing. Notwithstanding any other provision of law, the Executive Director of OWRB may issue administrative orders requiring the immediate cessation of water use when Board staff has a reasonable belief the use is unauthorized or continued use will damage rights of prior appropriators. Such administrative orders shall

indicate the finding of imminent peril and shall specify the actions that are to be taken immediately. In addition, the orders shall specify a time and place for a hearing to be held after such actions are taken.

The bill is awaiting a House conference committee assignment. Senate conferees are Sens. Boren, Bullard, Green, Newhouse, Paxton, and Rader.

Environment/PFAS Act: [HB 2305](#) by Rep. John Pfeiffer (R-Orlando) and Sen. Dave Rader (R-Tulsa) the bill defines "PFAS", "AFFF" and "AFFF waste". The bill lists protected passive receivers of PFAS that provide essential services to not be liable to this state for costs arising from a release of PFAS to the environment such as public water systems, a publicly or privately owned or operated treatment works, or the owner of a site where biosolids generated from a treatment works or a permitted municipal wastewater lagoon; a political subdivision acting as a wholesale water agency; a municipality that is permitted to issue stormwater discharges; and others. Nothing precludes liability for damages or costs associated with the release of PFAS by a protected passive receiver of PFAS if the protected receiver acted with gross negligence or willful misconduct in the discharge, disposal, management, conveyance, or storage of PFAS. DEQ must promulgate rules and regulations related to the receipt, storage, treatment, and disposal of PFAS waste in this state, including rules related to a waste exclusion plan. A person shall apply for the activity to DEQ prior to receiving, storing, treating, or disposing of more than two hundred (200) pounds of AFFF waste per day. AFFF waste generated in or transported from another state shall maintain the same classification or characterization it would receive in the state or origin. If the AFFF waste is banned in another state, then the waste is banned in Oklahoma.

The House rejected the Senate amendments. The bill is awaiting a House conference committee assignment. Senate conferees are Sens. Boren, Green, Howard, Jett, Paxton, and Rader.

Arkansas River Levee Projects Revolving Fund: [HB 3288](#) by Rep. Kyle Hilbert (R-Bristow) and Sen. Cody Rogers (R-Tulsa) creates the Arkansas River Levee Improvement Revolving Fund for OWRB.

OWRB is appropriated from the General Fund, the sum of Fifty Million Dollars (\$50,000,000.00) to perform the duties imposed upon OWRB by law.

The bill is awaiting a House conference committee assignment. Senate conferees are Sens. Dossett, Green, Kidd, Paxton, Rogers, and Woods.

Municipal Water and Wastewater Infrastructure Investments: [HB 3854](#) by Rep. Rusty Cornwell (R-Vinita) and Sen. Micheal Bergstrom (R-Adair) creates an investment rebate program through July 1, 2029, for the cost of water and wastewater infrastructure investments by municipalities with a population between five thousand (5,000) and seven thousand (7,000). The bill lays out the provisions by which a municipality may be eligible for consideration for an investment rebate payment: submit an application and documentation to the Department of Commerce, outlining the planned water and wastewater infrastructure expenditures of at least Thirty Million Dollars (\$30,000,000.00); provide documentation that the water and wastewater infrastructure expenditures exceeds One Hundred Million Dollars (\$100,000,000.00); and have made expenditures of no less than twenty percent (20%) of the water and wastewater expenditure plan outlined in the application submitted by the municipality. Commerce shall approve or disapprove claims for rebates and shall issue payment for all approved claims from funds held in the Water Infrastructure for Economic Development Fund.

The bill is awaiting a House conference committee assignment. Senate conferees are Sens. Bergstrom, Hall, Hicks, Howard, Rader, and Rosino.

Arkansas River Levee Improvement Revolving Fund: [SB 1391](#) by Sen. Cody Rogers (R-Tulsa) and Speaker Pro Tempore Kyle Hilbert (R-Bristow) creates the Arkansas River Levee Improvement Revolving Fund for the purpose of providing levee improvements and matching funds for levee projects.

The Senate rejected the House amendments. The bill is awaiting a House conference committee assignment. Senate conferees are Sens. Dossett, Green, Kidd, Paxton, and Woods.

Law Enforcement/OK Child Abduction Response Teams (OCARTs): [SB 1407](#) by Sen. Roger Thompson (R-Okemah) and Rep. John George (R-Newalla) authorizes the Department of Public Safety (DPS) to create and administer Oklahoma child abduction response teams (OCARTs). OCARTs shall be created by the Commissioner in coordination with federal, state, tribal, county, municipal law enforcement agencies, and appropriate social services agencies. Each member of the OCART shall be responsible for its own acts or omissions under The Governmental Tort Claims Act, or otherwise under state or federal law. The Commissioner is authorized to accept contributions, donations, and gifts in support of OCART programs. The Commissioner is authorized to local OCART committees. The members of OCART shall be CLEET certified peace officers, communications personnel, administrative personnel, support personnel, and multidisciplinary professionals reasonably necessary to effectuate the purposes of this act. The eleven (11) member OCART Committee shall consist of one representative who is an active chief of police from the applicable region or a designee. In conjunction with the OCART coordinator, each OCART committee shall develop a plan for mounting a coordinated response to a verified child abduction. Within four (4) hours of receiving a report of verified child abduction, the law enforcement agency receiving the report shall notify the applicable OCART point of contact. Law enforcement agencies are authorized to utilize the automated license plate readers (ALPRs) in carrying out a coordinated response. Each law enforcement member of an OCART committee shall receive initial training and an annual refresher training as determined by the Commissioner.

The bill is awaiting a House conference committee assignment. Senate conferees are Sens. Brooks, Coleman, Dahm, Gollihare, Jech, and Thompson (Roger).

Poultry Feeding Operations: [SB 1424](#) by Sen. Brent Howard (R-Altus) and Rep. John Pfeiffer (R-Stilwell) amends the Oklahoma Registered Poultry Feeding Operations Act. The bill revises the best management practices so that they reflect the poultry waste nutrient management plans, rather than the industry itself. The bill clarifying that the

occurrence of poultry waste runoff indicates a plan revision is required and that the operators of poultry feeding operations and poultry waste applicators are responsible for obtaining any required training. The bill creates an administrative penalty of no more than Five Hundred Dollars (\$500.00) per day and requires ODAFF to use penalty money to fund enforcement of the act. The bill creates a pathway for growers and integrators to achieve compliance and removes the ability for a court to grant interim equitable relief or punitive damages. It also offers liability protection from action related to poultry waste runoff, if poultry integrators and growers comply with the nutrient management plan and ensures that nothing in the language prohibits a civil suit for damages caused by a violation of a nutrient management plan.

The Senate rejected the House amendments. The bill is awaiting a House conference committee assignment. Senate conferees are Sens. Green, Hall, Hamilton, Howard, Jech, Kidd, and Young.