

OKLAHOMA

Legislative Review



AFR

OFU COOPERATIVE

Updated June 3, 2019

2019 SESSION HIGHLIGHTS

The first session of the 57th legislature adjourned sine die on May 31. A session that began with a new governor and numerous freshmen in both chambers proved to be a fruitful one, resulting in a mostly drama-free and civil four months – something unseen at 23rd and Lincoln for some time. The media often referred to this phenomenon as Gov. Kevin Stitt’s “honeymoon period.” During this time, Gov. Stitt was able to accomplish many of the goals outlined during his State of the State address in February.

BUDGET

The largest state budget in history – \$8.1 billion – was signed into law and takes effect July 1.

- [FY 2020 appropriations summary](#)
- [FY 2020 budget highlights](#)

ECONOMY

Additional rainy day savings

- Gov. Stitt advocated early on for increasing the state’s rainy day fund (also known as the Constitutional Reserve Fund) beyond what is constitutionally required and the state’s savings account. There was a nearly \$600 million budget surplus this year and \$200 million went to the Revenue Stabilization Fund (the state’s savings account created in 2016) via **SB 1076**. Oklahoma now has roughly \$1 billion in reserves, the goal Gov. Stitt set during his State of the State address.

Legislative Office of Fiscal Transparency

- \$1.7 million was allocated to create the Office of Fiscal Transparency to ensure the legislature is appropriating money responsibly, which includes conducting performance evaluations and having access to all agency documents.

Quick action closing fund

- \$19 million was allocated to help recruit businesses to Oklahoma.

Oklahoma Corporation Commission

- \$5.3 million was allocated to modernize permit processing at the Oklahoma Corporation Commission.

EDUCATION

Education funding

- \$157.7 million in new funding was allocated, including \$74 million for districts to use as needed (hiring teachers, counselors, etc.).

Eliminating four-day school weeks

- **SB 441** provides for the near elimination of four-day school weeks – students will have to attend at least 165 days a year starting in 2021. Exemptions are provided for.

2019 SESSION HIGHLIGHTS

TEACHER PAY RAISE

- \$58.8 million was allocated to fund an average \$1,220 pay raise for 97 percent of teachers.

STATE EMPLOYEES

\$37.7 million allocated to increase state employee raises

- \$1,500 pay raise for those earning \$40,000 or less.
- \$1,250 pay raise for those earning between \$40,000 and \$50,000.
- \$600 pay raise for those earning over \$60,000.

CORRECTIONAL OFFICERS

\$11 million allocated for correctional officer raises

- This means a \$2 per hour raise for correctional officers.

EXECUTIVE BRANCH

Agency hiring and firing authority

- Gov. Stitt promised to bring transparency and accountability to Oklahoma agencies. The governor now has the authority to hire and fire agency heads at the Oklahoma Health Care Authority, the Oklahoma Department of Transportation, the Board of Juvenile Affairs, the Board of Corrections and the Board of Mental Health and Substance Abuse Services. The governor already had hiring and firing authority over the Department of Human Services and the Department of Health.
- The additional authority enjoyed by the governor led to the Senate beefing up the confirmation process for the governor's nominees.

Increased funding for agency audits

- In addition to more control over five of the state's largest agencies, this year's budget included \$700,000 for the state auditor to hire additional auditors and conduct more agency audits.

Digital transformation

- \$15 million was allocated to fund a digital transformation program to modernize state agencies.

2019 SESSION HIGHLIGHTS

CONSTITUTIONAL CARRY

Gov. Stitt signed [HB 2597](#), a measure to allow “constitutional carry” (also known as the open carrying of firearms) in Oklahoma, after it moved through both chambers at breakneck speed. It will take effect Nov. 1. A cleanup measure for the bill, [HB 2010](#), addresses carrying firearms at any municipal zoo or park owned, leased, operated or managed by a public trust or nonprofit, limiting the possession of firearms on those premises to concealed carry only. The bill was requested on behalf of Tulsa and Oklahoma City.

JUDICIAL BRANCH REORGANIZATION

[HB 2366](#) reorganizes the Oklahoma Supreme Court and Court of Criminal Appeals to represent congressional districts instead of counties starting in 2020. It also creates four at-large positions.

WORKERS' COMPENSATION REFORM

When the state’s workers’ compensation system was overhauled, issues arose after implementing the new system. [HB 2367](#) was signed into law this session and represents a true compromise between all stakeholders.

HEALTH CARE

- \$105 million reallocation to increase provider rates for physicians, hospitals and nursing homes.
- [HB 2767](#) apportions \$29 million to a new fund to preserve Medicaid provider rates when the federal government’s three-year rolling average results in a rate decline.

TRANSPORTATION

- Funding for the Oklahoma Department of Transportation’s [8-year plan](#).
- Restored \$30 million to the County Improvements for Roads and Bridges (CIRB) program.

ETHICS COMMISSION

Gov. Stitt signed [SJR 22](#), which rejects all of the proposed amendments from the Oklahoma Ethics Commission. [HB 2745](#) also places a cap of \$150,000 in collections to the commission and requires collections in excess of that amount to be deposited into the General Revenue Fund.

ADMINISTRATIVE RULES

Gov. Stitt signed [HJR 1022](#), the omnibus joint resolution approving agencies’ administrative rules. The bill approves all proposed permanent agency rules except for two related to the Oklahoma Department of Wildlife Conservation and the State Board of Pharmacy.

2019 SESSION HIGHLIGHTS

AGRICULTURE

- \$500,000 was allocated for a public-private partnership for areas of northeast Oklahoma with high poultry density.
- \$90,000 was allocated to hire an additional state veterinarian.
- \$1.1 million was allocated for wildfire mitigation funding and additional resources for rural fire fighters.
- \$1.5 million was allocated to improve rural flood control dams.

WHAT'S LEFT?

Criminal justice reform

- While criminal justice reforms were not completed this session, Gov. Stitt issued an executive order creating a criminal justice panel just days before the legislature adjourned. The Criminal Justice Reentry, Supervision, Treatment and Opportunity Reform (RESTORE) Task Force will work to prepare recommendations for next session. Legislative leaders have also indicated their intent to address criminal justice reform next session.

Medicaid expansion

- Gov. Stitt is working on what is known as the “Oklahoma Plan” to improve healthcare access in the state. It is expected to be presented sometime this fall. However, he and many Republican lawmakers remain opposed to accepting federal funds to expand Medicaid. An initiative petition was filed to put the issue to a vote of the people in 2020.

DURING THE INTERIM

Interim studies

- The House deadline to file interim study requests is June 21, with approved studies announced by July 19. The Senate has not yet set a deadline for interim study requests.

PRIORITY LEGISLATION

535 bills were sent to Gov. Stitt this session – 515 were signed into law, 16 were vetoed and two became law without his signature. The governor also signed two joint resolutions.

Note: "Dormant" bills can be carried over to the second session, but "dead" bills cannot.

LEGISLATIVE ACCOMPLISHMENTS

HB 1110 – Increases the fine for dumping trash on the occupied dwelling of another from \$200 to \$500, with the minimum fine being \$200. The bill also provides that any person deliberately dumping garbage, trash, waste, rubbish, refuse, debris or any other deleterious substance on his or her own private property in violation of any county or state zoning or public health regulation is guilty of a misdemeanor.

Authors: Rep. Kevin West and Sen. Chris Kidd

Effective date: Nov. 1, 2019

HB 1210 – Allows three or more commercial vehicles owned by the same person and previously registered in Oklahoma to be registered at the same time regardless of the month(s) in which they were previously registered.

Authors: Rep. Carl Newton and Sen. Darcy Jech

Effective date: Nov. 1, 2019

HB 2051 – Allows retirees receiving benefits from the Oklahoma Firefighters Pension and Retirement System (OFPRS) to perform volunteer firefighting services. The bill prohibits those receiving disability benefits under the OFPRS from performing firefighting services.

Authors: Rep. Mike Sanders and Sen. Casey Murdock

Effective date: Nov. 1, 2019

HB 2263 – Allows for the creation of Groundwater Irrigation Districts.

Authors: Rep. Kenton Patzkowsky and Sen. Casey Murdock

Effective date: Nov. 1, 2019

HB 2301 – Allows the state veterinarian to issue emergency orders governing animals in order to protect the citizens and animals of the state from diseases and pests of animals, including the issuance of stop movement orders for all livestock in the state to determine the precise location of a foreign animal disease in accordance with foreign animal disease response plans. The bill also provides that any person providing training for the emergency management of livestock or other animals for any circumstance, including but not limited to disease, natural disaster, fire or other event, shall obtain approval from the state veterinarian, who can require changes to the curriculum prior to approval.

Authors: Rep. Trey Caldwell and Sen. Casey Murdock

Effective date: Nov. 1, 2019

PRIORITY LEGISLATION

HB 2373 – Provides that in any action for nuisance brought against agricultural activities on farm or ranch land, the court or jury shall determine the amount of noneconomic damages separately from the amount of compensation for all other damages; and noneconomic damages awarded to a plaintiff shall not exceed three times the amount of compensatory damages or \$250,000, whichever amount is greater.

Authors: Rep. Mark McBride and Sen. Julie Daniels
Effective date: Nov. 1, 2019

HB 2628 – Allows a licensee to engage in the growth and cultivation of industrial hemp for agricultural plant research and development purposes. It further provides that upon approval of the Oklahoma Industrial Hemp Program by the United States Department of Agriculture, licensees can engage in the growth, cultivation, handling or processing of industrial hemp. Removes the provisions exempting licensees from penalties if a crop tested at a certain level of THC is destroyed.

Authors: Rep. Jon Echols and Sen. Lonnie Paxton
Effective date: May 28, 2019

SB 347 – Exempts employees of custom harvester operations or individuals operating a service vehicle transporting 1,000 gallons or less of diesel fuel and clearly marked with a “flammable” or “combustible” placard as appropriate from obtaining a hazardous materials endorsement on a class A commercial license.

Authors: Sen. Casey Murdock and Rep. Carl Newton
Effective date: Nov. 1, 2019

SB 392 – Prohibits the sale of all or part of a carcass or food plan from engaging in deceptive or misleading practices.

Authors: Sen. Micheal Bergstrom and Rep. Toni Hasenbeck
Effective date: Aug. 29, 2019

SB 393 – Removes the requirement that a limited political action committee with a not-for-profit membership organization must receive written permission from a corporate member in order to solicit contributions from the corporate member’s shareholders, directors, executives and administrative personnel and their families.

Authors: Sen. Joe Newhouse and Rep. Ross Ford
Effective date: Nov. 1, 2019

PRIORITY LEGISLATION

SB 868 – Modifies the Oklahoma Industrial Hemp Pilot Program by removing the word “pilot” from the program name. Adds definitions for the terms “department plan,” “grower license,” “industrial hemp grower license,” “registered land,” “resident” and “testing.” Modifies the definition of “industrial hemp” and “institutional licensee.” Defines what a grower licensee is authorized to do and sets forth requirements for obtaining said license. Requires an institutional licensee to file a harvest report with the Oklahoma Department of Agriculture, Food and Forestry. Modifies the definition of “marijuana” under the Uniform Controlled Dangerous Substances Act to remove the term “pilot” from the Oklahoma Industrial Hemp Agricultural Pilot Program.

Authors: Sen. Lonnie Paxton and Rep. Jon Echols

Effective date: May 18, 2019

SB 1003 – Creates the Oklahoma Environmental, Health and Safety Audit Privilege Act to encourage voluntary compliance with environmental and occupational health and safety laws.

Authors: Sen. Mark Allen and Rep. Mark McBride

Effective date: Nov. 1, 2019

SUCCESSFULLY DEFEATED BILLS

HB 1403 – Authorizes the Oklahoma Water Resources Board to determine instream flows for certain water bodies.

Authors: Rep. Justin Humphrey and Sen. David Bullard

Status: Dormant (an interim study will be conducted on the issue of instream flows)

HB 1992 – Creates the Oklahoma Public Safety Protection District Act. Allows for the governing body of a municipality to initiate the creation of said district by submitting it to the registered voters of the municipality. It shall encompass all territory within the municipality. The municipality shall have administrative and budgetary oversight. Allows for the assessment of no greater than 5 mills on the dollar of assessed value of property to fund the district. Exempts the assessment of property zoned for agricultural or industrial land use along with livestock employed in support of the family and personal property owned by agricultural business entities. Allows for dissolution.

Authors: Rep. Jadine Nollan and Sen. Jason Smalley

Status: Dormant

SB 477 – Relates to the agriculture sales tax exemption. It requires the Oklahoma Tax Commission to verify that applicants have reported income from farming for income tax purposes.

Authors: Sen. Marty Quinn and Rep. Tom Gann

Status: Dormant

PRIORITY LEGISLATION

MONITORED MEASURES

HB 2178 – Makes it unlawful for any person to leave or deposit the carcass of any animal, chicken or other fowl in any well, spring, pond or stream of water or within a quarter of a mile of any occupied dwelling or of any public highway, without burying or disposing of the carcass in accordance with the recommendations and requirements of the Oklahoma Department of Agriculture, Food and Forestry (ODAFF). It further provides that the owner of any domestic animal must dispose of any carcass within 24 hours after knowledge of death in accordance with ODAFF requirements. Defines “owner.” Repeals several sections of law under 21 O.S. §1221-1222 and 21 O.S. §1224-1228.

Authors: Rep. John Pfeiffer and Sen. Chuck Hall

Effective date: Nov. 1, 2019

HB 2471 – Places a moratorium on mine operations and mining permits that may affect sensitive sole source groundwater basins or sub basins.

Authors: Rep. Charles McCall and Sen. Greg McCortney

Effective date: Nov. 1, 2019

SB 21 – Designates the ribeye as the official steak of the State of Oklahoma.

Authors: Sen. Casey Murdock and Rep. Trey Caldwell

Effective date: Nov. 1, 2019

SB 546 – Requires the owner of any domestic animal that dies of any contagious or infectious disease to dispose of the carcass within 24 hours in accordance with the recommendations and requirements of the Oklahoma Department of Agriculture, Food and Forestry.

Authors: Sen. Brent Howard and Rep. Rande Worthen

Effective date: Nov. 1, 2019

SB 870 – Allows county officers and employees, in the performance of their duties, without incurring liability to any person, to cut firelines and carry out all customary activities for conducting prescribed burns to mitigate hazardous wildland fuels for the prevention of wildfires on private land. The activities must be done under the direction of forest rangers, and permission must be obtained by the landowner.

Authors: Sen. Casey Murdock and Rep. Carl Newton

Effective date: Nov. 1, 2019

SB 962 – Makes a state, county or political subdivision immune from liability if a claim for damages results from the use, repair or maintenance of cattle guards or other devices designed to impede the movement of livestock, wildlife or other animals on public roadways.

Authors: Sen. Brent Howard and Rep. John Pfeiffer

Effective date: Nov. 1, 2019

PRIORITY LEGISLATION

PRIORITY LEGISLATION FAILING TO ADVANCE

HB 1048 – Prohibits the taking of groundwater rights through eminent domain.

Authors: Rep. Danny Sterling and Sen. Julie Daniels

Status: Dormant

HB 1404 – Allows counties to put to a vote of the people whether to place a gross production tax on aggregate.

Authors: Rep. Justin Humphrey and Sen. David Bullard

Status: Dormant

HB 2303 – Provides a sales and use tax exemption for sales of certain commercial forestry service equipment (was not included in the budget negotiations and had a significant fiscal impact).

Authors: Rep. Mike Sanders and Sen. Casey Murdock

Status: Dormant

SB 1078 – Provides an income tax credit to qualifying doctors practicing in rural areas. The committee substitute was notably different from the original version, by expanding the tax credit to not only new primary care physicians but existing primary care physicians, which many senators took issue with.

Authors: Sen. Roger Thompson, Sen. Dave Rader, Rep. Kevin Wallace and Rep. Kyle Hilbert

Status: Dormant

MONITORED BILLS FAILING TO ADVANCE

HB 2029 – Sets the deer gun season on private land to run for 23 days from the Saturday prior to the fourth Thursday in November.

Authors: Rep. Kevin McDugle and Sen. Casey Murdock

Status: Dormant

HB 2150 – Specifies certain actions by a municipality constitute a taking under Article 2 of the Oklahoma Constitution, including substantially interfering with the use and enjoyment of the mineral estate, imposing a limitation that adversely impacts use of minerals or prohibiting access to develop the mineral estate.

Authors: Rep. John Pfeiffer and Sen. Mark Allen

Status: Dormant

PRIORITY LEGISLATION

SB 986 – Removes the requirement that vaccinated animals be properly identified with a tattoo and individual identification and replaces it with official identification as prescribed by the Oklahoma Department of Agriculture, Food and Forestry.

Authors: Sen. Brent Howard and Rep. Jim Grego
Effective date: Dormant

INSURANCE

HB 2190 – Requires an insurer’s audit committee to conduct internal and external audit functions. Provides for exemptions.

Authors: Rep. Lonnie Sims and Sen. Lonnie Paxton
Effective date: Nov. 1, 2019

HB 2191 – Requires an insurer or insurance group to submit to the Insurance Commissioner a Corporate Governance Annual Disclosure.

Authors: Rep. Lonnie Sims and Sen. Lonnie Paxton
Effective date: Nov. 1, 2019

SB 885 – Relates to the Insurance Business Transfer Act. Sets forth provisions for the review of an application for Insurance Business Transfer and requires the transferring insurer and the assuming insurer to pay for an independent expert and consultants.

Authors: Rep. Lonnie Sims and Sen. Lonnie Paxton
Effective date: Nov. 1, 2019

SB 886 – Adds self-service storage insurance to limited lines insurance.

Authors: Sen. John Montgomery and Rep. Marcus McEntire
Effective date: Nov. 1, 2019

SB 993 – Exempts short-term, limited-duration insurance (STLDI) policies from the provisions of the Health Insurance Portability and Accountability Act of 1996 and medical loss ratio calculations.

Authors: Sen. Nathan Dahm and Rep. Lewis Moore
Effective date: Nov. 1, 2019

SB 1010 – Sets forth requirements and penalties related to the licenses of insurance producers.

Authors: Sen. Marty Quinn and Rep. Lewis Moore
Effective date: Nov. 1, 2019